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Issuer & Securities

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REFLECTING ON THE PAST

LOOKING TO THE FUTURE

CITY DEVELOPMENTS LIMITED

ANNUAL REPORT 2015

CORPORATE PROFILE

City Developments Limited (CDL) is a Singapore-listed international real estate operating company with a global presence spanning 94 locations in 26 countries. As one of Singapore's largest companies by market capitalisation, its income-stable and geographically-diversified portfolio comprises residences, offices, hotels, serviced apartments, integrated developments and shopping malls, totalling over 18 million square feet of floor area globally.

CDL has hotel assets in one of the world's largest hotel groups – its London-listed subsidiary, Millennium & Copthorne Hotels plc (M&C), has 126 hotels globally, many in key gateway cities. In Singapore, CDL has developed over 36,000 homes and is one of Singapore's largest commercial landlords, with one of the biggest landbanks amongst Singapore private-sector developers.

Building on its track record of over 50 years in real estate development, investment and management, CDL has developed growth platforms in five key international markets – China, UK, US, Japan and Australia. The Company is also leveraging its stable of prime assets and growing its real estate funds management business. It currently has $2.6 billion in funds under management.

VISION

Building Value for Tomorrow, Today

MISSION

As a trusted property pioneer and a global hotelier, CDL builds value everywhere we go.

- We build quality and innovative spaces to house desirable homes, competitive businesses and secure investments
- We build sustainable profitability while conserving the environment
- We build partnerships to achieve better results
- We build engaging careers so staff can grow with the company
- We build bonds with the community by supporting worthy causes

At CDL, we believe the future is ours to build.

VALUES

Committed to positive results

Competitive in setting standards and beating the competition

Caring towards people we work with, products we create, and the environment we operate in

Over the past five decades, CDL has grown from strength to strength, becoming a leading real estate operating company at the forefront of the industry. Foresight, innovation and tenacity have become our calling cards, as we evolve into a future-ready organisation like no other. With an eye on the future, we have expanded beyond borders and boundaries for greater things to come. In 2015, our new overseas and investment platforms have bolstered our position in the industry, and our focus on sustainability and innovation have made us one of the most decorated developers in the region. While we have strengthened our international presence, we have never forgotten our roots in Singapore, where our resilient foundation was laid more than 50 years ago.

Join us, as we continue **Reflecting on the Past, Looking to the Future.**

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Cover (Left-Right): Hard Days Night Hotel, Liverpool, UK; The Brownstone, Singapore; South Beach, Singapore; Hong Leong City Center, Suzhou, China

REFLECTING ON THE PAST

"We will need the brightest minds to help the world, and businesses like ours, meet the sustainability challenges ahead, so that future generations are not compromised by actions taken today."

The late Mr Kwek Leng Joo
CDL Deputy Chairman
(1953 – 2015)

Mr Kwek Leng Joo was a visionary.

He knew that the seeds we sow today, will become the trees of tomorrow. Understanding how vital a good foundation was, Mr Kwek – as CDL's Deputy Chairman – ensured that CDL was built on solid fundamentals.

As a testament to Mr Kwek's vision, CDL evolved over the years to become an industry leader.

Mr Kwek started his journey with CDL in 1980, as its Director. In 1987, he became CDL's Deputy Managing Director, and then its Managing Director in 1995. Mr Kwek held this position until he was appointed Deputy Chairman of CDL in 2014.

A dedicated advocate of Corporate Social Responsibility (CSR) for over two decades, Mr Kwek's vision of 'Conserving as we Construct', established CDL's reputation as a leading green building champion and a forerunner in CSR, raising the bar for Singapore's real estate industry and driving change for the building sector. His pioneering green efforts for over 20 years helped place CDL and Singapore on the global map of sustainability. Today, CDL is listed on leading global sustainability benchmarks and amongst Global 100 Most Sustainable Corporations in the World.

In 2015, Mr Kwek was conferred the President's Award for the Environment – Singapore's highest environmental accolade, for his outstanding contributions towards environmental and water resource sustainability in Singapore. He was also accorded the pinnacle Green Visionary Award, jointly presented by the Building and Construction Authority and Singapore Green Building Council, which recognises forerunners who have contributed immensely to Singapore's green building movement, leading and influencing sustainability efforts locally and regionally.

Mr Kwek's leadership, presence and invaluable contributions will be greatly missed by the Board, management and employees of the CDL Group. He is fondly remembered as a champion of the environment, a CSR leader, an astute businessman, a philanthropist, and an avid photographer.

Mr Kwek Leng Joo passed away on 16 November 2015. He was 62.

LOOKING TO THE FUTURE

"Over the past two years, we have been advancing our two-pronged diversification strategy of developing new overseas and investment platforms... In line with CDL's long-term investment perspective, we are committed to realising the capital appreciation potential of our real estate assets."

Mr Kwek Leng Beng
CDL Executive Chairman

As a diversified real estate operating company with over 50 years of success, our position at the forefront of the industry rests upon the foundation we have painstakingly built over the years.

Building on this foundation, CDL scaled even greater heights in our international growth strategy in 2015. Our Group's geographical expansion in the past year included two landmark acquisitions in the UK, namely the Teddington Studios and the Stag Brewery land sites, as well as two hotels in Liverpool and Cambridge. In Australia, we re-entered the residential market with our investment in a prime residential site in Brisbane. Our property development projects in China, UK and Japan continued to make good progress.

Another major milestone was achieved in funds management, through the successful execution of our second Profit Participation Securities investment platform.

As CDL evolves with innovative initiatives to deliver even more value to our shareholders, we remain focused on capitalising the value of our assets, and charting dynamic expansion opportunities for growth in the future.

FROM FOUNDATION TO DIVERSIFICATION

Our two-pronged diversification strategy via geographic expansion and development of our funds management platform remain key growth drivers.

One of our major milestones in 2015 was the successful execution of our second Profit Participation Securities (PPS) investment platform. Riding on the success of our first PPS launched in 2014, our second PPS involved a joint investment in a $1.1 billion office portfolio comprising three of CDL's prime office buildings: Central Mall (Office Tower), Manulife Centre and 7 & 9 Tampines Grande. These assets were sold as 99-year leasehold tenures, and CDL retains upside from our long-term reversionary title for both Central Mall (Office Tower) and Manulife Centre, which are freehold and 999-year leasehold properties respectively. The assets have a strong occupancy average of 98% and a high-quality and diversified tenant base.

This initiative enabled the Group to recycle capital for our growth plans and realise the capital appreciation potential of our real estate assets. Through the partnership with our co-investor, CDL remains a substantial investor and continues to manage the three prime office assets.

3 PRIME OFFICE BUILDINGS
Central Mall (Office Tower), Manulife Centre and 7 & 9 Tampines Grande

$1.1 BILLION
worth of assets in PPS 2

$314 MILLION
in pre-tax profits generated in PPS 2

Through PPS 1 and PPS 2, the Group now has
$2.6 BILLION IN FUNDS UNDER MANAGEMENT

Central Mall (Office Tower), Singapore

FROM LOCAL TO GLOBAL

One of our key strategies for growth is to leverage our core capabilities in real estate development across multiple geographies. We now have a stabilised real estate business overseas, with 75% of our proposed gross floor area (GFA) outside of Singapore.

CDL China Limited, our wholly-owned subsidiary, has been making inroads in China's key cities since 2010. Today, CDL China holds prime development sites – two in Chongqing and one each in Suzhou and Shanghai. In 2015, two projects were successfully launched.

Hong Leong City Center (HLCC), an extraordinary integrated development beside Jinji Lake in Suzhou Industrial Park district, launched Phase 1, comprising Tower 1, a 462-unit residential block, and Tower 3, a 912-unit SOHO block. As at end February 2016, 677 units have been snapped up in Phase 1, amounting to sales value of RMB 1.36 billion. In Shanghai, our Hongqiao Royal Lake project sold 13 villas, with sales revenue of approximately RMB 260 million.

Throughout 2015, the CDL Group continued to accelerate our expansion with major acquisitions both locally and overseas, including a re-entry into the Australian residential market with a Brisbane project.

$321 MILLION
for a prime site at Lorong Lew Lian, within walking distance of Serangoon MRT station and bus interchange

26.5 ACRES
acquired in the UK for £243 million, comprising 2 freehold sites in London Borough of Richmond: Teddington Studios and Stag Brewery land sites

RMB 1.62 BILLION
sales revenue from two China projects: Hong Leong City Center, Suzhou and Hongqiao Royal Lake, Shanghai

In 2015, the Group's major acquisitions amounted to

ALMOST $1 BILLION IN ASSETS

Hong Leong City Center, Suzhou, China
(Artist's Impression)

FROM ASSET MANAGEMENT TO GLOBAL OPERATIONS

Our global hospitality footprint is largely led by our subsidiary, Millennium & Copthorne Hotels plc (M&C). In 2015, M&C acquired the world's only Beatles-inspired hotel – Hard Days Night Hotel in Liverpool, UK, which comprises 110 rooms and suites for £13.8 million, while CDL Hospitality Trusts marked its entry into Europe with the acquisition of the 198-room newly refurbished hotel, the Hilton Cambridge City Centre (previously known as Cambridge City Hotel) in the UK valued at £61.5 million.

Five new management contracts were added in the Middle East, including key cities such as Muscat and Kuwait City. M&C also made good progress with its ongoing asset enhancement programme, and development projects in Seoul, Korea and Sunnyvale in California, USA.

M&C has continued to embrace its twin strategy of being both a hotel owner and operator, enabling it to enjoy cash generation capability, while capitalising on its hotel assets over time, through better operating performance, redevelopment opportunities or capital appreciation of its asset portfolio.

£75.3 MILLION
for 2 UK hotels: Hard Days Night Hotel in Liverpool and Cambridge City Hotel in Cambridge

5 NEW MANAGEMENT CONTRACTS
added in the Middle East in 2015

20 HOTELS IN THE PIPELINE OFFERING 6,600 ROOMS
mainly management contracts

M&C's current footprint:

126 HOTELS WITH ABOUT 35,000 ROOMS GLOBALLY

Hard Days Night Hotel, Liverpool, UK

FROM POSSIBILITIES TO REALITIES

As Singapore's property pioneer since 1963, we have been shaping the cityscape, making many iconic landmarks a reality. Our latest architectural gem, South Beach, is redefining Singapore's skyline. Designed by world-renowned architectural firm Foster + Partners, South Beach is located in the heart of Singapore's civic district.

The mega mixed-use joint venture development seamlessly integrates four historic buildings with two new ultra-modern 34-storey and 45-storey towers, comprising over 510,000 square feet (sq ft) of Grade A office space, 190 luxury residences, a 654-room Philippe Starck-designed hotel, with club facilities and 60,000 sq ft of retail space.

OVER 97%
LEASED
with "A-list" tenants at South Beach Tower

654-ROOM
THE SOUTH BEACH
hotel soft launched in September 2015; opening progressively

4 NEW-TO-MARKET F&B CONCEPTS
at South Beach Quarter with other new establishments expected end 2016

21st Century Landmark

SOUTH BEACH – SINGAPORE'S NEWEST ARCHITECTURAL ICON REDEFINES THE CITY SKYLINE

South Beach, Singapore

FROM INNOVATION TO EVOLUTION

Beyond shaping skylines, we are equally passionate about transforming our built environment. For over two decades, we have embraced our ethos to 'Conserve as we Construct', investing in green building innovation and the creation of dynamic green buildings.

Our upcoming luxury Executive Condominium in Sembawang – The Brownstone, will be built using the advanced Prefabricated Prefinished Volumetric Construction (PPVC) method. Apart from enhancing construction productivity and worksite safety, the use of PPVC will also minimise the impact on the environment and ensure quality control. Around 5,000 building modules will be used in the 638-unit development, making it the world's largest application of PPVC in a large-scale residential project.

Game-changing innovation has enabled us to set new benchmarks and evolve into the organisation that CDL is today, building a better and greener future.

MOST AWARDED
36 accolades at the Building and Construction Authority Awards 2015

OVER 80
Green Mark developments and office interiors to date, highest among Singapore developers

>40% BOOST
in construction productivity at The Brownstone through PPVC technology

Sustainability Leader in the Channel NewsAsia Sustainability Ranking 2015:

TOP PROPERTY DEVELOPER IN ASIA, TOP SINGAPORE CORPORATION AND TOP 10 SUSTAINABLE COMPANIES IN ASIA

The Brownstone, Singapore
(Artist's Impression)

2015 BUSINESS HIGHLIGHTS

Revenue

$3,304
MILLION

Profit before Tax

$985
MILLION

EBITDA

$1.3
BILLION

Ordinary Dividend per Share

16
CENTS

Group Total Asset Value

$20.3
BILLION

Value of Major Acquisitions in 2015

$1
BILLION

Net Gearing Ratio

26%

Interest Cover

13 x

Net Asset Value Per Share

$9.89

5-YEAR FINANCIAL HIGHLIGHTS

Year	2011	2012	2013(1)	2014	2015
For the financial year ($'million)					
Revenue	3,280	3,354	3,213	3,764	**3,304**
Profit before tax	1,136	960	948	1,004	**985**
Profit for the year attributable to owners of the Company	799	678	686	770	**773**
At 31 December ($'million)					
Property, plant and equipment	3,313	3,405	4,399	4,918	**5,175**
Investment properties	2,907	2,916	3,161	3,109	**2,584**
Development properties	3,244	4,311	4,326	4,793	**5,515**
Cash and cash equivalents	2,603	2,157	2,720	3,898	**3,565**
Others	2,895	2,819	2,948	2,983	**3,480**
Total Assets	14,962	15,608	17,554	19,701	**20,319**
Equity attributable to owners of the Company	6,827	7,304	7,731	8,410	**8,996**
Non-controlling interests	1,869	1,953	2,485	2,366	**2,217**
Borrowings	4,406	4,467	5,294	6,699	**6,483**
Other liabilities	1,860	1,884	2,044	2,226	**2,623**
Total equity and liabilities	14,962	15,608	17,554	19,701	**20,319**
Per share					
Basic earnings (cents)	86.4	73.2	74.0	83.2	**83.6**
Net asset value ($)	7.51	8.03	8.50	9.25	**9.89**
Dividends (cents)					
a) Ordinary dividend					
- final	8.0	8.0	8.0	8.0	**8.0**(2)
- special interim	5.0	–	8.0	4.0	**4.0**
- special final	5.0	5.0	–	4.0	**4.0**(2)
b) Preference dividend	3.9	3.9	3.9	3.9	**3.9**
Financial ratios					
Return on equity (%)	11.7	9.3	8.9	9.2	**8.6**
Net gearing ratio(3)	0.21	0.25	0.25	0.26	**0.26**
Net gearing ratio if fair value gains on investment properties are taken into consideration	0.15	0.18	0.18	0.19	**0.19**
Interest cover ratios (times)	21.8	17.4	13.7	12.1	**13.0**

Notes:

(1) The 2013 comparative figures were restated to take into account the retrospective adjustments arising from the adoption of FRS 110 - *Consolidated Financial Statements*.

(2) Final and special final tax-exempt (one-tier) ordinary dividends proposed for financial year ended 31 December 2015 will be subject to the approval of the ordinary shareholders at the forthcoming Annual General Meeting.

(3) 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.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to report that City Developments Limited Group achieved profit of $773.4 million. Our 2015 financial performance reflects our ability to navigate through difficult times. We are well-poised to deploy our strong balance sheet towards investments in a period of market dislocation, capitalising on available opportunities, while maintaining discipline in our investments. For 2016, we remain focused on expanding our international property development footprint and growing our funds management platform.

GROUP PERFORMANCE

The Group achieved a strong financial performance for the fourth quarter ended 31 December 2015 (Q4 2015) and for the year ended 31 December 2015 (FY 2015), despite challenging market conditions both domestically and overseas. For Q4 2015, the Group registered a new record net profit after tax and non-controlling interests (PATMI) of $410.5 million, an increase of 6.6%, surpassing its previous quarterly PATMI record of $384.9 million achieved in Q4 2014.

The increase in net profit for Q4 2015 was fuelled by gains accounted from monetising the Group's three prime office assets namely Central Mall (Office Tower), Manulife Centre and 7 & 9 Tampines Grande valued at $1.1 billion (on a 99-year leasehold basis) via a second Profit Participation Securities investment platform (PPS 2) in December 2015 and a maiden contribution of $12 million from the UK property development platform from the sale of Emerald House in Croydon. The progressive sale and profit recognition from pre-sold projects in Singapore also had a higher contribution in Q4 2015 versus Q4 2014. This was partially offset by impairment losses attributable to certain hotels under the Group's 65% subsidiary, Millennium & Copthorne Hotels plc (M&C).

For FY 2015, the Group registered revenue of $3.3 billion (FY 2014: $3.8 billion). The decrease was largely due to the absence of revenue recognition from Executive Condominium (EC) projects as compared to revenue recognised in its entirety for the Blossom Residences EC in Q3 2014 upon its completion. Notwithstanding this, the Group delivered a resilient PATMI of $773.4 million, comparable to $769.6 million for FY 2014. Basic earnings per share stood at 83.6 cents (FY 2014: 83.2 cents) for FY 2015.

RESILIENT FY 2015 PATMI

$773.4 MILLION

In terms of FY 2015 pre-tax profit by business segments, the rental properties segment emerged as the highest contributor, benefitting from the gain arising from PPS 2, which was completed in Q4 2015. Pre-tax profit for this segment increased significantly by 215.4% as compared to FY 2014. Notably, in 2014, gains that arose from the Group's first PPS (PPS 1) transaction, involving the hotel, retail and residential components of the Group's Quayside Collection on Sentosa Cove, were spread across the Group's three main business segments, with the property development segment accounting for the biggest share. As a result, the property development segment posted lower pre-tax profit for FY 2015 vis-a-vis its FY 2014 performance.

The hotel operations segment reported higher revenues mainly from its newly acquired hotels although profit contribution suffered from difficult trading conditions, further magnified by the impairment losses made on certain hotels.

As at 31 December 2015, without considering any fair value gains on investment properties, the Group's balance sheet continued to remain strong with a net gearing ratio at 26.0% (FY 2014: 26.0%). If fair values on investment properties were included, the net gearing ratio will be further reduced to 19.0% (FY 2014: 19.0%). Its 2015 interest cover was at 13.0 times (FY 2014: 12.1 times).

The Board is recommending a special final ordinary dividend of 4.0 cents per share in addition to the final ordinary dividend of 8.0 cents per share. Taking into account the special interim dividend of 4.0 cents paid in September 2015, the total dividends for 2015 amounted to 16.0 cents.

Property

Singapore's economy grew by 1.8% on a year-on-year basis in Q4 2015, unchanged from Q3 2015. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded 6.2%, extending the 2.3% growth in the previous quarter. The construction sector grew by 4.9% year-on-year in Q4 2015 (Q3 2015: 3.0%)

supported by a pick-up in public sector activities, while growth in the services sector eased to 0.8% (Q3 2015: 2.0%).

For 2015, the economy grew by 2.0%, slower than the 3.3% in 2014, and is expected to expand at a modest pace of 1.0% to 3.0% in 2016, factoring the softening of the global economic outlook, downside risks and weak prospects for the domestic construction and manufacturing sectors.

Urban Redevelopment Authority (URA) data indicated that prices of private residential properties decreased by 0.5% in Q4 2015, compared to the 1.3% decline in the previous quarter. This represents the ninth consecutive quarter of decline, which is 8.4% lower from its peak in Q3 2013. For FY 2015, prices fell by 3.7% compared with 4.0% in FY 2014. Rentals of private residential properties dropped 1.3% in Q4 2015 (Q4 2014: 0.6%) and 4.6% for FY 2015 (FY 2014: 3.0%).

In Q4 2015, developers sold 1,603 private residential units (excluding ECs). This is 33% less than the 2,410 units sold in Q3 2015. For the whole of 2015, developers sold 7,440 units representing a slight increase of 1.7% versus the 7,316 units sold in 2014. 2,880 ECs were transacted in FY 2015, a 57% increase from 2014 (FY 2014: 1,834).

The Group, together with its joint venture (JV) associates, sold 674 units, including ECs, at a value of $691.5 million in 2015 (2014: 1,378 units with total sales value of about $1.4 billion), a reflection of the weak residential property market in Singapore.

During the year under review, the Group booked in profits from Jewel @ Buangkok and from JV projects such as Coco Palms, D'Nest, HAUS@ SERANGOON GARDEN, The Palette, The Inflora, Hedges Park, Echelon and Bartley Ridge.

No profit was realised from Lush Acres EC, the Group's fully sold EC, as well as its two recent launches – The Brownstone and The Criterion ECs, due to prevailing accounting treatment for ECs.

The Group launched two new EC developments in 2015. Firstly, The Brownstone, a 638-unit JV EC was launched in July. To date, about 55% of the project has been sold. The development is directly next to the future Canberra MRT station and enjoys close proximity to the Sembawang Shopping Centre and the upcoming Canberra Centre. This was Singapore's best-selling EC in 2015.

THE BROWNSTONE
BEST-SELLING EC IN 2015

Following the positive response from The Brownstone, the Group launched The Criterion, a 505-unit JV development located at Yishun Street 51, in September. Many of the apartments overlook the greenery of the Orchid Country Club's golf courses and the Lower Seletar Reservoir. About 15% of project has been sold to date.

The EC market continues to remain highly competitive as ECs cater to a limited pool of eligible buyers. Given the increased supply of ECs, eligible buyers have multiple available choices. The Group nevertheless believes that over time, sales momentum will increase as construction progresses. Buyers will then be able to envisage the true value of the offering.

In line with the challenging conditions of the private residential property market, the Group's other existing JV projects registered reasonable sales. The 944-unit Coco Palms, launched in May 2014, is now about 88% sold. Located at Pasir Ris Grove, and within minutes' walk to Pasir Ris MRT station and White Sands Shopping Centre, the project continues to see keen interest given its locational attributes and value.

The 845-unit Commonwealth Towers, which is located adjacent to Queenstown MRT station and enjoys strong transportation connectivity and plentiful amenities nearby, is now about 48% sold since its launch in May 2014.

The Venue Residences and Shoppes comprising 266 residential and 28 commercial units, has about 40% of the residential units and 57% of the commercial units sold to date.

The Group's 616-unit Jewel @ Buangkok, which was launched in May 2013, is currently about 94% sold.

In November 2015, the Group won a 99-year leasehold residential site at Lorong Lew Lian for $321.0 million. This JV bid topped the tightly contested tenders by a thin margin of 2.6% over 10 bidders. The 14,001.5 square metres (sqm) site has an attractive location in an established residential estate adjoining a landed housing enclave, with good accessibility to Upper Serangoon Road, Upper Paya Lebar Road and Central Expressway (CTE). It is within 250 metres of the Serangoon bus interchange and MRT station, which is an interchange station for the Circle and North-East Lines. It is also close to several amenities at Serangoon Town Centre, NEX Shopping Mall and Heartland Mall. The Group will explore a condominium development of up to 13 storeys with over 500 units, and expects this development to be well-received.

For the office sector, URA data showed that the overall price index for office space decreased by 0.1% in Q4 2015, similar to previous quarter. The overall rental index for office space fell by 1.8% in Q4 2015, compared to the decline of 2.9% in Q3 2015. For the entire 2015, prices of office space had declined by 0.1% while rentals had declined by 6.5%.

In Q4 2015, the Group's portfolio of office space continued to maintain high occupancy at 97.2%, compared to the national average of 90.5%.

South Beach

South Beach Office Tower, which is part of the Group's mixed-use JV development on Beach Road, is over 97% leased. The 34-storey tower, with over 510,000 square feet (sq ft) of Grade A office space, is home to multinational corporations like Facebook, Rabobank, LEGO, Sanofi and Expedia, among others. Approximately 80% of its tenants have already moved in.

In terms of the 47,000 sq ft retail space, over 40% has been leased. South Beach Quarter, the 13,000 sq ft two-storey conservation block, is fully leased and houses four new-to-market F&B establishments which are all open for business. Active marketing of the remaining space at South Beach Avenue is ongoing. Spread across the entire basement and street levels, tenants will enjoy direct connection to the Esplanade and City Hall MRT stations. However, as construction works for the direct link to the MRT stations are still ongoing and expected to complete in Q3 2016, some delay in the tenancy programme is expected. Activity is expected to pick up when the link is opened, as South Beach will then be seamlessly connected to the underground traffic of the larger City Hall precinct, thus providing retailers much wider exposure and catchment.

The 654-room The South Beach hotel is opening progressively following its soft launch in September 2015, with currently only a limited 200 hotel rooms available for guests. The South Beach Consortium (SBC) has been approached by several major international hotel chains to manage its hotel. In Singapore, there is high demand for well-located, sizeable, premium hotels, which are difficult to secure. Many prestigious hotel chains are seeking to enter the market and have expressed their desire to add further value to The South Beach. SBC will carefully deliberate the options, to identify the business model which maximises the potential of the hotel asset. In view of this development, the original plans for the proposed private club will now be reviewed to coordinate with the hotel branding strategy and management plan.

Construction of the 190-unit South Beach Residences is on track to complete by 2H 2016. Launch timing will depend on market conditions.

Overseas Platforms

Australia

In December 2015, the Group announced its re-entry into the Australian residential sector. In partnership with leading Australian developers, Abacus Property Group and KPG Capital, the Group is jointly developing a prime residential site in Brisbane's highly sought after South Bank precinct. The Group and Abacus will jointly provide majority of the equity funding. The Group contributed a preferred equity interest of approximately A$30 million.

Strategically located at Merivale Street in the heart of South Brisbane, the 2,733 sqm freehold site will be developed into two 30-storey towers named Ivy and Eve, accommodating a total of 472 apartments with gross development value (GDV) of A$275 million. The convenient location offers excellent connectivity to Brisbane's CBD and the future Queen's Wharf integrated resort. The site also enjoys close proximity to the South Brisbane Train Station and major universities such as the University of Queensland, Queensland University of Technology and Southbank Institute of Technology. The future plans for South Brisbane are highly promising with over A$5 billion of proposed infrastructure investment, further boosting its reputation as Brisbane's foremost entertainment, cultural, commercial and education precinct.

Early construction works have commenced for the site. Both towers have been launched for pre-sales, and due to the project's exceptional location and competitive pricing, the sales launches have met with a highly positive response, with over 60% of the 472 units pre-sold to date. The Group expects to realise profits from this project in early 2018.

China

CDL China Limited (CDL China), a wholly-owned subsidiary of the Group, made very strong progress in its four China projects, with sales having been successfully launched in two out of its four projects.

In Suzhou, Hong Leong City Center (HLCC) is a sizeable mixed-use development next to Jinji Lake in Suzhou Industrial Park district. Tower 1, a 462-unit residential tower, and Tower 3, a 912-unit SOHO tower, both part of Phase 1, obtained their respective sales permits and the structures have been topped off. To date, a total of 677 units have been sold in both towers amounting to sales revenue of RMB 1.36 billion. This represents more than 90% of the units in Tower 1, while the recently launched Tower 3 has picked up momentum and crossed the 25% mark. Both towers are expected to be completed towards the end of 2016 and the units handed over to individual buyers, at which point the profit will be recognised.

HLCC's Phase 2 comprises a 430-unit residential block (Tower 2), a 286-room luxury hotel, a 56,000 sqm shopping mall and a 30,000 sqm office tower. The excavation and retaining wall works for Phase 2 were finished ahead of schedule in June 2015 and the whole basement structure was completed in November 2015. The entire structure of Phase 2 will be topped off towards the end of 2016.

In Shanghai, CDL China acquired Shanghai residential developer Jingwen Zhaoxiang Real Estate Limited in December 2014 at an opportune time. The principal asset was a 120-unit, fully completed luxury villa development in Qingpu District's affluent residential corridor, of which 85 bungalows were unsold. As a result of the Chinese government's long-standing regulation not to approve low-density villa developments throughout China, standalone villas have become increasingly scarce and extremely valuable. CDL China relaunched this project in November 2015 under a new name – Hongqiao Royal Lake. The project has gone through an overhaul which includes various renovations, a remodelled club house, landscape enhancements and three new show flats. To date, 13 villas have been sold amounting to sales revenue of approximately RMB 260 million, representing a very successful launch given the large quantum for each villa and considering that sales velocity for this type of product is typically only one to two bungalows a month.

RMB 1.62 BILLION

SALES REVENUE FROM TWO CHINA PROJECTS

In Chongqing, Eling Residences, a 126-unit luxury development located at the peak of Eling Hill in Yuzhong district, completed structural works in 2015, with landscaping and interior renovations currently ongoing. The project successfully cleared the official site inspection by local authorities, and the sales launch is now tentatively targeted for Q2 2016 to capitalise on the traditionally strong sales period in China.

The Group's other Chongqing project known as Huang Huayuan, is also located in Yuzhong district, at a prime and highly sought after area. This development will comprise three high-rise residential towers, a hotel and a retail mall. The residential unit mix for this project has been revised, incorporating a greater proportion of smaller units. Based on the revised plan, the project will resume activity on its substructure works later this year.

Chongqing is one of China's fastest-growing metropolises with its large population, good infrastructure and business-friendly environment. The city continued to maintain its double-digit GDP growth of 11% in 2015. It remains an important pillar of China's 'One Belt, One Road' initiative, which seeks to enhance regional connectivity from China to key regions like Europe, Russia and other parts of Asia. It was announced in November 2015 that Chongqing would be the third Sino-Singapore JV. This is very positive news and with Singapore involved in the master-planning of this new initiative, it is expected to drive a greater influx of foreign investment and larger presence by MNCs into the city, as witnessed in its other collaborations in Suzhou and Tianjin.

The Group continues to monitor Chinese market conditions closely. There have been signs of improvement with increased buying activity in certain cities such as Shanghai and Suzhou after the government lifted several cooling measures and relaxed loan restrictions in 2015. To stimulate China's economy, the Chinese government reduced the reserve-requirement ratio four times since February 2015, freeing up a sizeable amount of capital which Chinese banks can then lend out. In October 2015, the government introduced yet another round of interest rate cuts, representing six reductions since November 2014. These cuts will further improve housing affordability by lowering the cost of mortgages. In addition, the government recently announced in February 2016 that down payments would be reduced from 25% down to 20% for first-time home buyers and from 40% down to 30% for buyers of second homes, a policy aimed at further boosting the property market.

The Group remains positive regarding the medium to long-term prospects of China's real estate market and is well-poised to capitalise on the gradual recovery.

Japan

The Group's prime freehold site located in the prestigious residential enclave of Shirokane in Tokyo's Minato ward is set amidst lush greenery and has a rich history. The locale's exclusiveness, coupled with the scale and importance of the project, require in turn an optimal and outstanding design scheme. The proposed development is targeted at the luxury segment and will include the provision of a public park and open space to support the local community. The development process, while lengthy, has progressed relatively smoothly so far, and consultations with local authorities have indicated that the proposed design has been well received. The Group plans to secure the necessary permits for construction and sales launch by Q4 2017.

The Bank of Japan adopted a negative interest rate policy in a surprise move on 29 January 2016. With the drop in interest rates and a higher spread between property yields and government bond yields, it is likely that more funds will be allocated to real estate. Coupled with the lower cost of financing, further cap rate compression is anticipated.

The Ministry of Land, Infrastructure, Transport and Tourism data indicated that the Japan Residential Property Price Index for Condominiums in Tokyo increased by 17.5% over the past two years.

Overall, the Group remains positive in its outlook for Japan's real estate market and will continue to source proprietary opportunities in the residential, office and hospitality segments.

UK

The Group has since 2013 executed its UK strategy methodically, first seeking to understand the market, prior to evaluating any large-scale acquisitions. As a consequence, the Group completed a series of smaller acquisitions from 2013 to 2014, prior to contemplating larger acquisitions. The success of this approach now enables the Group to contemplate larger acquisitions with the potential for significant value creation.

In November 2015, the Group completed its £85 million purchase of the Teddington Studios land site, in the London Borough of Richmond in south-west London. The 18,211 sqm (approximately 4.5 acres) site was formerly home to Pinewood Studios and overlooks the Teddington Weir on the River Thames. The Group plans to redevelop this coveted site into a luxurious riverside precinct comprising 213 apartments, six houses, a refurbished Weir Cottage and 258 secure parking spaces. The planning application is at an advanced stage and should be approved by Q2 2016.

In December 2015, also in the London Borough of Richmond, the Group acquired the freehold, 89,031 sqm (approximately 22 acres) Stag Brewery land site for £158 million. Located in Mortlake, the expansive site offers tremendous redevelopment potential for a mixed-use scheme, which will accommodate a major riverside residential development, a new school, a hotel and other employment and leisure uses. Planning approval for the masterplan is expected in Q1 2018 and the development will be undertaken in two phases.

The Group's existing UK operations continued to make steady progress, including divestitures. Emerald House in Croydon was successfully sold in late 2015, generating a profit of £5.7 million. Residential sales of the 82-unit Reading project also look promising, with 73 units exchanged, 9 units reserved. This project is on target to produce profits in Q3 2016.

Chesham Street, Belgravia; Hans Road, Knightsbridge; and Sydney Street, Chelsea are all progressing on site. Being high-end properties, they are not expected to attract buyers until they are completed in Q4 2016.

The planning application for Knightsbridge carpark (28 Pavilion Road) is about to be resubmitted following resolution of technical issues. The Group is confident that the planning application will be approved in Q2 2016. The property continues to attract keen interest.

Moving forward, given its success in smaller, focused developments, the Group's UK operations is now focusing on larger scale projects, and in that regard, the Group is tracking a number of opportunities that may be advantageously acquired.

UK housing prices are expected to keep rising as supply shortages continue across the southern half of the UK. The most pronounced rises are expected in outer London, where supply shortages have been principally caused by the planning system, the shortage of building contractors and ever increasing population growth. Positively, the UK government is now seeking to reduce planning obstacles, for example by replacing affordable homes with 20% discounted open market priced homes for first-time buyers. Negatively, the government's increase of stamp duty on second homes and buy-to-let purchases to 3% and other taxation changes may impact the buy-to-let market. Rising construction costs remain a challenge.

Low inflation and interest rates, and jobs growth suggest that nearer 2.0% growth will be the norm for 2016.

Funds Management

The Group unveiled a $1.1 billion PPS 2 in December 2015. It partnered Alpha Investment Partners Limited (Alpha), through Alpha Asia Macro Trends Fund II (AAMTF II), to jointly invest in an office portfolio comprising three of the Group's prime office assets: Central Mall (Office Tower), Manulife Centre, and 7 & 9 Tampines Grande. The Group sold these three assets to the JV vehicle as 99-year leasehold tenures, but retains upside from its long-term reversionary title to both Manulife Centre and Central Mall (Office Tower). The Group will continue to manage these three assets.

$2.6 BILLION
FUNDS UNDER MANAGEMENT

Alpha and the Group will co-finance the portfolio in the ratio of 60:40. The total aggregated value of the securities issued in the PPS transaction is $333.5 million, comprising $133.3 million of securities subscribed by Bestro Holdings Limited, a wholly-owned subsidiary of the Group, with AAMTF II contributing $200.2 million. Concurrently, two banks provided $750.1 million in senior loan facilities. Both investors, in addition to a participation in asset divestment, will be entitled to a fully secured fixed coupon payout of 5% interest per annum for a period of five years, in relation to a component of the PPS transaction involving the subscription of bonds.

Cash flow waterfall allows the Group to retain significant upside in outperformance. When the assets are divested, AAMTF II will be provided with preferred returns of an internal rate of return of up to 12.6% per annum (inclusive of the 5% coupon payment). The Group will then receive all cash flows until its capital is fully repaid. Thereafter, further upside sharing will occur between AAMTF II and the Group in the proportion of 40:60 respectively.

PPS 2 is in line with the Group's diversification strategy to develop new investment platforms and recycle capital for growth plans. It rebalances the Group's office portfolio exposure in Singapore, while retaining a substantial investment in these prime assets for further capital appreciation potential. Combined with PPS 1, the Group now has $2.6 billion in funds under management through the two PPS vehicles.

Hotel

In 2015, global hospitality markets were impacted by falling commodity prices, mounting concern with regard to terrorism, health advisory travel alerts and uncertainty regarding growth of the Chinese market. These external factors negatively affected the FY 2015 performance of M&C.

M&C reported PATMI of £5 million for Q4 2015 (Q4 2014: £44 million) and £65 million for FY 2015 (FY 2014: £110 million), due primarily to the recognition of a net charge of £43 million against pre-tax profit. This net charge includes £76 million of impairment losses primarily relating to four M&C hotels – two in Asia and two recently acquired; partially offset by net revaluation gains of £33 million on its investment properties. The PATMI impact at the CDL Group level is about $48 million. It should be noted that the Group continues to adopt its conservative policy of accounting for its investment properties and property, plant and equipment at cost less accumulated depreciation and accumulated impairment losses. M&C, on the other hand accounts for investment properties at fair value, and its property, plant and equipment (land and buildings) at cost, except as allowed under IFRS 1 transition rules, less depreciation and any provision for impairment. M&C's basic earnings per share for FY 2015 decreased by 41.5% to 19.9p (FY 2014: 34.0p).

However, revenue for FY 2015 increased by 2.5% to £847 million (FY 2014: £826 million) reflecting contributions from hotel acquisitions and the highly successful launch of Millennium Mitsui Garden Hotel Tokyo in December 2014, along with some favourable foreign exchange movements.

Global revenue per available room (RevPAR) increased by 0.6% to £71.98 in FY 2015 (FY 2014: £71.55), but decreased by 1.3% in constant currency. This was due to the continuing deterioration of trading conditions in M&C's Asian hotels, where RevPAR declined by 9.0% across Singapore and Rest of Asia combined. London and New York also saw RevPAR declines, due mainly to the impact of refurbishment works at Millennium Bailey's Hotel London and ONE New York respectively.

M&C acquired two properties in the UK in 2015. On 18 August 2015, it completed the acquisition of a long leasehold interest in the Hard Days Night Hotel in Liverpool for £13.8 million. The Beatles-inspired 110-room and suites hotel is located within the city's popular Cavern Quarter. M&C's subsidiary, CDL Hospitality Trusts (CDLHT), in which M&C owns a 36% stake, acquired the Hilton Cambridge City Centre (previously known as Cambridge City Hotel) for £61.5 million on 1 October 2015. The property is a 198-room newly-refurbished upscale hotel located in the heart of Cambridge city centre. The acquisition marks CDLHT's first investment in Europe.

On the property development front, M&C continued to make progress on various land sites. In Seoul, South Korea, it plans to construct a 306-room hotel and a 209-unit serviced apartment complex, which is expected to complete in mid-2018.

The proposed mixed-use land site at Sunnyvale, California, in the heart of the Silicon Valley, will include a 263-room hotel and a 250-unit residential apartment block in the initial phase. A subsequent phase is expected to include a retail component. Completion of this project is scheduled for late 2017.

M&C continues to explore options in relation to the freehold site occupied by the Millennium Hotel St Louis, which closed in January 2014.

In the year under review, M&C completed refurbishment of all guest rooms at Millennium Bailey's Hotel London, Millennium Hotel Buffalo and all remaining rooms at Millennium Seoul Hilton. In New Zealand (NZ), renovation of 40 guestrooms at Copthorne Hotel & Resort Queenstown Lakefront was completed in November 2015. Work on Grand Hyatt Taipei's main lobby was substantially completed in January 2016, with a retail corner and two small F&B outlets planned for completion later this year.

Two of M&C's key London hotels – Millennium Hotel London Mayfair and Millennium Hotel London Knightsbridge, are expected to commence refurbishment works in 2016. Both projects will require removal of rooms from inventory in stages during refurbishment but will not require full closure. The hotels are expected to fully re-open in late 2017 or 2018.

In the US, refurbishment works for the guest rooms in the East Tower of ONE UN New York have commenced and Millennium Hotel Durham is expected to start refurbishment in March 2016. The Millennium Biltmore Hotel Los Angeles refurbishment is in progress and is scheduled to complete by mid-2017.

In July 2015, Copthorne Hotel Auckland Harbour City in NZ was closed for extensive refurbishment. It is expected to be completed in early 2017.

In Singapore, work on the overhaul of the lobby and F&B outlets of the Grand Copthorne Waterfront Hotel commenced in December 2015 and is targeted for completion in Q3 2016.

M&C's JV partners and associates, including its Singapore-listed associate, First Sponsor Group Limited (FSGL), contributed £17 million to FY 2015 profit. This was a 70% increase from £10 million in FY 2014. At 31 December 2015, M&C managed the 196-room M Hotel Chengdu owned by FSGL.

CURRENT YEAR PROSPECTS

Property

Since 2009, the Singapore government has made several rounds of property cooling measures. The Total Debt Servicing Ratio (TDSR) which restricts potential buyers' borrowing capacity and Additional Buyer's Stamp Duty (ABSD) introduced at the end of June 2013 were perhaps the most drastic, and continue to adversely impact both sales volume and property prices across all residential market segments.

The Group was acutely aware that its property development business was highly Singapore-centric and it needed to reposition itself to mitigate the imminent headwinds. Leveraging on the Group's over 50 years of real estate development expertise, it took deliberate efforts to set-up new growth platforms overseas for a more balanced and diversified portfolio. In August 2010, the Group established CDL China, and now has four development sites in China.

In May 2013, the Group announced its plans for property development in London, a natural progression, as it already has a strong hotel presence in this market under M&C. Initially, the Group adopted a more cautious approach, investing in five small-scale

CHAIRMAN'S STATEMENT

projects. However, with greater in-depth knowledge of the real estate sector, it is now more attuned with the market conditions and shifting gears to focus on larger scale projects outside of Central London, with the acquisition of the Teddington Studios and Stag Brewery sites in Q4 2015. To date, it has invested a total of £400 million in seven prime freehold properties in the UK, after successfully monetising Emerald House.

£400 MILLION
INVESTED IN SEVEN FREEHOLD UK PROPERTIES

In September 2014, the Group also acquired the Shirokane site in Tokyo, where acquisition of land sites is extremely rare and difficult in Japan. It has also recently made its re-entry into Australia's residential sector.

In addition to the above, the Group has successfully completed two PPS transactions, building on its fund management business.

Overall, the Group has laid the foundations for these new platforms and they are in line with its diversification strategy. There will be a gestation period for profit recognition in accordance with the respective accounting treatments. The Group anticipates the projects to bear fruit in terms of recurring profits from 2H 2016, starting with the strong sales from the Suzhou HLCC and the Hongqiao Royal Lake projects.

Hotel

The macroeconomic factors that negatively affected FY 2015's performance are expected to continue in 2016. Global RevPAR fell by 5.9% for January 2016, led by a decrease of 10.1% in Europe, a 10.9% decrease in US and 3.6% decrease in Asia, against a 20.7% increase in Australasia.

The competitive landscape underwent significant change in 2015, with the consolidation of several large, global hospitality players. M&C is focused on making the correct strategic choices in order to grow earnings and optimise returns on assets amidst this rapidly changing and competitive environment.

M&C is addressing shortfalls in hotel trading through a number of revenue initiatives, including an enhanced digital marketing platform, increased focus on the Chinese outbound market and identifying further upselling opportunities across the estate.

Although the short-term trading outlook is uncertain, M&C believes that asset ownership is key to creating long-term value in a changing hospitality industry landscape. It will therefore continue to focus on its strategy of ownership and management of hospitality real estate assets.

M&C will focus on optimising returns on its assets by undertaking refurbishment projects, whilst remaining vigilant with regard to controlling costs.

Group Prospects

2016 will be a challenging year for businesses across many sectors as the global growth outlook remains dim. Fears of a global recession, stock market volatility, a dramatic fall in oil prices, and other uncertainties, have all made the global economic climate highly sensitive, and an air of caution prevails.

Domestically, the effects of oversupply, higher land and construction costs, and property cooling measures, have led to a softening of the property market, dampening both demand and prices, with little impetus for investors.

The Group has been cognisant of the storm that has been brewing. Over the years, it has set out its plans to mitigate its risks, through its diversification strategy, building value in new geographies and products. Its 2015 financial performance reflects its ability to navigate through difficult times.

The Group is well-poised to deploy its strong balance sheet towards investments in a period of market dislocation, capitalising on available opportunities, while maintaining discipline in its investments. It remains focused on expanding its international property development footprint and growing its funds management platform.

ACKNOWLEDGEMENTS

The Group was deeply saddened by the sudden passing of our late Deputy Chairman, Mr Kwek Leng Joo, in November 2015. His leadership and invaluable contribution, particularly in establishing the Company's reputation as a leading green building champion and a forerunner in Corporate Social Responsibility and Sustainability, will be greatly missed.

On behalf of the Board of Directors, I would like to express my heartfelt appreciation to our stakeholders, including our shareholders, customers and business associates and partners, for their continued support of the Group. I would also like to thank my fellow Directors for their invaluable advice and guidance and the Management and staff for their dedication and commitment in the past year.

KWEK LENG BENG
Executive Chairman
25 February 2016

我谨代表董事部同仁欣然呈报城市发展集团的业绩创下了7亿7340万元的利润额。2015年的财务业绩反映了我们在困难时期奋勇向前的能力。我们已准备好利用我们雄厚的资产负债表，在市场混乱时期进行投资，善用现有机会，同时遵守投资纪律。2016年，我们仍然专注于扩大国际房地产发展领域，拓展资金管理平台。

集团业务表现

尽管国内外市场形势严峻，截至2015年12月31日的第四季度(2015年第四季度)以及截至全年2015年12月31日(2015年财政年度)，本集团仍然取得了强劲的财务表现。在2015年第四季度，集团收益再创新高，税后归股东净利(PATMI)达至4亿1050万元，同比增长6.6%，超过2014年第四季度PATMI 3亿8490万元的记录。

2015年第四季度净利的增加，主要是来自集团通过投资平台"第二代盈利分享证券"(Profit Participation Securities，简称PPS 2)将价值高达11亿元(租赁期限为99年)的三大办公楼资产货币化所获得的盈利，其中包括Tampines Grande 7 & 9、宏利保险中心(Manulife Centre)，和Central Mall(办公楼)，以及销售英国房地产发展平台的 Emerald House in Croydon 所取得的1200万元初次入账。2015年第四季度，新加坡的预售项目的营业额以及利润也渐续性入帐，与2014年相比，作出了更大贡献。部份盈利被集团持股65%的子公司千禧国敦酒店集团(M&C)名下的某些酒店的减值损失抵消。

集团2015年所确认的营业额为33亿元(2014年为38亿元)。这主要是因为执行共管公寓项目花盛园(Blossom Residences)已在2014年第三季度竣工，使到集团少了该执行共管公寓项目的收入贡献。尽管如此，2015年集团的PATMI仍然取得约为7亿7340万元，可与2014年集团PATMI 7亿6960万元相比。2015年的每股基本盈利为83.6分(2014年为83.2分)。

2015年各业务部门的税前盈利而言，租赁业务贡献最大，这归功于2015年第四季度成功完成交易的 PPS 2 所产生的收益。相较于2014年，这部分的业务税前盈利激增215.4%。值得注意的是，2014年集团第一代盈利分享证券(PPS 1)投资平台产生的利润，包含了集团位于升涛湾(Sentosa Cove)的Quayside Collection项目。该项目集酒店、零售和住宅为一体，因此横跨集团三大主要业务范围，其中房地产发展业务占据了最大份额的利润。因此，同2014年相比，2015年房地产发展业务税前盈利相对的降低。

酒店业务方面虽然因新收购的酒店而取得较高营业额，但税前盈利却受到严峻的贸易环境影响而不尽理想，对某些酒店做出减值损失更降低利润。

截至2015年12月31日，不计投资性房产业的公允价值变动，集团的资产负债表继续保持强劲，净负债与资产比率为26.0%(2014年为26.0%)。若投资性房产业的公允价值包括在内，净负债与资产比率将进一步下降至19.0%(2014年为19.0%)。2015年，集团的利息偿付比率为13.0倍(2014年为12.1倍)。

除了派发每股8.0分年终普通股息，董事部也建议增派每股4.0分的特别年终普通股息。加上2015年9月派发的每股4.0分的特别年中股息，2015年普通股东的股息共为每股16.0分。

房地产业

2015年第四季度新加坡的经济年比增长为1.8%，与2015年第三季度保持同等增长速度。按季节变化调整后的季度环比增长折合年率计算，经济增长实为6.2%，延续上一季度2.3%的增长。由于公共部门活动增加，2015年第四季度建筑业的年比增长高达4.9%(2015年第三季度为3.0%)，而服务业增长步伐则放缓了，下降至0.8%(2015年第三季度为2.0%)。

整体上，2015年经济增长为2.0%，低于2014年的3.3%，预计在2016年经济将以1.0%到3.0%的平缓速度增长，这反映出全球经济将走软，面临下行风险，并且国内建筑业和制造业的前景将变得黯淡。

市区重建局(URA)的数据显示，私宅产业价格在2015年第四季度下跌0.5%，相较于第三季度则跌了1.3%。这是私宅产业价格连续九个季度的滑落，比2013年第三季度的最高价格低8.4%。整体上，2015年价格下降了3.7%，而2014年价格则下降了4.0%。私宅租赁方面，2015年第四季度下降1.3%(2014年第四季度为0.6%)，2015年全年下降4.6%(2014年为3.0%)。

在2015年第四季度，发展商售出1,603个私宅单位(不含执行共管公寓)，与2015年第三季度所售出的2,410个单位相比，下跌33%。整体而言，发展商2015年全年售出7,440个单位，与2014年共售出7,316个单位相比，微升1.7%。2015年共售出2,880个执行共管公寓，比2014年增多57%(2014 年为1,834个单位)。

2015年本集团及其合资伙伴售出了包括执行共管公寓在内的674个单位，销售总值为6亿9150万元(2014年有1,378个单位，销售总值为14亿元)，反映了新加坡住宅市场疲软。

在本财政年，集团几个预售楼盘的收益都陆续入帐，如万国阁(Jewel@Buangkok)以及其合资楼盘如椰林景(Coco Palms)、鸣翠苑(D'Nest)、豪舍(HAUS@SERANGOON GARDEN)、梦彩苑(The Palette)、The Inflora、Hedges Park、盛峰(Echelon)和Bartley Ridge。

由于执行共管公寓楼盘的现行会计处理方法，集团去年售罄的楼盘如 Lush Acres，以及集团两个新推出的执行共管公寓楼盘The Brownstone和The Criterion的营利有待入帐。

2015年集团推出了两个新的执行共管公寓的合资楼盘。第一个是The Brownstone，7月份推出了拥有638个单位的合资执行共管公寓楼盘，至今已有大约55%成交。该发展项目毗邻将来的堪培拉地铁站(Canberra MRT station)、三巴旺购物中心(Sembawang Shopping Centre)以及堪培拉中心(Canberra Centre)。这是新加坡2015年达到最好销售成绩的执行共管公寓。

董事主席报告

继 The Brownstone 良好的销售成绩，集团9月份推出 The Criterion，这是一个拥有505个单位的合资项目，位于义顺第51街。许多公寓都可以俯瞰到胡姬乡村俱乐部高尔夫球场和实里达下段蓄水池公园的绿地景观。至今项目已售出约15%。

由于执行共管公寓迎合了少数符合条件的购屋者的需要，执行共管公寓市场继续保持着高度竞争力。鉴于执行共管公寓供应量增加，符合条件的购屋者有了更多选择的机会。不过，本集团仍然认为，随着时间的推移，和建设的不断推进，销售势头也会变得更好，买家也将能了解到集团所提供的真实价值。在私宅产业严峻的市场竞争环境下，集团其他现有的合资项目也取得了不错的销售业绩。2014年5月推出的拥有944个单位的椰林景(Coco Palms)，已售出大约88%。楼盘位于巴西立林，毗邻巴西立地铁站及白沙购物中心。基于其位置优越和价值，此项目将继续吸引购屋者。

Commonwealth Towers 位于联邦道女皇镇地铁站旁，拥有845个单位。由于其交通四通八达，周围便利设施完善，自2014年5月推出后，已有48%售出。

星苑居/星苑坊(The Venue Residences and Shoppes)共有266个住宅单位和28个零售单位，至今已售出大约40%的住宅单位和57%的零售单位。

集团2013年5月推出的万国阁(Jewel@Buangkok)，拥有616个单位，已售出近94%。

2015年11月，集团以3亿2100万元获得位于罗弄榴梿(Lorong Lew Lian)的住宅用地，拥有该地99年地契。投标竞争激烈，共有超过10名投标人，集团的合资公司仅以2.6%的微弱优势胜出。该地块面积14,001.5平方米，地段优越，毗邻成熟住宅区和有地住宅，交通方便，可通往实龙岗路(Upper Serangoon Road)、巴耶利巴路(Upper Paya Lebar Road)和中央高速公路(Central Expressway)，距离实龙岗巴士转换站和地铁站，即是地铁环线和东北线的转换站不到250米。它离实龙岗镇中心(Serangoon Town Centre)、NEX购物中心和中心广场(Heartland Mall)的便利设施也很近。集团将开发最高13层的公寓，超过500个单位，预计该项目会很受欢迎。

在办公楼产业市场方面，市区重建局数据显示2015年第四季度办公楼的产业价格指数下降0.1%，与上季度相同。2015年第四季度的办公楼租金指数下降1.8%，而上一季度则下降2.9%。整体上，2015年办公楼的产业价格下跌了0.1%，而租金价格下跌了6.5%。

在2015年第四季度，集团旗下办公楼产业维持高出租率，达97.2%，高于全国90.5%的平均数据。

风华南岸

本集团位于美芝路的合资综合发展项目风华南岸(South Beach)办公楼，出租率已超过97%。楼高34层的大楼有510,000平方英尺的A级办公单位，租户包括许多跨国企业，如Facebook、Rabobank、LEGO、Sanofi和Expedia等。大约80%的租户已经迁入。

其拥有占地47,000平方英尺的零售空间，其中超过40%已出租。风华南岸会所，一栋13,000平方英尺受保留的两层建筑已全部出租，四大新进市场的餐饮场所也全部开始营业。风华南岸大道的零售剩余单位也正在积极出租中。大楼将设地下通道连接滨海艺术中心和市政厅地铁站，供租户可直接通往。不过，与地铁站连接的线路还在建设当中，预计在2016年第3季度竣工，一些租赁项目有可能延迟。由于风华南岸将与较大的市政厅区地下交通无缝连接，将给零售商提供更多曝光机会和更大客流量，所以当线路开通后，租赁活动有望回暖。

风华南岸酒店有654间客房，自2015年9月逐步开始营业，目前仅有200间客房可让客人使用。几个大型国际连锁酒店已经与风华南岸的财团 South Beach Consortium (SBC) 洽商经营其酒店。在新加坡，地段好、空间大、优质的酒店很少，所以需求量很大。许多著名的连锁酒店正在寻求进入市场，并表示可以让风华南岸增值。SBC将仔细遴选，确定可以使酒店资产的商业模式更具潜力。鉴于这种发展，原先拟议的俱乐部计划将被重新评估，以配合酒店品牌战略和管理计划。

拥有190个单位的风华南岸公寓将在2016年下半年竣工，推出时机视市场发展情况而定。

海外发展平台

澳大利亚

2015年12月，集团宣布从新进军澳大利亚住宅市场。集团与澳大利亚领先的发展商Abacus Property Group和KPG Capital合作，共同发展在布里斯班备受追捧位于南岸的黄金住宅用地。集团和Abacus将共同为大部分股本出资，其中集团为优先股出资约3,000万澳元。

该地段处南布里斯班心脏地带的梅里韦尔街(Merivale Street)，地理位置优越，共2,733平方米，属于永久地契，将被发展成两栋分别命名为Ivy和Eve的30层建筑，总共472个公寓，总发展价值为2.75亿澳元。其便利的地理位置，到布里斯班的中心商务区和将来的皇后码头(Queen's Wharf)综合度假胜地都很方便。该地段还靠近南布里斯班火车站及昆士兰大学、昆士兰科技大学、南岸技术学院等多所大学。南布里斯班将极有望投资50亿澳元用于基础设施建设方面，从而进一步提高其作为布里斯班最重要的娱乐、文化、商业和教育区的声誉。

该用地的前期工程已开始动工。两座大楼已开始预售，并且由于该项目特殊的地理位置和价格优势，自推出就获得了非常积极的响应，472个单位至今有60%以上已售出。集团预计在2018年初将盈利入帐。

中国

集团独资子公司城市发展(中国)有限公司的四大中国区项目进展都很顺利，其中已有两大项目预售成功。

苏州丰隆城市中心(HLCC)乃是苏州工业园区内邻近金鸡湖畔的大型综合发展项目。项目一期为一栋拥有462个单位的住宅大厦1号楼，以及一栋拥有912个单位的居家办公大楼(SOHO)3号楼，两者都已经获得销售许可证，而大楼架构也已建造完毕。截至为止，两座大楼共有677个单位已售出，销售额达13.6亿元人民币。其中1号大楼超过90%的单位已售出，而近期3号大楼销售也势头强劲，售出25%的单位。两

座大楼预计在2016年底竣工，并可交付给各买家，届时即可纳入盈利收益。

HLCC项目二期将包括一栋拥有430个单位的公寓大楼（2号楼），一个286个客房的豪华酒店，一个56,000平方米的购物中心和一个30,000平方米的办公大楼。二期工程的土石方开挖和竖设挡土墙工作已在2015年6月计划前完成，而且整个地下层结构也在2015年11月完工。整个二期工程将在2016年底完成封顶。

城市发展(中国)在2014年12月份从上海一家住宅发展商及时收购了上海精文赵巷置业有限公司。其主要资产是于上海青浦区富裕住宅地段建成的120个单位的豪华别墅，尚有85个单位仍未售出。由于中国政府一直规定在中国不允许发展低密度别墅，因而独栋别墅变得越来越稀缺，价值高昂。城市发展(中国)再次于2015年11月份推出这个项目，重新命名为御湖。该项目进行了全面翻修，包括着手各种装修，重新改造一座会所，美化景观，新增了三个示范单位。到目前为止，已成功售出13个单位的别墅，销售额达2亿6000万元人民币，意味着项目发布成功，因为此类商品通常一个月只售出1到2个单位的别墅。

重庆渝中区鹅岭峰的126席鹅岭奢装豪宅所有结构工程已于2015年完成，目前正在进行景观布置及内部装修。该项目成功通过了地方当局官方验收，预计在中国传统的销售旺季时期，即2016年第二季度，开始预售。

集团的另一项目黄花园同样位于重庆渝中区，一个极度抢手的黄金地段。本项目计划建造三栋住宅高楼，一个酒店和一个零售商场。项目的居住户型重新进行了修订，将增加较小面积单位的比率。根据修改计划，该项目将于今年尾重新启动基建工作。

重庆人口众多，是中国发展最快的城市之一，拥有良好的基础设施和商业环境。该市2015年继续保持了11%的两位数GDP增长速度。其仍然是中国“一带一路”倡议的重要支柱，旨在加强中国与欧洲、俄罗斯和其他亚洲重点区域的连通。据2015年11月宣布，重庆将成为第三个中国-新加坡合资建设城市。这是一个利好消息，有新加坡参与到这一新举措的总体规划后，重庆有望吸引到更多跨国公司的投资，正如在苏州和天津的合作一样。

本集团正密切留意中国的市场动态。中国政府于2015年取消了住房购买限制，也放宽了房贷政策后，某些城市，如上海和苏州的购房活动增加，市场出现了好转的迹象。为了刺激经济，中国政府从2015年2月四次降低存款准备金率，释放了大量的资金，供银行放贷。在2015年10月份，政府又堆出了新一轮降息政策，这是自2014年11月以来第6次降息。这些降息政策将通过降低抵押贷款成本，提高住房支付能力。此外，政府最近在2016年2月宣布，首次购房者首付比例将从25%降到20%，第二套住房购买者从40%降到30%，该项政策旨在进一步提高房地产市场。

集团仍然对中国房地产市场的中长期前景抱乐观态度，并已准备随着市场的逐步复苏大显身手。

日本

本集团位于东京都港区白金著名住宅区的永久地契地皮，绿植茂盛，历史悠久。该位置的独特性，再加上该项目的规模和重要性，该设计方案必须非常优秀。集团将在此地段开发豪华公寓项目，并开放公园和场地，以扶持当地社区。发展过程虽然很冗长，但目前进展较为顺利，并且与地方当局磋商后，所提出的设计方案已获得对方肯定。集团计划取得所有必要的施工许可证，并在2017年第四季度开始预售。

日本央行在2016年1月29日突然采取了负利率政策。随着利率下降以及房地产和政府债券收益率提升，很有可能促使更多资金投入房地产业。再加上融资成本较低，上限率预计将进一步压缩。

国土交通省数据表明，日本东京公寓住宅价格指数在过去两年增长17.5%。

总而言之，本集团仍然对日本房地产市场前景抱乐观态度，并继续寻找住宅、办公楼及酒店业务的良机。

英国

本集团自2013年就开始有条不紊地执行其英国战略，首先了解市场，然后评估大型收购项目。因此，集团在打算进行较大规模项目收购前，先在2013-2014年间完成了一系列小规模的收购。这种成功的战略使得集团能考虑收购有创造重大价值潜力的大项目。

2015年11月，集团成功收购Teddington Studios地皮，该地皮售价8,500万英镑，位于伦敦西南部的泰晤士河畔里士满区。这块18,211平方米（约4.5英亩）的用地前身是家松林制片厂（Pinewood Studios），能俯瞰到泰晤士河特丁顿堰。集团计划将这块梦寐以求的地皮开发成一个豪华的河滨区，包括213个单位的公寓，6间有地寓所，一幢翻新过的 Weir Cottage 度假屋以及258个停车位。该规划已进入最后阶段，应该在2016年第二季度获批。

2015年12月，同样在伦敦泰晤士河畔里士满区，本集团获得了Stag Brewery地皮的永久地契，该地皮有89,031平方米（约22英亩），价值1亿5800万英镑。位于莫特莱克的广阔用地可为综合发展项目提供了巨大的发展潜力，将可容纳一个大型河滨住宅区，一所新学校，一个酒店以及其他就业和休闲项目。该总体规划预计在2018年第一季度获批，项目将分两个阶段进行。

集团现有的英国业务继续稳步推进，包括资产剥离。Emerald House in Croydon在2015年末已成功售出，获利570万英镑。拥有82个单位的Reading项目的住宅销售也一直被看好，已售出73个单元，预留了9个单元。该项目预计在2016年第三季度将盈利入帐。

Chesham Street, Belgravia； Hans Road, Knightsbridge；和 Sydney Street, Chelsea 的施工现场都在有条不紊的运转着。作为高档房地产，它们预计不会吸引买家，直到在2016年第四季度竣工后。

Knightsbridge停车场（28 Pavilion Road）的规划申请在技术问题解决后将再次提交。本集团相信该规划申请将于2016年第二季度获批。该处房地产仍将备受青睐。

展望未来，由于在一些小型发展项目上已取得成功，现将其英国业务专注于发展大型项目，并在这方面，集团一直寻找有利收购的良机。

董事主席报告

由于英国南方一半地区住房供应一直短缺，英国住房价格预计将继续上涨。规划体系、建筑承包商的短缺及不断增加的人口数量是造成住房供应短缺的主要原因，这些因素导致伦敦郊区住房价格飙升最快。好消息是，英国政府正在积极减少规划障碍，例如通过给首次购屋者市场公开房价20%的折扣政策来取代经济适用房。而坏消息是，政府将第二套住房和买房出租房屋的印花税增加到3%，再加上其他各种税后变化，这可能将会影响买房出租市场。此外，施工成本的不断上升依然是一项挑战。

低通货膨胀率和利率，及就业增长表明，2016年保持近2.0%的增长率将成为一种常态。

基金管理

本集团于2015年12月推出了价值11亿元的盈利分享证券 (PPS)。其与首峰资金管理有限公司 (Alpha) 合作，通过Alpha Asia Macro Trends Fund II (AAMTF II)，共同投资一项办公楼综合项目，包括集团三处主要办公楼资产：宏利保险中心 (Manulife Centre)，Central Mall (办公楼)，和Tampines Grande 7 & 9。集团将这三处资产以99年租赁期限卖给一间合作伙伴的合资公司，但仍保留宏利保险中心 (Manulife Centre) 和Central Mall (办公楼) 的上行归属主权。本集团将继续管理这三项资产。

Alpha和集团共同融资比率为60:40。PPS交易发行的证券合计总值为3亿3350万元，包括Bestro控股有限公司，集团的独资子公司，认购的价值为1亿3330万元的证券，以及AAMTF II所融资的2亿20万元。与此同时，两家银行提供了7亿5010万元的高级贷款协议。除了参与资产剥离，投资者也将在五年持有期内获得年利率5%的固定收益，与涉及债券认购的PPS交易组份相关。

现金流瀑布分析使集团得以保持很好的上行表现。当资产被剥离时，AAMTF II 将优先获得每年高达12.6%的内部回报率的收益 (含5%固定收益)。之后集团将获得所有的现金流，直到其资本被完全偿还。此后，AAMTF II 和本集团将分别以40:60的比率进一步分配上行份额。

PPS 2是依据集团的多元化策略，开发新投资平台并循环资本作为增长计划。集团在新加坡的办公楼物业投资组合风险程度被重新调整，同时继续大量投资到这些主要资产上，以进一步增强资本增值潜力。再加上PPS 1，集团通过这两个PPS目前拥有价值26亿元的管理资产额(AUM)。

酒店

2015年，全球酒店市场受到商品价格下跌的影响，对恐怖主义的担忧情绪加剧，健康咨询旅游警示及中国市场发展不确定的问题越来越多。这些外部因素对M&C2015财政年业绩造成不良影响。

M&C报告2015年第四季度PATMI为500万英镑 (2014年第四季度为4400万英镑)，2015财政年为6500万英镑 (2014年为1亿1000万英镑)，主要是因为税前盈利扣除了4300万英镑的净扣除费用。净扣除费用包括主要与M&C四家酒店有关的7600万英镑的减值亏损--两家在亚洲和两家是最近收购的；部分已被投资房地产的3300万英镑净重估收益抵消。其减值对CDL 集团PATMI造成的影响达4800万元。值得注意的是，集团继续采取了按成本减累计折旧和累计减值损失的保守会计准则来计量投资性房地产业及固定资产。另一方面，M&C是按公允价值来计量投资性房地产业，而其是按成本计算，除IFRS 1的转换规则允许下，再减折旧以及减值准备。M&C2015年每股基本盈利减少了41.5%至19.9便士 (2014年为34.0便士)。

然而，2015财政年的收入提高了2.5%，达至8亿4700万英镑 (2014年为8亿2600万英镑)，反映了所收购酒店的贡献和Millennium Mitsui Garden Hotel Tokyo 2014年12月开始营业也取得巨大成功，同时汇率走势良好。

2015年，全球每间客房平均收入提高了0.6%，达至71.98英镑 (2014年为71.55英镑)，但若按固定汇率计算，则降低了1.3%。这是因为M&C的亚洲酒店业贸易环境持续恶化，整个新加坡和亚洲其他地区每间客房平均收入下降了9.0%。同时，伦敦和纽约的客房平均收入也降低了，主要是分别受到伦敦千禧贝利酒店 (Millennium Bailey's Hotel London) 和纽约千禧联合广场酒店 (ONE UN New York) 翻新工作的影响。

M&C2015年在英国收购了两间酒店。2015年8月18日，以1380万英镑收购了利物浦 Hard Days Night Hotel 长期租赁权益。这个以披头士乐队为主题的酒店共有110个客房和套房，地处利物浦著名的卡文街区 (Cavern Quarter)。M&C的子公司，CDL Hospitality Trusts (CDLHT)，M&C持有36%的股份，在2015年10月1日以6150万英镑收购了希尔顿剑桥市中心 (以前称为剑桥市大酒店)。该产业是一所新翻修的高档酒店，拥有198间客房，地处剑桥市中心地段。此次收购是CDLHT在欧洲的首笔投资。

在房地产发展方面，M&C继续在各处地皮发展项目。在韩国首尔，它计划建立一个拥有306间客房的酒店和209个单位的服务式公寓综合体，预计于2018年年中竣工。

位于加利福尼亚州森尼维尔 (Sunnyvale) 的综合发展用地，地处硅谷中心，首阶段将包括一个有263间客房的酒店和250个单位的住宅公寓，紧接着第二阶段将包括一个零售部分。该项目预计于2017年底竣工。

M&C继续探索圣路易斯千禧酒店 (Millennium Hotel St Louis) 永久地契所有的发展可能性，该酒店已在2014年1月关闭了。

在本财政年，M&C将伦敦千禧贝利酒店 (Millennium Bailey's Hotel London) 和水牛城千禧酒店 (Millennium Hotel Buffalo) 的所有客房翻新完毕，并且首尔希尔顿千禧酒店 (Millennium Seoul Hilton) 所有剩余房间的翻新工作也全部完工。新西兰皇后镇国敦皇后镇湖畔度假村 (Copthorne Hotel & Resort Queenstown Lakefront) 40间客房的翻修工程也于2015年11月竣工。台北君悦大饭店 (Grand Hyatt Taipei) 的大厅翻新也在2016年1月大致完成，剩下一处零售角落和两处小餐饮区域计划在今年尾完工。

M&C在伦敦的两家主要酒店—千禧国际伦敦梅菲尔酒店 (Millennium Hotel London Mayfair) 和千禧国际伦敦骑

士桥酒店(Millennium Hotel London Knightsbridge),预计在2016年开始翻新。这两个项目在翻修时需分阶段关闭客房,但无需全面关闭。酒店预计于2017年底或2018年全面重新开业。

美国纽约千禧联合广场酒店(ONE UN New York)东塔客房的翻新工程已经开始,而达勒姆千禧大酒店(Millennium Hotel Durham)预计于2016年3月开始翻新。洛杉矶巴尔地摩千禧酒店(Millennium Biltmore Hotel Los Angeles)正在按进度进行翻新,计划于2017年年中完工。

2015年7月,新西兰国敦酒店奥克兰海港城关闭进行大规模翻新。预计于2017年年初完工。

新加坡国敦河畔大酒店大厅和餐饮区域在2015年12月开始装修,预计于2016年第三季度完工。

M&C的合资伙伴和联营公司,包括在新加坡上市的联营公司 First Sponsor Group Limited (FSGL),为集团2015财政年创造了1700万英镑的利润。相比于2014年1000万英镑利润,2015年利润增长达70%。截至2015年12月31日,M&C管理一个拥有196间客房的成都M酒店(M Hotel Chengdu)由FSGL所持有。

今年展望

房地产

自2009年以来,新加坡政府多次推出各项房地产降温措施。2013年6月底推出的限制潜在买家借贷能力的总偿债率(TDSR)和额外买家印花税(ABSD)政策,可能是最具影响力的两项政策,持续对住宅市场的销售量和价格造成不利影响。

本集团深切地意识到,其房地产发展业务主要集中在新加坡,因此需要重新定位以抵挡正在逼近的逆风。集团凭借50多年的房地产发展专业经验,经深思熟虑后建立新的海外发展平台,以打造更加平衡和多元化的投资项目。集团在2010年8月成立了城市发展(中国)有限公司,目前在中国已有四个发展项目。

2013年5月,集团宣布在伦敦进行房地产发展的计划,因M&C在这个酒店业市场已占有强大优势,故实施该计划很正常。最初,集团采取了较为谨慎的做法,先投资了五个规模较小的项目。然而,随着对房地产行业更加深入的了解,本集团更加熟悉各种市场环境,就开始专注于伦敦中心区以外规模更大的项目,并在2015年第四季度收购了Teddington Studios和Stag Brewery地皮。至今,在成功将Emerald House货币化后,集团在英国共投资了7处价值达4亿英镑的永久地契。

此外,集团在2014年9月还收购了东京的白金住宅区。在日本,这种地皮收购是极为少见且异常困难。最近,集团从新进军澳大利亚住宅市场。

除此之外,集团还成功打造了两个PPS交易平台,构建其基金管理业务。

总而言之,集团已为这些新平台打好基础,并且它们也符合集团的多元化战略。根据各处的会计处理方法,还需要一段时期才能将盈利入帐。集团预计各大项目从2016年下半年开始不断有盈利入帐,HLCC和御湖项目销售强劲,会最先将盈利入帐。

酒店

影响2015年财务业绩的宏观经济因素在2016年将继续产生负面效应。全球客房平均收入在2016年1月减少5.9%,其中欧洲减少10.1%,美国减少10.9%,亚洲减少3.6%,而澳大拉西亚反而增加了20.7%。

整体上,2015年的竞争格局发生了重大变化,有几家大型全球酒店进行了整合。M&C将专注于制定正确的战略抉择,以在这个瞬息万变的竞争环境下能增加盈利,并尽量提高资产回报率。

M&C通过实施一系列收入措施,诸如加强数码化的营销平台,更加重视中国出境的旅游市场,以及识别整个房地产业进一步向上销售的机遇,得以弥补酒店交易量的不足。

虽然短线交易前景并不明朗,但M&C认为,资产拥有权是在不断变化的酒店产业格局中创造长期价值的关键。因此,M&C将集中于酒店物业的管理和拥有权。

M&C也会致力于通过翻新物业来优化其资产收益,同时着重于成本控制。

集团展望

2016年将是对多个不同领域的业务具有挑战性的一年,而全球经济增长前景仍然暗淡。对全球经济衰退、股市波动、油价大幅下跌以及其他不确定因素的担忧,都使得全球经济环境高度敏感,整个市场弥漫着一股谨慎的氛围。

从国内来看,受供大于求,较高的土地和建设成本,以及房地产降温措施的影响,房地产市场走向疲软,需求和价格都受到抑制,投资者缺乏投资动力。

集团意识到一场风暴即将来临。多年来,其通过制定多元化战略,打造新地域和产品的价值,来降低这些风险。其2015年的财务业绩证明集团有能力挺难关。

我们已准备好在市场混乱时期,将集团雄厚的资产负债表运用在投资领域,遵守投资纪律的同时也把握现有机会。我们将继续专注于扩大国际房地产发展领域,拓展基金管理平台。

鸣谢

集团董事部副主席郭令裕先生于2015年11月突然辞世,对此我们深感悲痛。郭令裕先生有着出色的领导才能,对集团做出了卓越贡献。他为集团奠定作为绿色建筑领先企业的良好声誉;也是倡导企业社会责任和可持续发展的先驱,对此,我们深表铭记。

我谨代表董事部同仁,衷心感谢与集团利益相关的各方,包括股东、客户和商业伙伴对本集团持续不断的支持。本人也要感谢董事部各成员这一年来给予宝贵意见和指导以及管理层和众员工过去一年来坚定不移的奉献与承诺。

郭令明
执行主席
2016年2月25日

BOARD OF DIRECTORS

KWEK LENG BENG, 75
Executive Director

Appointed as a Director and Executive Chairman of City Developments Limited (CDL) on 1 October 1969 and 1 January 1995 respectively, Mr Kwek was last re-appointed as a Director on 22 April 2015 to hold office until the 2016 Annual General Meeting (2016 AGM) pursuant to Section 153(6) of the Companies Act, Chapter 50, which provision has since been repealed, and will be seeking appointment as Director at the 2016 AGM. He also sits on the Board Committee (BC) and the Nominating Committee (NC) of CDL.

Mr Kwek is the non-executive Chairman of Hong Leong Asia Ltd. (HLA) and Millennium & Copthorne Hotels plc (M&C). He is also the Chairman and Managing Director of Hong Leong Finance Limited (HLF) and City e-Solutions Limited (CES) and the Executive Chairman of Hong Leong Investment Holdings Pte. Ltd. (HLIH), the immediate and ultimate holding company of CDL. CES, HLA, HLF and M&C are subsidiaries of HLIH and thus, are related companies under the Hong Leong Group of companies.

Mr Kwek holds a law degree, LL.B. (London) and is also a fellow of The Institute of Chartered Secretaries and Administrators. He has extensive experience in the finance business, having grown from day one with the original Hong Leong Finance Limited which has since merged its finance business with Singapore Finance Limited (now known as HLF). He also has vast experience in the real estate business, the hotel industry as well as the trading and manufacturing business.

Mr Kwek's other appointments include being a member of the East Asia Council of INSEAD since its inception in 2003, a board member of the Singapore Hotel Association and a Fellow of the Singapore Institute of Directors. He was also conferred an Honorary Doctorate of Business Administration in Hospitality from Johnson & Wales University (Rhode Island, US) and an Honorary Doctorate from Oxford Brookes University (UK).

At the Securities Investors Association Singapore (SIAS) Investors' Choice Awards in 2012, Mr Kwek together with the late Mr Kwek Leng Joo, emerged joint winners as "Partners in the Office of the CEO" in the Brendan Wood International – SIAS TopGun CEO Designation Award. This Award was accorded to CEOs who are best in class rated by shareholders.

Mr Kwek was presented the inaugural Real Estate Developers' Association of Singapore (REDAS) Lifetime Achievement Award in 2014, which was introduced to honour a pioneering group of real estate industry leaders in Singapore.

In February 2015, Mr Kwek was presented the Singapore Chinese Chamber of Commerce & Industry (SCCCI) SG50 Outstanding Chinese Business Pioneers Award. This award honours the Republic's outstanding Chinese business pioneers and their exemplary contributions to nation-building.

In March 2015, Mr Kwek was awarded "Best Singaporean Investor to Italy" by the Italian Chamber of Commerce in Singapore (ICCS). This annual award is presented to business people who have made impactful investments in Italy and helped to boost bilateral ties between Italy and Singapore.

In October 2015, Hotel Investment Conference Asia Pacific (HICAP) conferred Mr Kwek with the prestigious Lifetime Achievement Award. This award is only presented to exceptional individuals who have distinguished themselves through their accomplishments and contributions to the hotel industry in the Asia Pacific region and the world. Mr Kwek is the first Singaporean to clinch this coveted award.

KWEK LENG PECK, 59
Non-Executive and Non-Independent Director

Appointed a Director of CDL on 1 August 1987, Mr Kwek was last re-elected as a Director on 23 April 2014. He is a member of the BC of CDL.

Mr Kwek is an Executive Director of HLA and HLIH. He is also the non-executive Chairman of Tasek Corporation Berhad (TCB) and a non-executive Director of HLF, M&C and China Yuchai International Limited (CYI). HLA, HLF, M&C, TCB and CYI are subsidiaries of HLIH and thus, are related companies under the Hong Leong Group of companies.

Mr Kwek has many years of experience in trading, manufacturing, property investment and development, hotel operations, corporate finance and management.


KWEK LENG BENG


KWEK LENG PECK

TANG SEE CHIM, 83
Non-Executive and Independent Director

Appointed a Director of CDL on 28 August 1995, Mr Tang was last re-appointed as a Director on 22 April 2015 pursuant to Section 153(6), which provision has since been repealed. He also sits on the BC, the Remuneration Committee (RC) and the Audit & Risk Committee (ARC) of CDL.

Mr Tang, an Advocate & Solicitor of the Supreme Court of Singapore and a Barrister-at-law, Middle Temple, is presently a Consultant with the law firm of David Lim & Partners LLP. He holds a Bachelor of Science (Honours) degree in Economics from the London School of Economics (University of London) and is a Fellow of the Singapore Institute of Directors.

Mr Tang also sits on the board of Dutech Holdings Limited. In the preceding 3-year period, he was an independent Director of G.K. Goh Holdings Limited and New Toyo International Holdings Ltd until his retirement in April 2013. Mr Tang's other appointments include being the honorary legal adviser to Ren Ci Community Hospital, Singapore Hospice Council and Nanyang Girls' High School, and Trustee of Dover Park Hospice.

YEO LIAT KOK PHILIP, 69
Non-Executive and Independent Director

Appointed a Director of CDL on 11 May 2009, Mr Yeo was last re-elected as a Director on 22 April 2015. He is also the Chairman of the NC and a member of the RC and the Corporate Social Responsibility & Corporate Governance Committee (CSR & CGC) of CDL.

Mr Yeo is Chairman of SPRING Singapore, a government development agency. He is also the Chairman of Economic Development Innovations Singapore Pte Ltd (EDIS) which is focused on developing and managing integrated cities and providing industrial development advice to overseas governments.

Mr Yeo is an independent Director of Hitachi Ltd, Baiterek National Managing Holding and Kerry Logistics Network Limited and the Chairman of Accuron Technologies Limited, Singapore Aerospace Manufacturing Private Limited, Advanced Materials Technologies Pte Ltd, Dornier MedTech GmbH, Veredus Laboratories Pte Ltd, Ascendas Property Fund Trustee Pte. Ltd., Hexagon Development Advisors Pte. Ltd. and MTIC Holdings Pte. Ltd.

Mr Yeo holds a Bachelor of Applied Science (Industrial Engineering), an honorary Doctorate in Engineering from the University of Toronto, Canada, an honorary Doctorate in Medicine from the Karolinska Institutet, Sweden, a Master of Science (Systems Engineering) from the University of Singapore, a Master of Business Administration from Harvard University, USA, a Doctor of Science from Imperial College, London, an honorary Doctor of Letters from National University of Singapore and an honorary Doctor of Law from Monash University of Australia. He also received the Order of the Rising Sun, Gold and Silver Star from the Government of Japan (2007) and the Distinguished Service (Star) award from the Singapore Labour Movement, National Trade Union Congress (2008).

TAN POAY SENG, 49
Non-Executive and Independent Director

Appointed a Director of CDL on 2 February 2012, Mr Tan was last re-elected as a Director on 22 April 2015. He also sits on the CSR & CGC of CDL.

Mr Tan is the Managing Director of Magni-Tech Industries Berhad and Coronation Springs Sdn. Bhd., which is involved in niche property development.

Mr Tan holds a diploma in Hotel Management, Switzerland and has more than 20 years of experience in various business sectors which include manufacturing, housing development, marketing, retailing and healthcare services.


TANG SEE CHIM


YEO LIAT KOK PHILIP


TAN POAY SENG

BOARD OF DIRECTORS

CHAN SOON HEE ERIC, 62
Non-Executive and Lead Independent Director

Appointed a Director of CDL on 26 July 2012, Mr Chan was last re-elected as a Director on 24 April 2013. He is the Lead Independent Director and is also the Chairman of the ARC, the RC and the CSR & CGC and a member of the BC and the NC.

Mr Chan is a founder and the Chief Executive Officer of Thoughts Advisory Pte. Ltd. which provides consultancy services to entrepreneurs to further develop their strategic and business plans.

Mr Chan has more than 35 years of experience working in a public accounting firm environment, serving as audit partner with KPMG LLP (KPMG) from 1989 to 2001, and subsequently as partner in charge of Transaction Services at KPMG until his retirement in September 2011. He was the audit engagement partner for CDL for a number of years until 1999.

Mr Chan is a member of the Institute of Singapore Chartered Accountants and a Fellow of the Association of Chartered Certified Accountants.

TAN YEE PENG, 42
Non-Executive and Independent Director

Appointed a Director of CDL on 7 May 2014, Ms Tan was last re-elected on 22 April 2015. She also sits on the BC and the ARC of CDL.

Ms Tan is an Adjunct Associate Professor of the Nanyang Business School, NTU, and a Fellow of the Institute of Singapore Chartered Accountants and a member of the Singapore Institute of Directors.

Ms Tan graduated with First Class Honours degree in Accountancy from NTU and has more than 18 years of accounting and auditing experience, and previously served as an audit partner with KPMG from 2003 to 2010. As an audit and advisory partner, she was closely involved in providing accounting and advisory services to clients in both the private and public sectors. Ms Tan also acted as the Reporting Accountant and auditor for several companies listed on the Singapore Exchange, but was not involved in any KPMG audit engagement with the CDL group.

Since her retirement as a practising accountant, Ms Tan, at the request of KPMG, served as principal advisor from 2010 to 2011 on matters related to the healthcare industry, and assisted the firm in establishing the AsPAC Healthcare network. She has also been contributing actively to the non-profit sector and is a member of the Audit Committee (non-board position) of Jurong Health Services Pte. Ltd.

CHAN SOON HEE ERIC

TAN YEE PENG

SENIOR MANAGEMENT

GRANT L. KELLEY
Chief Executive Officer

Mr Grant L. Kelley was appointed as CDL's Chief Executive Officer (CEO) in 2014. He has over 25 years of global experience in corporate strategy, private equity and real estate investment.

Mr Kelley commenced his career in 1989 at Booz Allen & Hamilton, advising CEOs of major listed companies in the financial services, natural resources and healthcare industries. Before his CDL appointment, Mr Kelley was the Co-Head of Asia Pacific for Apollo Global Management, and also led their real estate investment activities in the region.

In 2008, Mr Kelley founded Holdfast Capital Limited, an Asian-based real estate investment firm, which was acquired by Apollo in 2010. From 2004 to 2008, he was the CEO of Colony Capital Asia where he guided the strategic planning, acquisition and asset management activities of Colony in Asia.

From 2002 to 2004, he was based in New York, where he was a Principal at Colony with responsibility for the identification of US and European investment opportunities.

He holds a Bachelor of Laws degree from the University of Adelaide, a Master's degree in International Relations from the London School of Economics, and an M.B.A. from the Harvard Business School.

CHIA NGIANG HONG
Group General Manager

Mr Chia Ngiang Hong joined CDL in 1981 and has over 35 years of experience in the real estate industry in Singapore and the region. He holds a Bachelor of Science in Estate Management (Honours) from the University of Singapore and a Masters in Business Administration with distinction from University of Hull, UK. Mr Chia is a Fellow of the Singapore Institute of Surveyors & Valuers (SISV) and the current First Vice President of Real Estate Developers' Association of Singapore (REDAS).

A much-respected contributor to the real estate industry of Singapore, Mr Chia is currently the President of the Singapore Green Building Council (SGBC) and also sits on the Advisory Panel in the Building and Construction Authority (BCA) Academy. He chairs the Consultative Committee to the Department of Real Estate at National University of Singapore (NUS). He is a Board Member of the Institute of Real Estate Studies, NUS and serves as a member of the NUS SDE School Advisory Committee. He is a Certified Property Manager with the Institute of Real Estate Management (USA).

SHERMAN KWEK
Chief Investment Officer

Mr Sherman Kwek was appointed as CDL's Chief Investment Officer in 2014 to focus on growing the Group's overseas investment portfolio. To date, he has established a presence for the Group in Japan and Australia, and is now leading the development efforts for these projects. He is also concurrently the CEO of CDL China Limited, a wholly-owned subsidiary of CDL, where he has been spearheading the expansion since August 2010, and has helped the Group to obtain prime sites in Shanghai, Suzhou and Chongqing.

Prior to this, Mr Kwek has taken on various executive management roles in companies both within the Hong Leong Group and in multinational corporations. He has over 15 years of international experience in the areas of investments, mergers and acquisitions, real estate and hospitality, and has worked in New York, Hong Kong, Shanghai and Singapore.

He graduated from Boston University with a Bachelor of Science in Business Administration, majoring in Finance and Marketing with a minor in Psychology. He has been serving as a Council Member of the Singapore Chinese Chamber of Commerce and Industry (SCCCI) since March 2013.

KWEK EIK SHENG
Chief Strategy Officer

Mr Kwek Eik Sheng joined CDL in 2009, covering Business Development for overseas projects before being appointed as Head of Corporate Development. He assumed his current role as Chief Strategy Officer in 2014. Prior to that, he was with the Hong Leong Group of companies in Singapore specialising in corporate finance roles since 2006. He was appointed to the Board of Millennium & Copthorne Hotels plc in 2011 and holds the position of Non-Executive Director.

He holds a Bachelor of Engineering in Electrical and Electronics Engineering from Imperial College of Science, Technology and Medicine and a MPhil in Finance from Judge Business School, Cambridge University.


GRANT L. KELLEY


CHIA NGIANG HONG


SHERMAN KWEK


KWEK EIK SHENG

SENIOR MANAGEMENT

MARK YIP
Chief Marketing Officer

Mr Mark Yip was appointed as CDL's Chief Marketing Officer in 2014. He is responsible for the Marketing & Sales, and Leasing operations of residential, retail and commercial spaces. In May 2015, he was also appointed Director of CDL China Limited. Mr Yip has a wealth of experience in management, sales, marketing and operations from a diverse range of industries including property, retail sports and fashion, transport, and supply chain and logistics. Before joining CDL, he was with Far East Organization as Deputy Director, focusing on planning and operations. Other senior management positions he has held include CEO of Royal Sporting House, Malaysia and Director of PUMA, Executive Director of CircleFreight, Brunei/Eagle Global Logistics Corporation and General Manager of ComfortDelGro Bus. Mr Yip holds a Bachelor and Master's of Business and was recipient of the Logistics Management Group Prize from RMIT in Melbourne. He has also completed the Senior Executive Programme at London Business School.

TAN SENG CHEE CITPM (SENIOR)
Chief Technology Officer

Mr Tan Seng Chee was appointed as CDL's Chief Information Officer in 2000 and re-designated as Chief Technology Officer in 2014. Trained as an engineer, he has more than 30 years of experience in the IT industry, working with many diverse applications and systems in both in-house IT departments and IT vendor environment. He graduated from the University of Singapore with a Bachelor of Engineering (Mechanical) and a Master of Science (Industrial Engineering), and has a post graduate diploma in Computer Science from the British Computer Society. He has also served on the editorial advisory board of the MIS Asia magazine and the Raffles Institution IT advisory committee.

ESTHER AN
Chief Sustainability Officer

Ms Esther An joined CDL in 1995 to establish the Company's Corporate Communications department and subsequently CDL's Corporate Social Responsibility (CSR) portfolio. She has been instrumental in building up CDL's leadership in sustainability. A forerunner in CSR and a member of the management committee of Global Compact Network Singapore (formerly Singapore Compact for CSR) since 2005, she also sits on board the Corporate Advisory Board of World Green Building Council and is a founding member of the Singapore Business Council for Sustainable Development. She holds a Bachelor of Arts (Honours) degree from the University of Hong Kong and has extensive experience in corporate and community communications, advertising, as well as media and investor relations, in both the public and private sectors before joining CDL.

ANTHONY CHIA
Executive Vice President (Projects)

Mr Anthony Chia has been directing the Department on all projects from concept, design, to construction and delivery. A designer at heart, he was instrumental in key developments ranging from luxury to residential projects, which include South Beach, The Quayside Collection and the Pasir Ris masterplan.

Graduating from Harvard, he has extensive experience in planning, architecture and construction, in both the public and private sectors, having previously headed departments in the Urban Redevelopment Authority (URA) and the Housing and Development Board. He is active in various URA and BCA panels and is a former member of the Board of Architects Singapore. He has been awarded the Public Service Administration medal and the Ministry of National Development Medallion for his contributions. Following his service with the Singapore government, he relocated to Hong Kong, completing several large commercial and residential projects before returning home.

DANIEL T'NG
Executive Vice President, Property & Facilities Management (PFM)

Mr Daniel T'ng joined CDL in 2012 to head the PFM Division. He holds a Bachelor of Science degree in Estate Management (Honours) from Heriot-Watt University and two Master's Degrees, one in Business Administration from the University of Adelaide (Australia) and the other in Project Management from the National University of Singapore. He has over 30 years of experience in the property and facilities management industry in Singapore and the region. He also has extensive experience in managing strata-titled developments, lease management, project consultancy


MARK YIP


TAN SENG CHEE


ESTHER AN


ANTHONY CHIA

and general management, as well as business development. He is currently the Chairman of the Workplace Safety and Health Council's Facilities Management Workgroup.

ANANDA ARAWWAWELA
Executive Vice President, Hotel Assets Management

Mr Ananda Arawwawela has a wealth of experience in hotel management spanning over 37 years in Singapore, Hong Kong, Fiji, China and the Middle East. Prior to joining CDL in 2013, he was the Managing Director of The St. Regis Singapore and Area Managing Director for Singapore, responsible for Starwood Hotels and Resorts' operations in Singapore. Other senior regional positions in the hospitality industry he has held include Managing Director of Sheraton Hong Kong Hotel and Towers and Area Managing Director of Starwood Hotels and Resorts Hong Kong and Macau. Mr Arawwawela has also served as Chairman of the Hong Kong Hotels Association and Board Member of the Hong Kong Tourism Board.

GALEN LEE
Executive Vice President, Capital Markets

Mr Galen Lee joined CDL as Head of Capital Markets in 2016. He brings with him extensive experience in debt and equity capital markets, mergers and acquisitions, private capital raising and financing in the Asian real estate sector, covering key real estate investors including sovereign wealth funds, pension investors and private equity funds. Prior to joining CDL, he headed real estate investment banking in South East Asia at UBS, and Bank of America Merrill Lynch. He started coverage of the real estate sector at DBS, where he was involved in the origination, structuring and distribution of real estate investment trusts for key real estate sponsors in Asia. Mr Lee holds a Bachelor of Accountancy from Nanyang Technological University, and an M.B.A. from Columbia Business School.

YIONG YIM MING
Senior Vice President, Group Accounts (Subsidiaries and Joint Ventures)

Ms Yiong Yim Ming has been an executive of the Company since 2007. She has extensive knowledge on CDL Group's financial and operation matters, both domestically and overseas, covering the Group's operations in property development, investment properties and hotels. She is also actively involved in the development of the CDL's new funds management platform. On 26 January 2016, Ms Yiong was tasked to handle the duties and responsibilities of the Chief Financial Officer's office.

Ms Yiong has strong technical competencies, specialising in the real estate sector, harnessed through 12 years of audit experience. Prior to joining CDL, she served a 10-year stint in KPMG Singapore and a 2-year engagement with Ernst & Young Singapore. Ms Yiong holds a Bachelor of Accountancy degree from Nanyang Technological University and is a member of the Institute of Singapore Chartered Accountants.

HEADS OF DEPARTMENT

Administration: Cindy Tan

Branding & Strategic Marketing: Mark Fong

Business Development & Investments: Sim Boon Hwee

Corporate Communications: Belinda Lee

Corporate Secretarial Services: Catherine Loh

Customer Service: Foo Chui Mui

Group Accounts (Group Reporting & Consolidation): Ong Siew Toh

Human Resource: Tan Ying

Internal Audit: Jennifer Vayding

Leasing: Corinne Yap

Legal: Sharifah Shakila Shah

Marketing & Sales: Lee Mei Ling

PFM (Development Property): Tay Cheow Chuan

PFM (Investment Property): Anthony Goh, Ginna Lee

Projects (Operations): Kelly Tan

Treasury: Lim Whee Kong


DANIEL T'NG

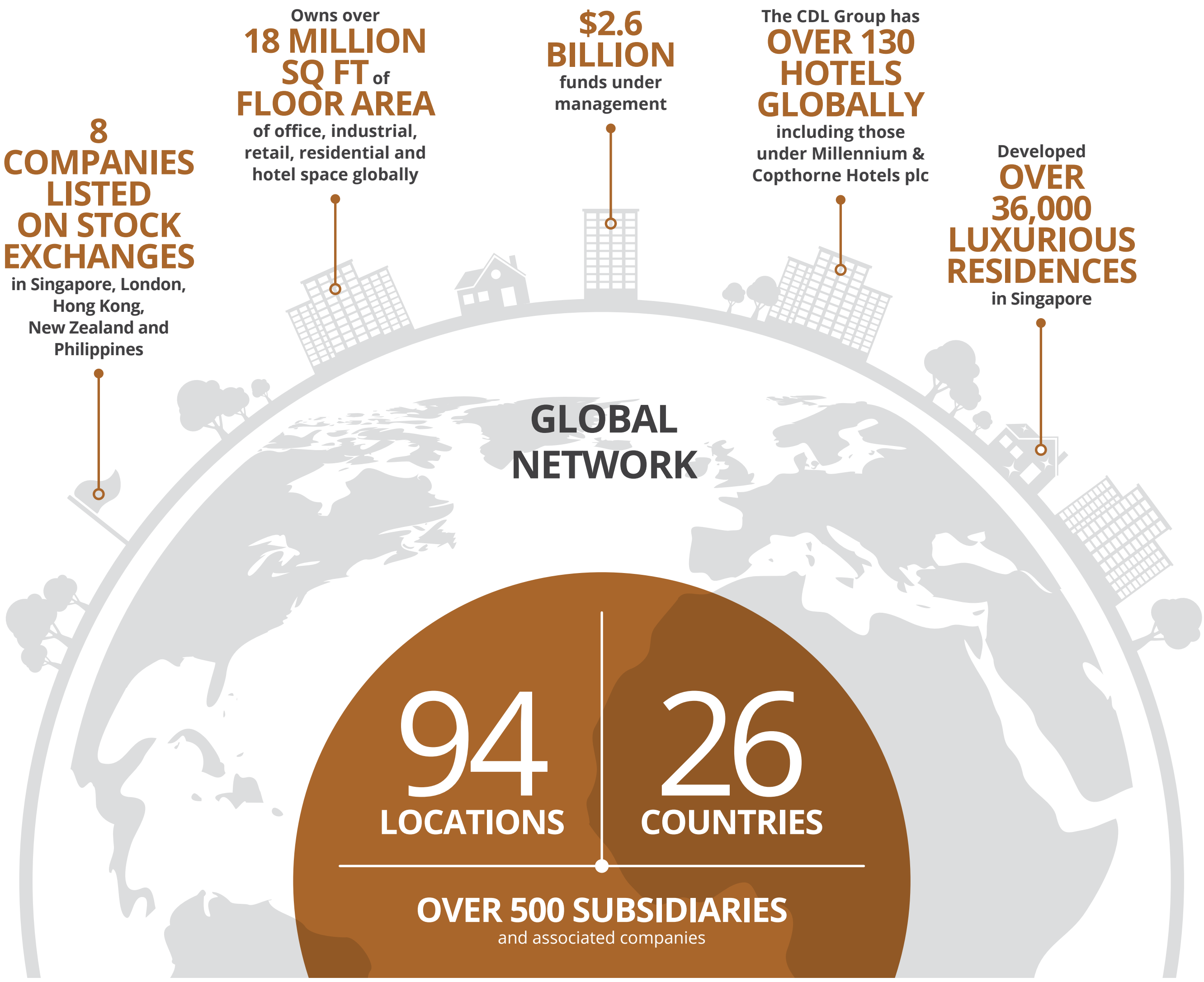

ANANDA ARAWWAWELA


GALEN LEE


YIONG YIM MING

CORPORATE NETWORK

As at 29 February 2016



North America

United States
Anchorage
Avon
Boston
Boulder
Buffalo
Chagrin Falls
Chapel Hill
Chicago
Cincinnati
Durham
Florida
Kissimmee
Los Angeles
Minneapolis
Nashville
New York
Scottsdale
Syracuse

Asia

China
Beijing
Chengdu
Chongqing
Fuqing
Hangzhou
Hong Kong
Qingdao
Shanghai
Suzhou
Wuxi
Xiamen

India
Bangalore

Indonesia
Jakarta

Iraq
Sulaymaniyah

Japan
Osaka
Tokyo

Kuwait
Kuwait

Jordan
Amman

Malaysia
Johor Bahru
Kuala Lumpur
Pahang
Penang

Maldives
Meradhoo Island
Velavaru Island

Oman
Muscat

Philippines
Manila

Qatar
Doha

Singapore
Singapore

Saudi Arabia
Madinah

South Korea
Seoul

Taiwan
Taichung
Taipei

Thailand
Bangkok
Phuket

United Arab Emirates
Abu Dhabi
Dubai
Fujairah
Sharjah

Europe

France
Paris

Italy
Rome

Russia
Moscow

The Netherlands
Amsterdam

United Kingdom
Aberdeen
Birmingham
Berkshire
Cambridge
Cardiff
Dudley
Glasgow
Gloucester
London
Liverpool
Manchester
Newcastle upon Tyne
Plymouth
Reading
Sheffield
Wales
West Sussex

Australia and Oceania

Australia
Brisbane
Perth

New Zealand
Auckland
Dunedin
Greymouth
Masterton
New Plymouth
Omapere
Paihia
Palmerston North
Queenstown
Rotorua
Taupo
Te Anau
Waitangi
Whanganui
Wellington

CORPORATE STRUCTURE

As at 29 February 2016

HONG LEONG GROUP SINGAPORE

CITY DEVELOPMENTS LIMITED*

201 Subsidiary Companies | 39 Associated Companies | 3 Limited Liability Corporations

65%
Millennium & Copthorne Hotels plc*

53%
City e-Solutions Limited*
22 Subsidiary Companies | 15 Associated Companies

ASIA

55 Subsidiary Companies

13 Associated Companies

Grand Plaza Hotel Corporation* (66%)

1 Associated Company

CDL Hospitality Trusts* (36%)

29 Subsidiary Companies

5 Trusts

First Sponsor Group Limited* (36%)

32 Subsidiary Companies

8 Associated Companies

1 Trust

NEW ZEALAND/ AUSTRALIA

1 Subsidiary Company

CDL Hotels Holdings New Zealand Limited (100%)

1 Subsidiary Company

Millennium & Copthorne Hotels New Zealand Limited* (75%)

20 Subsidiary Companies

CDL Investments New Zealand Limited* (67%)

1 Subsidiary Company

EUROPE AND MIDDLE EAST

40 Subsidiary Companies

1 General Partnership

NORTH AMERICA

34 Subsidiary Companies

18 Limited Liability Corporations

12 Limited Partnerships

1 General Partnership

Note:
* Listed Companies/Trust.

CALENDAR OF FINANCIAL EVENTS

FINANCIAL YEAR ENDED 31 DECEMBER 2015

Date	Event
	Announcement of Results:
13 May 2015	Announcement of First Quarter Results
13 August 2015	Announcement of Second Quarter and Half Year Results
12 November 2015	Announcement of Third Quarter and Nine-Month Results
25 February 2016	Announcement of Fourth Quarter and Full Year Results
	Books Closure and Dividend Payment Dates:
11 June 2015	Books closure date for Preference Dividend^
30 June 2015	Payment of Preference Dividend^
25 August 2015	Books closure date for Special Interim Ordinary Dividend
10 September 2015	Payment of Special Interim Ordinary Dividend
11 December 2015	Books closure date for Preference Dividend^
31 December 2015	Payment of Preference Dividend^
6 May 2016	Books closure date for proposed 2015 Final and Special Final Ordinary Dividends*
20 May 2016	Proposed payment of 2015 Final and Special Final Ordinary Dividends*
	Shareholders' Meeting:
20 April 2016	53rd Annual General Meeting

Notes:

^ The Preference Dividend is paid semi-annually in arrears.

* The declaration and payment of the 2015 Final and Special Final Ordinary Dividends is subject to approval of Ordinary shareholders at the 53rd Annual General Meeting.

FINANCIAL YEAR ENDING 31 DECEMBER 2016

Date	Event
	Announcement of Results:
May 2016	Proposed Announcement of First Quarter Results
August 2016	Proposed Announcement of Second Quarter and Half Year Results
November 2016	Proposed Announcement of Third Quarter and Nine-Month Results
February 2017	Proposed Announcement of Fourth Quarter and Full Year Results
	Shareholders' Meeting:
April 2017	54th Annual General Meeting

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Executive Director
Kwek Leng Beng, Executive Chairman

Lead Independent Director
Chan Soon Hee Eric

Non-Executive Directors
Kwek Leng Peck
Tang See Chim, Independent
Yeo Liat Kok Philip, Independent
Tan Poay Seng, Independent
Tan Yee Peng, Independent

BOARD COMMITTEE
Kwek Leng Beng
Kwek Leng Peck
Tang See Chim
Chan Soon Hee Eric
Tan Yee Peng

AUDIT & RISK COMMITTEE
Chan Soon Hee Eric, Chairman
Tang See Chim
Tan Yee Peng

NOMINATING COMMITTEE
Yeo Liat Kok Philip, Chairman
Kwek Leng Beng
Chan Soon Hee Eric

REMUNERATION COMMITTEE
Chan Soon Hee Eric, Chairman
Tang See Chim
Yeo Liat Kok Philip

CORPORATE SOCIAL RESPONSIBILITY & CORPORATE GOVERNANCE COMMITTEE
Chan Soon Hee Eric, Chairman
Yeo Liat Kok Philip
Tan Poay Seng

SECRETARIES
Shufen Loh @ Catherine Shufen Loh
Enid Ling Peek Fong

SHARE REGISTRAR & SHARE TRANSFER OFFICE
M & C Services Private Limited
112 Robinson Road
#05-01
Singapore 068902
Tel: +65 6227 6660
Fax: +65 6225 1452

REGISTERED OFFICE
36 Robinson Road
#04-01 City House
Singapore 068877
Tel: +65 6877 8228
Fax: +65 6225 4959
Email: enquiries@cdl.com.sg

INVESTOR RELATIONS
Primary IR Contact
Belinda Lee, Vice President
Head, Corporate Communications
Email: belindalee@cdl.com.sg

AUDITORS
KPMG LLP
Public Accountants and
Chartered Accountants, Singapore
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581
(Partner-in-charge: Tay Puay Cheng, appointment commenced from the audit of the financial statements for the year ended 31 December 2015)

PRINCIPAL BANKERS
Agricultural Bank of China
Bank of America Merrill Lynch
Bank of China Limited
BNP Paribas
CIMB Bank Berhad
Credit Agricole Corporate & Investment Bank
CTBC Bank Co., Ltd
DBS Bank Ltd.
Industrial and Commercial Bank of China Limited
KASIKORNBANK Public Company Limited
Malayan Banking Berhad
Mizuho Bank, Ltd.
Oversea-Chinese Banking Corporation Limited
Sumitomo Mitsui Banking Corporation
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
The Hongkong and Shanghai Banking Corporation Limited
The Royal Bank of Scotland plc
United Overseas Bank Limited

CORPORATE GOVERNANCE

Note:
The questions listed out in this column are extracted from the Singapore Exchange Limited's Disclosure Guide on Compliance with the Code of Corporate Governance 2012. The response to each question is set out in bold after the question.

General:

(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and the alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.
The Company has complied with most of the principles and guidelines of the Code. Where there are differences in the Company's practices, these are set out within this report.

(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?
The reasons for the differences in practices are also set out within the report.

City Developments Limited ("CDL" or the "Company") is committed to upholding a high standard of corporate governance and business integrity in all its business activities, which is essential for the long-term sustainability of the Group's businesses.

To demonstrate its commitment towards excellence in 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 6th Singapore Corporate Governance Week 2015 (organised by SIAS) in October 2015:

"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."

This report sets out CDL's corporate governance practices with specific reference to the principles and guidelines of the Code of Corporate Governance 2012 ("2012 Code"). Where the Company's practices differ from the principles and guidelines under the 2012 Code, the Company's position in respect of the same is also set out in this report.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The Primary Functions of the Board

The Board oversees the Company's business and its performance under its collective responsibility for the long-term success of the Company. Its primary functions are to provide leadership, set broad policies, provide guidance on and approve strategic objectives, ensure that necessary financial, operational and human resources are in place for the Company to meet its objectives, review the Company's performance, and satisfy itself as to the adequacy and effectiveness of the framework and processes for internal controls (including financial, operational, compliance and information technology ("IT") controls) and risk management for the safeguarding of shareholders' interests and the Company's assets. The Board assumes responsibility for good corporate governance which include setting corporate values and ethical standards for the Company.

The Board is committed to the Company's strategic approach to integrating sustainability in all aspects of its business and operations, and to advance the Company's sustainability efforts and achievements. More details on the Company's sustainability practices are presented in the Sustainability Report on pages 68 to 75 of this Annual Report 2015 ("AR").

Independent Judgement

All Directors are required to objectively discharge their duties and responsibilities in the interests of the Company. Directors who are in any way, directly or indirectly, interested in a transaction or proposed transaction will declare the nature of their interests in accordance with the provisions of the Companies Act, Chapter 50, and also voluntarily abstain from deliberation on the same. The Board has established the Nominating Committee ("NC") which recommends to the Board, the appointments to the Board and Board Committees and assesses the independence of Directors. When assessing the independence of Directors, the NC takes into account the individual Director's objectivity, independent thinking and judgement.

Delegation by the Board

The primary functions of the Board are either carried out directly by the Board or through committees established by the Board, namely, the Board Committee ("BC"), the Audit & Risk Committee ("ARC"), the NC, the Remuneration Committee ("RC") and the Corporate Social Responsibility & Corporate Governance Committee ("CSR&CGC"), all collectively referred to hereafter as the "Committees".

Specific written terms of reference for the Committees set out the authority and duties of the Committees. All terms of reference for the Committees are approved by the Board and reviewed periodically to ensure their continued relevance. The composition of each Committee can be found under the 'Corporate Directory' section in this AR.

The delegation of authority by the Board to the Committees enables the Board to achieve operational efficiency by empowering these Committees to decide, review and make recommendations on matters within their respective written terms of reference and/or limits of delegated authority, and yet without abdicating its responsibility. Please refer to the sections on Principles 4, 5, 7 and 12 in this report for further information on the activities of the NC, RC and ARC. Information on the activities of the CSR&CGC can be found under the 'Sustainability' section in this report.

Board Processes

Meetings of the Board and Committees are held regularly, with the Board meeting no less than four times a year. Eight Board meetings were held in 2015. A meeting of the non-executive Directors ("NEDs"), chaired by the Lead Independent Director ("Lead ID"), is also held at least once a year and as often as may be warranted by circumstances. The proposed meetings for the Board and all Committees for each new calendar year are set out in a schedule of meetings and notified to all Board members before the start of that calendar year with a view to facilitate attendance by Board members. Additional meetings are convened as and when circumstances warrant. Records of all such meetings including discussions on key deliberations and decisions taken are maintained by the Company Secretary. The Company's Constitution allow for the meetings of its Board and the Committees to be held via teleconferencing. The Board and the Committees may also make decisions by way of circulating written resolutions.

The attendance of the Directors at meetings of the Board and the Committees, as well as the frequency of such meetings during 2015, is disclosed below. Notwithstanding such disclosure, the Board is of the view that the contribution of each Director should not be focused only on his/her attendance at meetings of the Board and/or the Committees. A Director's contribution also extends beyond the confines of the formal environment of such meetings, through the sharing of views, advice, experience and strategic networking relationships which would further the interests of the Company.

Directors' Attendance at Board and Committee Meetings in 2015

	Board	ARC	NC	RC	CSR&CGC
Number of meetings held in 2015	**8**	**6**	**2**	**2**	**1**
Name of Directors	**Number of meetings attended in 2015**				
Kwek Leng Beng	8	N.A.	2	N. A.	N.A.
Kwek Leng Joo[(2)]	7	N.A.	N.A.	N.A.	N.A.
Foo See Juan[(1)]	1	N.A.	N.A.	N.A.	N.A.
Kwek Leng Peck	7	N.A.	N.A.	N.A.	N.A.
Tang See Chim	7	6	N.A.	2	N.A.
Yeo Liat Kok Philip	7	N.A.	2	2	1
Tan Poay Seng	5	N.A.	N.A.	N.A.	1
Chan Soon Hee Eric	8	6	2	2	N.A.
Tan Yee Peng	8	6	N.A.	N.A.	N.A.

Notes:
(1) Mr Foo See Juan retired from the Board following the conclusion of the annual general meeting held on 22 April 2015.
(2) Mr Kwek Leng Joo ceased to be a Director of the Company upon his demise on 16 November 2015.

CORPORATE GOVERNANCE

Guideline 1.5

What are the types of material transactions which require approval from the Board?
Please refer to the section under the header "Board Approval".

Board Approval

The Board has in place an internal guide wherein certain key matters are specifically reserved for approval by the Board and these include the setting of strategic direction or policies or financial objectives which have or may have material impact on the profitability or performance of the Group, decisions to commence, discontinue or modify significantly any business activity or to enter into or withdraw from a particular market sector, corporate or financial restructuring, decisions over new borrowings or significant amendments to the terms and conditions of existing borrowings other than in the ordinary course of business, material acquisition and disposal of assets, adoption of corporate governance policies and any other matters which require Board approval as prescribed under the relevant legislations and regulations as well as the provisions of the Company's Constitution.

The BC comprises five Directors with the majority of its members being non-executive. The BC's principal responsibility as set out in its terms of reference, approved by the Board, is to assist the Board in the discharge of its duties by deliberating on matters requiring Board review that may arise between Board meetings. Its duties include, in particular, assisting the Board in approving banking-related matters such as the opening, closing and maintenance of banking accounts of the Company and the acceptance up to certain limits of banking facilities extended to the Company, operational matters relating to property development activities and other matters determined by the Board from time to time.

Management is fully apprised of such matters which require the approval of the Board or the Committees. The Company also has a structured authority matrix which sets out the delegated authority to various levels of Management.

Guideline 1.6

(a) *Are new directors given formal training? If not, please explain why.*
Yes. Please refer to the section under the header "Board Orientation and Training".

(b) *What are the types of information and training provided to (i) new directors and (ii) existing directors to keep them up-to-date?*
The types of information and training provided are set out in the section under the header "Board Orientation and Training".

Board Orientation and Training

Every newly appointed Director receives a formal letter, setting out his general duties and obligations as a Director pursuant to the relevant legislations and regulations. The new Director will also receive an induction pack containing information and documents relating to the role and responsibilities of a director, the Group's principal businesses, the Company's Board processes and corporate governance practices, relevant company policies and procedures as well as a board meeting calendar for the year with a brief of the routine agenda for each meeting.

The Company also conducts a comprehensive induction programme for newly appointed Directors and for existing Directors pursuant to their appointments to any of the Committees, which seeks to familiarise Directors with the Group's principal businesses, the Company's board processes, internal controls and governance practices. The induction programme includes meetings with various key executives of the Management to allow the new Directors to be acquainted with the Management team and to facilitate their independent access in future to the Management team. The programme also includes briefings by the Management team on key areas of the Company's operations.

In February 2016, Mr Chan Soon Hee Eric was appointed the chairman of the CSR&CGC. The chairmanship of the CSR&CGC was vacated following the demise of the late Mr Kwek Leng Joo on 16 November 2015. In addition, Ms Tan Yee Peng was appointed a member of the BC. Both Mr Chan and Ms Tan were provided the respective terms of reference setting out the authority and responsibilities of the CSR&CGC and BC. Mr Chan was also briefed by the Chief Sustainability Officer, with the Chief Executive Officer ("CEO") in attendance, on the Company's CSR and sustainability initiatives.

For a first time Director who has no prior experience as a director of a listed company, in addition to the induction as detailed above, he or she will be encouraged to also attend the Listed Company Director ("LCD") Programme conducted by the Singapore Institute of Directors ("SID") in order to acquire relevant knowledge of what is expected of a listed company director. Completion of the LCD Programme, which focuses on comprehensive training of company directors on compliance, regulatory and corporate governance matters, should provide the first time Director with a broad understanding of the roles and responsibilities of a director of a listed company under the requirements of the Companies Act, Chapter 50, the Listing Manual of SGX-ST and the 2012 Code. The Company Secretary will co-ordinate with such Director to endeavour to complete the LCD Programme within one year from his or her date of appointment subject to SID's training schedule and the Director's availability.

The Directors are also provided with updates and/or briefings from time to time by professional advisers, auditors, Management and the Company Secretary in areas such as directors' duties and responsibilities, corporate governance practices, relevant legislations and regulations, risk management and financial reporting standards. The Directors are regularly kept informed by the Company Secretary of the availability of appropriate courses, conferences and seminars such as those conducted by the SID, and the Directors are encouraged to attend such training at the Company's expense.

Four in-house seminars were conducted by invited speakers in 2015, on topics relating to transfer pricing, cyber security and big data analytics for companies, integrating sustainability for greater business value, financial reporting surveillance programme by the Accounting & Corporate Regulatory Authority, tax transparency and corporate governance updates.

During the year, approximately 90% of the Board attended various training seminars and workshops as part of the Board's continuing development programme, which accounted for more than 80 training hours in aggregate.

In addition to the training courses/programmes and briefing updates, Directors are also at liberty to approach Management should they require any further information or clarification concerning the Company's operations.

Senior Management Team

The Board, through the NC, also reviews the appointment and reasons for resignations and terminations of the CEO (if not a Director), GGM, CFO and other relevant Senior Management staff.

Guideline 2.1

Does the Company comply with the guideline on the proportion of independent directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.

Yes. Please refer to the section under the header "Board Independence".

Guideline 2.3

(a) *Is there any director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the director and specify the nature of such relationship.*

No.

(b) *What are the Board's reasons for considering him independent? Please provide a detailed explanation.*

Not Applicable.

Guideline 2.4

Has any independent director served on the Board for more than nine years from the date of his first appointment? If so, please identify the director and set out the Board's reasons for considering him independent.

Yes. The Director is identified in paragraph 3 of the section under the header "Board Independence", and the Board's reasons for considering him independent are set out in the same paragraph.

Principle 2: Board Composition and Guidance

Board Independence

The Board currently comprises seven members. All members of the Board, except for the Chairman, are NEDs. Of the six NEDs, the NC has recommended and the Board has determined five of them ("5 NEDs"), being more than half of the Board, to be independent, thus providing for a strong and independent element on the Board capable of exercising objective judgement on the corporate affairs of the Company. No individual or small group of individuals dominates the Board's decision making.

When reviewing the independence of the 5 NEDs, the NC has considered the guidelines for independence set out in Guideline 2.3 of the 2012 Code. As part of the consideration, the NC also took into account their other directorships, annual declaration regarding their independence, disclosure of interest in transactions in which they have a direct/indirect interest, their ability to avoid any apparent conflicts of interests especially by abstaining from deliberation on such transactions and their ability to maintain objectivity in their conduct as Directors of the Company. The 5 NEDs are Mr Tang See Chim, Mr Yeo Liat Kok Philip, Mr Tan Poay Seng, Mr Chan Soon Hee Eric and Ms Tan Yee Peng. For purposes of determination of independence, the 5 NEDs have also provided confirmation that they are not related to the substantial shareholders of the Company. The NC is satisfied that there is no other relationship which could affect their independence.

In considering the independence of Mr Tang See Chim, who has served on the Board for more than nine years, the NC and the Board have given due consideration to the recommendation under Guideline 2.4 of the 2012 Code that the independence of any director who has served on the Board beyond nine years be subject to particularly rigorous review. Guided by relevant questions under the Nominating Committee Guide issued by the SID in 2015, the Board noted observations/instances of Mr Tang's active discussion in debating and evaluating actions taken by Management and his seeking of clarification in order to make informed decisions, whilst remaining open to other viewpoints. The NC and the Board had concurred that Mr Tang is independent notwithstanding he has served on the Board beyond nine years as he has continued to demonstrate strong independence in character and judgement in the discharge of his responsibilities as a Director of the Company. The Company has also benefited from his years of experience in his field of expertise.

The 5 NEDs had also avoided apparent conflicts of interests especially by abstaining from deliberation on transactions in which they had a direct/indirect interest, and were able to maintain objectivity in their conduct as Directors of the Company. They have objectively raised issues and sought clarification as and when necessary from the Board, Management and the Group's external advisers on matters pertaining to their area of responsibilities whether on Board or on the Committees.

Guideline 2.6

(a) *What is the Board's policy with regard to diversity in identifying director nominees?*
Please refer to the section under the header "Board Composition and Size".

(b) *Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.*
Please refer to the section under the header "Board Composition and Size".

(c) *What steps has the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?*
Please refer to the section under the header "Board Composition and Size".

Board Composition and Size

The NC reviews the size and composition mix of the Board and the Committees annually. The Board comprises business leaders and professionals from both genders with real estate, hospitality, financial (including audit and accounting), legal and business management backgrounds. The members of the Board with their combined business, management and professional experience, knowledge and expertise, provide the core competencies to allow for diverse and objective perspectives on the Group's business and direction. Further information on the individual Directors' background, experience and skills can be found on the "Board of Directors" section in the AR.

In consideration of the scope and nature of the operations of the Group, the Board is satisfied that the current composition mix and size of the Board provide for sufficient diversity and allow for effective decision making at the Board and Committees respectively.

The Board welcomes the push for greater gender diversity in the boardroom which can provide a more diverse approach to business decision making. The Company had, on 28 August 2015, supported the following Board Diversity Pledge initiated by SID and SGX-ST:

"We, as corporations, are committed to promoting diversity as a key attribute of a well-functioning and effective Board. We believe that a diverse Board will enhance decision making by harnessing the variety of skills, industry and business experiences, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service, and other distinguishing qualities of the members of the Board."

NEDs' Participation

NEDs are encouraged to participate actively at Board meetings in the development of the Company's strategic plans and direction, and in the review and monitoring of Management's performance against targets. To facilitate this, they are kept informed of the Company's businesses and performance through monthly and quarterly reports from the Management, and have unrestricted access to the Management. They also sit on various Committees established by the Board to provide constructive input and the necessary review and monitoring of performance of the Company and Management. A meeting of the NED chaired by the Lead ID was held in 2015 without the presence of Management. The NEDs would also confer among themselves without the presence of Management as and when the need arose.

Principle 3: Chairman and Chief Executive Officer

Role of Chairman and the Chief Executive Officer

The Chairman of the Board, Mr Kwek Leng Beng, is also the Executive Chairman. Mr Kwek Leng Beng plays an instrumental role in providing the Company with strong leadership and vision, assisting the Board to develop policies and strategies, and ensuring that these are implemented effectively. As the Board Chairman, Mr Kwek also promotes and leads the Group in its commitment to achieve and maintain high standards of corporate governance. He bears primary responsibility for the workings of the Board, by ensuring effectiveness on all aspects of its role including setting agenda for Board meetings with input from Management, ensuring that sufficient allocation of time for thorough discussion of each agenda item at Board meetings, promoting an open environment within the Board room for constructive debate, encouraging the NEDs to speak freely and contribute effectively, and exercising control over the quality, quantity and timeliness of information flow between the Board and Management. At annual general meetings and other shareholders' meetings, he plays a pivotal role in fostering constructive dialogue between shareholders, the Board and Management. As Executive Chairman, he is the most senior executive in the Company and bears executive responsibility for the Group's business.

Mr Kwek Leng Beng, the Executive Chairman, is assisted by the CEO, Mr Grant L. Kelley and other members of the Senior Management team. Mr Kelley has executive responsibilities for the business direction, overall development and management of the Group's businesses, as well as the implementation of the business strategies and decisions of the Board in the operations of the Group. He is not related to the Executive Chairman.

Lead Independent Director

Taking cognisance that the Board Chairman is an Executive Director and thus not independent, the Board has appointed Mr Chan Soon Hee Eric as Lead ID to serve as a sounding board for the Board Chairman and also as an intermediary between the NEDs and the Board Chairman. The role of the Lead ID is set out under the written terms of reference for the Lead ID, which has been approved by the Board. The Lead ID is available to shareholders where they have concerns and for which contact through the normal channels of the Chairman or the Senior Management has failed to resolve or is inappropriate. No query or request on any matter which requires the Lead ID's attention was received from the shareholders in 2015. Under the chairmanship of the Lead ID, a meeting of the independent NEDs was convened in February 2016 without the presence of Management or the Board Chairman, and feedback from the NEDs would be provided by the Lead ID to the Board Chairman and the Management, as appropriate.

The Board considered Mr Kwek Leng Beng's role as the Executive Board Chairman, as set out under the written terms of reference for the Board Chairman approved by the Board, and the strengths he brings to such a role by virtue of his stature and experience. Through the establishment of various Committees with power and authority to perform key functions beyond the authority of, or without the undue influence from the Chairman, and the putting in place of internal controls to allow effective oversight by the Board of the Company's business, the Board is of the view that these enable the Board to exercise objective decision making in the interests of the Company. The Board is of the view that Mr Kwek Leng Beng's role as Executive Board Chairman would continue to facilitate the Group's decision making and implementation process.

Principle 4: Board Membership

NC Composition and Role

Two out of the three members of the NC, including the NC chairman, are independent. The Lead ID is one of the independent members of the NC. Please refer to the 'Corporate Directory' section of this AR for the composition of the NC.

The NC's responsibilities as set out in its written terms of reference approved by the Board, is to review all Board and Committee composition and membership, board succession plans for the Directors, determine Director's independence annually and as and when circumstances require, evaluate performance of the Board as a whole, its Committees and the individual Directors, review appointments and resignations of Senior Management which includes the Executive Chairman, the CEO, the Group General Manager ("GGM"), the Chief Financial Officer ("CFO") and other relevant senior management staff and review Directors' training and continuous professional development programme. Two NC meetings were held in 2015. The Company Secretary maintains records of all NC meetings including records of discussions on key deliberations and decisions taken.

For the financial year under review, the NC conducted a self-assessment of its own effectiveness in the discharge of its roles and responsibilities, which was facilitated through the use of a self-assessment checklist ("NC Self-Assessment Checklist"). The NC Self-Assessment Checklist covered, *inter alia*, the responsibilities of the NC under its terms of reference and considered also the contributions of NC members to the deliberation and decision making process at NC meetings.

Based on the self-assessment, the NC believes that it has fulfilled its responsibilities and discharged its duties as set out in its terms of reference.

Guideline 4.6

Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.
Please refer to the sections under the headers "Re-nomination of Directors" and "Criteria and Process for Nomination and Selection of New Directors".

Re-nomination of Directors

The NC reviews annually the nomination of the relevant Directors for re-election and appointment as well as the independence of Directors. When considering the nomination of Directors for re-election and appointment, the NC takes into account their contribution to the effectiveness of the Board (which includes their participation and candour at Board and Committee meetings) as well as their time commitment especially for Directors who have multiple board representations and/or other principal commitments, and also reviews their independence. The recommendation of the NC on the annual nomination of the Directors for re-election and appointment is submitted to the Board for decision and thereafter tabled at the annual general meeting of the Company for consideration and approval by shareholders.

The Constitution of the Company provide that not less than one-third of the Directors for the time being, shall retire as Directors at each annual general meeting of the Company ("AGM"). All new Directors appointed by the Board shall hold office until the next AGM, and are eligible for re-election at the said AGM.

In accordance with the Constitution of the Company, Mr Kwek Leng Peck and Mr Chan Soon Hee Eric are due to retire by rotation at the forthcoming AGM ("2016 AGM") and have offered themselves for re-election at the 2016 AGM.

Mr Kwek Leng Beng and Mr Tang See Chim, who were appointed to hold office until the 2016 AGM pursuant to Section 153(6) of the Companies Act, Chapter 50 which section has since been repealed, would seek appointment again at the 2016 AGM. Once they are appointed at the 2016 AGM, their appointments would thereafter be subject to the three-year rotation cycle applicable to directors of SGX-ST listed companies.

Criteria and Process for Nomination and Selection of New Directors

The NC interviews shortlisted candidates before formally considering and recommending them for appointment to the Board and where applicable, to the Committees. Searches for potential candidates are generally handled discreetly and may take into account recommendations from the Directors. Should it be necessary, the NC may consider the use of external search firms to find appropriate candidates. Shortlisted candidates would be required to furnish their curriculum vitae containing information on their academic/professional qualification, work experience, employment history and experience (if any) as directors of listed companies.

In reviewing and recommending to the Board any new Director appointments, the NC considers: (a) the candidate's age, gender, track record, experience and capabilities or such other factors as may be determined by the NC to be relevant and which would contribute to the Board's collective skills; (b) any competing time commitments if the candidate has multiple listed company board representations and/or other principal commitments; (c) the candidate's independence, in the case of the appointment of an independent NED; and (d) the composition requirements for the Board and Committees after matching the candidate's skill set to the requirement of the relevant Board Committees (if the candidate is proposed to be appointed to any of the Committees).

Guideline 4.4

(a) *What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?*
There is no maximum number prescribed.

(b) *If a maximum number has not been determined, what are the reasons?*
Please refer to the explanation in the section under the header "Directors' Time Commitments".

(c) *What are the specific considerations in considering the capacity of Directors?*
Please refer to the explanation in the section under the header "Directors' Time Commitments".

Directors' Time Commitments

When considering the re-nomination of Directors for re-election or appointment, the NC also takes into account the competing time commitments faced by Directors with multiple board representations and/or other principal commitments. An analysis of the directorships (which includes directorships by groups and executive appointments) held by the Directors is reviewed annually by the NC. Each Director is also required to confirm annually to the NC as to whether he has any issue with competing time commitments which may impact his ability to provide sufficient time and attention to his duties as a Director of the Company. Based on the analysis, the Directors' annual confirmation and the Directors' commitments and contributions to the Company which is also evident in their level of attendance and participation at Board and Committee meetings, the NC is satisfied that all Directors are able to carry out and have been adequately carrying out their duties as a Director of the Company.

It is recommended under the 2012 Code that the Board consider providing guidance on the maximum number of listed company representations which each Director of the Company may hold in order to address competing time commitments faced by Directors serving on multiple boards. The NC noted, that excluding the directorship held in the Company, the number of listed company board representations currently held by each of the Directors ranged from one to five in number and those held by Mr Kwek Leng Beng and Mr Kwek Leng Peck are on the boards of the related companies of the Company.

Having considered this issue, the NC does not recommend setting a maximum number of listed company board representations that a Director may hold. The Company considers an assessment of the individual Directors' participation as described above to be more effective for the Company than prescribing a numerical limit on the number of listed company directorships that a Director may hold. It would not wish to omit from consideration suitable individuals who, despite the demands of their time, have the capacity to participate and contribute as members of the Board.

In addition to the current review procedures of the attendance records and analysis of directorships, a policy has also been put in place for Directors to consult the Chairman of the Board or the chairman of the NC with regard to accepting any new appointments as directors on listed companies or other principal commitments and notifying the Board of any changes in their external appointments. This would allow the Director to review his time commitments with the proposed new appointments and in the case of an independent Director, to ensure that his independence would not be affected.

Key Information on Directors

Please refer to the 'Board of Directors' section in the AR for key information on the Directors, including their date of first appointment and latest re-appointment to the Board, their academic/ professional qualification, major appointments, directorships held in listed companies both currently and in the preceding three years, and other relevant information, and the Notice of AGM for Directors proposed for re-election and appointment at the 2016 AGM. Currently, no alternate Directors have been appointed in respect of any of the Directors.

Succession Planning for the Board and Executive Chairman

The Board believes in carrying out succession planning for itself and the Executive Chairman to ensure continuity of leadership. Board renewal is a continuing process and in this regard, the NC reviews the composition of the Board, which includes size and mix, annually and recommends to the Board the selection and appointment of new Directors, whether in addition to the existing Board members or as replacement of retiring Board members, with a view to identifying any gaps in the Board's skills set taking into account the Group's business operations. The Board will be able to function smoothly notwithstanding any resignation or retirement of any Director given the present number of members and mix of competencies on the Board.

Board Development

The NC reviews the training and development of the Directors to ensure that Directors receive appropriate development on a continuing basis, to perform their roles on the Board and where applicable, the Committees. The Directors are provided with updates and/or briefings to assist them to properly discharge their duties. The briefings are conducted either internally with invited speakers, or externally, at the Company's expense. A separate programme is established for new Directors, details of which together with details of the internal briefing and updates provided to the Directors in 2015 are set out in the paragraph above under the subject heading "Board Orientation and Training".

The Board is kept apprised twice yearly on a list of training programmes attended by the Directors during the year.

Guideline 5.1

(a) *What was the process upon which the Board reached the conclusion on its performance for the financial year?*
Please refer to the sections under the headers "Board Evaluation Process", "Board Evaluation Criteria" and "Individual Director Evaluation Criteria".

(b) *Has the Board met its performance objectives?*
The NC's evaluation of the Board's performance was discussed and considered by the Board, and recommendations to strengthen the effectiveness of the Board and the Committees were accepted by the Board.

Principle 5: Board Performance

Board Evaluation Process

The Company has in place a formal process for assessment of the effectiveness of the Board as a whole, the various Committees and the contribution by each Director to the effectiveness of the Board and the Committees. No external facilitator has been used. The NC assesses the Board's performance as a whole annually, using objective and appropriate quantitative and qualitative criteria which were recommended by the NC and approved by the Board. When assessing the overall Board performance, the NC takes into consideration the feedback from individual Directors on areas relating to the Board's competencies and effectiveness. The results of the overall evaluation of the Board by the NC, including its recommendation, if any, for improvements, are presented to the Board.

The NC also undertook an evaluation of the performance of the Committees, specifically the ARC and the RC with the assistance of self-assessment checklists completed by these Committees.

The annual evaluation process for the individual Director's performance comprises three parts: (a) background information concerning the Director including his attendance records at Board and Committee meetings; (b) questionnaire for completion by each individual Board member; and (c) NC's evaluation based on certain assessment parameters. The questionnaires and the assessment parameters were recommended by the NC and approved by the Board. The completed questionnaires are then reviewed by the NC before the NC completes its evaluation of the individual Directors.

When deliberating on the performance of a particular Director who is also a member of the NC, that member abstains from the discussions in order to avoid any conflict of interests.

The results of the individual evaluation of the Directors are also used by the NC, in its consultation with the Chairman of the Board (who is also a member of the NC), to review, where appropriate, the composition of the Board and Committees, and to support its proposals, if any, for appointment of new members and its recommendations for the appointment and re-election of retiring Directors. Comments from the Directors, if any, concerning the Board as a whole and the general performance of the Directors, are also presented to the Board.

Board Evaluation Criteria

The qualitative criteria is set out in a questionnaire covering three main areas relating to board composition, roles and responsibilities, conduct of meetings and access to information.

The quantitative criteria used to evaluate the overall Board performance comprises quarterly performance indicators which include a comparison of the Company's performance (including segmental performance) for the financial period under review against the Company's performance for the corresponding period in previous years and also vis-à-vis industry peers and industry averages, and other indicators such as the Company's share price performance over a historical period and vis-à-vis industry peers.

Individual Director Evaluation Criteria

Factors taken into account in the assessment of a Director's performance include his abilities and competencies, his objectivity and the level of participation at Board and Committee meetings including his knowledge and contribution to Board processes and the business strategies and performance of the Group.

Guideline 6.1

What types of information does the Company provide to independent directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?

Please refer to the section under the header "Complete, Adequate and Timely Information and Access to Management", and the section under Principle 10 under the header "Accountability of the Board and Management".

Principle 6: Access to Information

Complete, Adequate and Timely Information and Access to Management

Prior to each meeting, members of the Board and the Committees are provided with the meeting agenda and the relevant papers submitted by the Management, containing complete, adequate and timely information to enable full deliberation on the issues to be considered at the respective meetings. Management, the Company's auditors and professional advisers who can provide additional insight into the matters for discussion are also invited from time to time to attend such meetings. Directors have separate and independent access to Management.

Draft agendas for Board and Committee meetings are circulated to the Chairman of the Board and the chairmen of the Committees respectively, in advance, for them to review and suggest items for the agenda. The Board and Committees are also furnished routine reports, where applicable, from the Management. Each of the chairmen of the ARC, NC, RC and CSR&CGC provides an annual report of the respective Committees' activities during the year under review to the Board. The minutes of meetings of the Committees are circulated to all Board members.

Company Secretary

The Company Secretaries, whose appointment and removal are subject to Board's approval, attend all Board and Committee meetings and ensure that all Board procedures are followed. The Company Secretaries, together with Management, also ensure that the Company complies with all applicable statutory and regulatory rules. Together with the Management, the Company Secretaries also advise the Board Chairman, the Board and Committees on corporate governance matters and assist to implement and strengthen corporate governance practices and processes, including facilitating orientation for newly appointed Directors and appointments to Committees, and continuing training and development for the Directors.

On an on-going basis, the Directors have separate and independent access to the Company Secretaries, whose duties and responsibilities are clearly defined.

Independent Professional Advice

The Directors, whether as a group or individually, are entitled to take independent professional advice at the expense of the Company, in furtherance of their duties and in the event that circumstances warrant the same. The Company has in place internal guidelines allowing the Directors to seek independent professional advice.

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

RC Composition and Role

The RC comprises three NEDs, all of whom including the chairman of the RC are independent. The RC's principal responsibilities as set out in its written terms of reference approved by the Board are to review and recommend, for the endorsement of the Board, a framework of remuneration and the specific remuneration packages for each Board member and the Company's key management personnel ("KMP").

The Company has in place a remuneration framework (which covers all aspects of remuneration) for the Directors and the KMP. The Company currently identified the executive Directors ("EDs") and the CEO and the GGM who are the most senior members of the Management team outside the Board as its KMPs. On an annual basis, the RC reviews the annual increments, year-end and variable bonuses to be granted to the EDs and the KMPs. No remuneration consultants from outside the Hong Leong Group were appointed.

The Company Secretary maintains records of all RC meetings including records of discussions on key deliberations and decisions taken. Two meetings of the RC were convened during 2015. For the financial year under review, the RC conducted a self-assessment of its own effectiveness in the discharge of its roles and responsibilities, which was facilitated through the use of a self-assessment checklist ("RC Self-Assessment Checklist").

The RC Self-Assessment Checklist covered, *inter alia*, the responsibilities of the RC under its terms of reference, and considered also the contribution of RC members to the deliberation and decision making process at RC meetings.

Based on the self-assessment, the RC believes that it has fulfilled its responsibilities and discharged its duties as set out in its terms of reference.

Guideline 9.6

(a) *Please describe how the remuneration received by executive directors and key management personnel has been determined by the performance criteria.*
Please refer to the sections under the headers "Remuneration of Directors and KMP" and "Disclosure of Remuneration".

(b) *What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes?*
Please refer to the sections under the headers "Remuneration of Directors and KMP" and "Disclosure of Remuneration". Remuneration components are determined by the individual's performance, the performance of the Group and industry practices.

(c) *Were all of these performance conditions met? If not, what were the reasons?*
The variable components of the remuneration for the executive Directors and the KMP were awarded for FY 2015 pursuant to the RC's review of the individual's performance, the Company's overall performance and industry practices.

Principle 8: Level and Mix of Remuneration

Remuneration of Directors and KMP

The Company's remuneration policy for Directors comprises the following distinct objectives:

- to ensure that the procedure for determining remuneration for Directors is formal and transparent;
- to ensure that the level of remuneration is sufficient (without being excessive) to attract and retain Directors to run and exercise oversight responsibility over the Company; and
- to ensure that no Director is involved in deciding on his own remuneration.

In reviewing the remuneration packages of the EDs and the KMP, the RC, with the assistance of the human resource advisers or consultants within the Hong Leong Group, considers the level of remuneration based on the Company's remuneration policy which comprises the following distinct objectives:

- to ensure that the remuneration packages are competitive in attracting and retaining employees capable of meeting the Company's needs;
- to reward employees for achieving corporate and individual performance targets in a fair and equitable way; and
- to ensure that the remuneration reflects employees' duties and responsibilities.

Based on the Remuneration Framework, the remuneration packages for the EDs and KMP comprise a fixed component (in the form of a base salary, a 13th month Annual Wage Supplement and, where applicable, fixed allowances together with other benefits-in-kind determined by the Company's Human Resource policies) and variable components (which includes variable, year-end annual and special bonuses) which is determined by the individual's performance, the Company's overall performance and industry practices, in each specific year.

When reviewing the structure and level of Directors' fees, which comprises base director's fee and additional fees for services rendered on Committees, the RC takes into consideration the Directors' respective roles and responsibilities in the Board and Committees and the changes in the business, corporate governance practices and regulatory rules. The RC also compared the Company's fee structure against industry practices. Other factors taken into consideration in the fee review include the frequency of Board and Committee meetings, corporate performance for the financial year under review as well as the corporate and economic outlook in the new financial year, and the interval since the last fee review and changes. No Director is involved in deciding his own remuneration.

Whilst the Company currently does not have a share option scheme in place, it will consider the establishment of other forms of longer term incentive schemes, as and when appropriate.

Each of the Directors receives a base Director's fee. The Lead ID also receives an additional fee to reflect his expanded responsibility. Directors who serve on the various Committees (other than the BC) also receive additional fees in respect of each Committee that they serve on, with the chairman of the Committees (other than the BC) receiving a higher fee in respect of their service as chairman of the respective Committees.

The structure of the fees paid or payable to Directors of the Company for FY 2015 is as follows:

Appointment	Per annum
Board of Directors	
- Base fee	$60,000
Audit & Risk Committee	
- ARC Chairman's fee	$70,000
- ARC Member's fee	$55,000
Nominating Committee	
- NC Chairman's fee	$18,000
- NC Member's fee	$12,000
Remuneration Committee	
- RC Chairman's fee	$18,000
- RC Member's fee	$12,000
Corporate Social Responsibility & Corporate Governance Committee	
- CSR&CGC Chairman's fee	$6,000
- CSR&CGC Member's fee	$4,000
Lead Independent Director's fee	$10,000

Guideline 9.2

Has the Company disclosed each director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?
Yes. Please refer to the section under the header "Disclosure of Remuneration".

Principle 9: Disclosure of Remuneration

Disclosure of Remuneration

The compensation packages for employees including the Executive Chairman, the late Deputy Chairman, CEO and the GGM comprised a fixed component (in the form of a base salary and fixed allowances), a variable component (which includes year-end and variable bonuses), and benefits-in-kind, where applicable, taking into account amongst other factors, the individual's performance, the performance of the Group and industry practices.

Directors' and CEO's remuneration for FY 2015, rounded off to the nearest thousand dollars including a breakdown in percentage terms of the components of the remuneration, is set out below:

	Base Salary* %	Variable Bonuses/ Allowances* %	Board/ Committee Fees** %	Other Benefits %	Total $'000
Executive Directors					
Kwek Leng Beng^	14	78	7	1	9,664
Kwek Leng Joo^2	17	81	1	1	6,611
Non-executive Directors					
Foo See Juan^1	-	-	100	-	41
Kwek Leng Peck^	-	-	100	-	184
Tang See Chim	-	-	100	-	127
Yeo Liat Kok Philip	-	-	100	-	94
Tan Poay Seng	-	-	100	-	64
Chan Soon Hee Eric	-	-	100	-	170
Tan Yee Peng	-	-	100	-	115
Chief Executive Officer					
Grant Lewis Kelley	18	78	-	4	3,099

* The salary and variable bonuses/allowances are inclusive of employer's central provident fund contributions.
** These fees comprise Board and Committee fees for FY 2015, which are subject to approval by shareholders as a lump sum at the 2016 AGM as well as ARC fees for FY 2015 that have already been approved by shareholders at the 2015 AGM.
^ Remuneration of these Directors includes remuneration paid or payable by subsidiaries of the Company.

1 Mr Foo See Juan retired as a Director of the Company on 22 April 2015.
2 Mr Kwek Leng Joo ceased to be a Director of the Company upon his demise on 16 November 2015.

Guideline 9.3

(a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or in more detail, as well as a breakdown (in percentage or dollar terms) into base/ fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?
No. Please refer to the section under the header "Remuneration of Key Management Personnel" for the Company's reasons for non-disclosure of KMP's remuneration.

(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).
Please refer to the section under the header "Remuneration of Key Management Personnel" for the Company's reasons for non-disclosure of KMP's remuneration.

Remuneration of Key Management Personnel (KMP)

The Company does not believe it to be in its interest to disclose the identity and remuneration of its top 5 KMP (who are not Directors), as having considered the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Company's business activities, such disclosure of specific remuneration information may give rise to recruitment and talent retention issues. There would be negative impact to the Company if members of the experienced and qualified senior management team are poached, which may affect the ability to both nurture a sustainable talent pool and ensure the smooth continuity in leadership needed for the achievement of the strategic objectives of the Company.

Guideline 9.4

Is there any employee who is an immediate family member of a director or the CEO, and whose remuneration exceeds S$50,000 during the year? If so, please identify the employee and specify the relationship with the relevant director or the CEO.
Yes. Please refer to the section under the header "Remuneration of Directors' Immediate Family Members for FY 2015".

Remuneration of Directors' Immediate Family Members for FY 2015

Other than the following disclosure, there are no other employees of the Company who are immediate family members of a Director or the CEO, and whose remuneration exceeds $50,000 during the year. The annual remuneration of Mr Sherman Kwek Eik Tse, son of the Executive Chairman, and Mr Kwek Eik Sheng, son of the late Deputy Chairman, for FY 2015 are set out as follows:

(disclosed in bands of $50,000)	Base Salary* %	Variable Bonuses/ Allowances* %	Board/ Committee Fees %	Other Benefits %	Total %
Above $950,000 and up to $1,000,000					
Sherman Kwek Eik Tse^	40	60	–	–	100
Above $500,000 and up to $550,000					
Kwek Eik Sheng^	45	55	–	–	100

* The salary and variable bonuses/allowances are inclusive of employer's central provident fund contributions.
^ These comprise remuneration paid or payable by the Company and its subsidiaries but exclude remuneration and Board fees paid or payable by the listed subsidiaries of the Company as these are disclosed in the respective annual reports of the listed subsidiaries.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

Accountability of the Board and Management

The Board provides shareholders with quarterly and annual financial results. Results for the first, second and third quarter are released to shareholders within 45 days of the end of each quarter whilst annual results are released within 60 days from the financial year end. In presenting the Group's annual and quarterly results, the Board aims to provide shareholders with a balanced and understandable assessment of the Group's performance and financial position with a commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which it operates.

For the financial year under review, the CEO and the CFO, for the period prior to her resignation and thereafter the Senior Vice President, Group Accounts provided assurance to the ARC on the integrity of the quarterly unaudited financial statements and the Board in turn provided a negative assurance confirmation in respect of the unaudited financial statements for the first, second and third quarters in accordance with the regulatory requirements.

The Management provides all Directors with monthly financial summary of the Group's performance.

Guideline 11.3

(a) *In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.*
Please refer to the section under the header "Risk Management and Internal Controls".

(b) *In respect of the past 12 months, has the Board received assurance from the CEO and the CFO that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?*
Please refer to the sections under the headers "Accountability of the Board and Management" and "Risk Management and Internal Controls".

Principle 11: Risk Management and Internal Controls

The Directors recognise that they have overall responsibility to ensure proper financial reporting for the Group and effectiveness of the Group's system of internal controls, including financial, operational, compliance and IT controls, and risk management policies and systems. The boards of the Group's separately listed subsidiaries are responsible for the oversight of their respective groups' internal controls and risk management systems and the Directors rely on the Company's nominees to the boards of these listed subsidiaries to provide oversight together with the other board members of these listed subsidiaries on the adoption and implementation of appropriate corporate governance practices, internal controls and risk management systems.

The ARC assists the Board in providing oversight of risk management in the Company. It is responsible for reviewing the adequacy and effectiveness of the Group's risk management systems and internal controls, including financial, operational, compliance and IT controls and reporting to the Board annually its observations on any matters under its purview including any risk management, internal controls or financial and management matters as it considers necessary and makes recommendations to the Board as it thinks fit.

The Company has in place an Enterprise Risk Management Framework. The implementation and maintenance of the Company's risk management framework is undertaken by the Risk Management Committee ("RMC"), comprising the senior management team, which in turn reports to the ARC on a quarterly basis on strategic business risks as well as provides updates on the risk management activities of the Company's property investment, development and management businesses and the Enterprise Risk Management implementation progress in the Company. Significant strategic risks identified are assessed, managed and monitored adequately within the Company's risk management framework. These strategic risks are also being reviewed and refreshed to ensure relevant emerging risks are being considered and included for proper assessment, monitoring and reporting as appropriate.

Having regard to the risks which the business is exposed, the likelihood of such risks occurring and the risk tolerance accepted by the Company, the internal controls structure of the Group has been designed and put in place by the Group's business units to provide reasonable assurance against material financial misstatements or loss, for the safeguarding of assets, for the maintenance of proper accounting records, for the provision of financial and other information with integrity, reliability and relevance, and in compliance with applicable laws and regulations. However, no internal controls system can provide absolute assurance in view of inherent limitations of any internal controls system against the occurrence of human and system errors, poor judgement in decision making, losses, fraud or other irregularities.

The Company's approach to risk management is set out in the "Risk Management" section on pages 63 to 67 of the AR. As part of the internal and external audit programme, the internal and external auditors report to the ARC any audit findings relating to internal controls, and the ARC reviews the adequacy of the actions taken by Management to address the recommendations of the internal and external auditors.

The ARC reviewed the adequacy and effectiveness of the Group's internal controls that address the Group's financial, operational, compliance and IT risks, with the assistance of the internal and external auditors and the Management. Written assurance was received from the CEO and the Senior Vice President, Group Accounts that the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances, as well as on the effectiveness and adequacy of the risk management and internal controls systems.

Based on the work performed by internal auditors during the financial year, as well as the statutory audit by the external auditors, and the written assurance from Management, the Board, with the concurrence of the ARC, is of the opinion that the system of internal controls to address the financial, operational, compliance and IT risks within the current scope of the Group's business operations, are adequate and effective as at 31 December 2015.

Management will continue to review and strengthen the Group's control environment and devote resources and expertise towards improving its internal policies and procedures to maintain a high level of governance and internal controls.

Principle 12: Audit & Risk Committee

Composition of the ARC

The ARC comprises three NEDs, all of whom including the chairman of the ARC are independent. The chairman of the ARC and at least one other member of the ARC, being the majority of the ARC, possess the relevant audit, accounting or related financial management expertise and experience, whilst the remaining member of the ARC possesses a legal background.

With the current composition, the ARC believes that it has the relevant accounting and related financial management expertise and experience to discharge its functions within its written terms of reference which has been approved by the Board.

Powers and Duties of the ARC

The ARC is authorised by the Board to review or investigate any matters it deems appropriate within its terms of reference and has direct and unrestricted access to the external auditors and the internal auditors. It may invite any Director, Management, officer or employee of the Company to attend its meetings. It is also authorised to engage any firm of accountants, lawyers or other professionals as it sees fit to provide independent counsel and advice to assist in the review or investigation on such matters within its terms of reference as it deems appropriate at the Company's expense.

The principal responsibility of the ARC is to assist the Board in maintaining a high standard of corporate governance, particularly by providing an independent review of the effectiveness of the Group's financial reporting process (including reviewing the accounting policies and practices of the Company and the Group on a consolidated basis) and key internal controls, including financial, operational, compliance, IT and risk management controls. Other duties within its written terms of reference include:

- to review with Management and, where appropriate, with the external auditors the quarterly and full year financial statements to be issued by the Group before their submission to the Board to ensure their completeness, consistency and fairness;
- to review the integrity of the financial statements of the Company to be announced or reported and any other formal announcements relating to the Company's financial performance;
- to review and approve the annual audit plans of the external and internal auditors;
- to review, on an annual basis, the scope and results of the external audit and its cost-effectiveness and the independence and objectivity of the external auditors, and also to review on a periodic basis the nature and extent of any non-audit services provided by the external auditors to the Group;
- to assess the role and effectiveness of the internal audit ("IA") function in the overall context of the Group's internal controls and risk management systems;
- to review annually with Management, the internal and external auditors the results of their review and evaluation of the Company's internal controls, including financial, operational, compliance and IT controls, and risk management policies and systems and report to the Board annually the adequacy and effectiveness of such internal controls;
- to make recommendations to the Board on the nomination for the appointment, re-appointment and removal of external auditors, and to approve the remuneration and terms of engagement of the external auditors;
- to approve the appointment, resignation or dismissal of the Head of IA;
- to review interested person transactions falling within the scope of Chapter 9 of the Listing Manual; and
- to review the Company's whistle-blowing policy and arrangements put in place for raising concerns about possible improprieties in matters of financial reporting or any other matters

The ARC held six meetings during the year and carried out its duties as set out within its terms of reference. The Company Secretary maintains records of all ARC meetings including records of discussions on key deliberations and decisions taken. The ARC meets with the internal and external auditors, each separately without the presence of Management, annually.

For the financial year under review, the ARC conducted a self-assessment of its own effectiveness in the discharge of its roles and responsibilities. The assessment was facilitated through the use of a self-assessment checklist ("ARC Self-Assessment Checklist") based on the guidance from the Guidebook for Audit Committees in Singapore issued in October 2008 ("ACGC Guidebook").

The ARC Self-Assessment Checklist covered, *inter alia*, the responsibilities of the ARC under its terms of reference, and also considered the contribution of ARC members to the ARC's deliberation and decision making process.

Based on the self-assessment, the ARC believes that it has fulfilled its responsibilities and discharged its duties as set out in its terms of reference.

Guideline 12.6

(a) *Please provide a breakdown of the fees paid in total to the external auditors for audit and non-audit services for the financial year.*
Please refer to note 28 of the Notes to the Financial Statements.

(b) *If the external auditors have supplied a substantial amount of non-audit services to the Company, please state the bases for the Audit Committee's view on the independence of the external auditors.*
Please refer to the section under the header "External Auditors".

External Auditors

Taking cognisance that the external auditors should be free from any business or other relationships with the Group that could materially interfere with their ability to act with integrity and objectivity, the ARC undertook a review of the independence of KPMG LLP ("KPMG") and gave careful consideration to the Group's relationships with them during 2015. In determining the independence of KPMG, the ARC reviewed all aspects of their relationships with them including the processes, policies and safeguards adopted by the Group and KPMG relating to audit independence. The ARC also considered the nature and volume of the provision of the non-audit services in 2015 and the corresponding fees and noted that the fees for non-audit services had exceeded 50% of the aggregate amount of all fees paid/payable to KPMG in 2015. The non-audit fees arose primarily from the tax and accounting advisory services provided in connection with the Group's investment platform involving profit participation securities (PPS). The ARC noted that these were not prohibited services and do not pose a threat to the external auditors' independence, and safeguards had been put in place by KPMG to ensure that the independence of the audit team is not impaired. The ARC is thus of the opinion that such non-audit fees did not impair or threaten the audit independence. Based on the review, the ARC is of the opinion that KPMG is, and is perceived to be, independent for the purpose of the Group's statutory financial audit.

For details of the fees paid and/or payable by the Group in respect of audit and non-audit services for FY 2015, please refer to note 28 of the Notes to the Financial Statements.

In reviewing the nomination of KPMG for re-appointment for the financial year ending 31 December 2016, the ARC had considered the adequacy of the resources, experience and competence of KPMG, and had taken into account the Audit Quality Indicators relating to KPMG at the firm level and on the audit engagement level. Consideration was also given to the experience of the engagement partner and key team members in handling the audit of multi-listed entities under different jurisdictions and in the real estate and hospitality segments. The size and complexity of the audit of the Group, and the number and experience of the supervisory and professional staff assigned were taken into account. The ARC had also considered the audit team's ability to work in a co-operative manner with Management whilst maintaining integrity and objectivity and to deliver their services professionally and within agreed time-lines.

KPMG has confirmed that they are registered with the Accounting and Corporate Regulatory Authority. The Company is thus in compliance with Rule 712 and Rule 715 (read with Rule 716) of the Listing Manual in relation to the appointment of its auditors.

On the basis of the above, the ARC has recommended to the Board the nomination of KPMG for re-appointment as external auditors at the 2016 AGM.

Interested Person Transactions

On 29 May 2003, the Company obtained shareholders' approval for the Company, its subsidiaries and its associated companies not listed on the SGX-ST or an approved exchange, over which the Company, its subsidiaries and/or interested persons have control, to enter into transactions within the categories of Interested Person Transactions set out in the Company's circular to shareholders dated 28 April 2003, with such persons within the class or classes of Interested Persons as described in the said circular, provided that such transactions are entered into in accordance with the review procedures set out in the said circular (the "IPT Mandate"). The IPT Mandate was last renewed by the shareholders on 22 April 2015 and given that such Interested Person Transactions are expected to occur with some degree of frequency and may arise at any time, and to allow the Group to undertake such transactions in an expeditious manner, shareholders' approval will be sought at the 2016 AGM of the Company for the renewal of the IPT Mandate.

The ARC has confirmed that an independent financial adviser's opinion is not required for the renewal of the IPT Mandate as the methods and procedures for determining the transaction prices of the Interested Person Transactions conducted under the IPT Mandate have not changed since the IPT Mandate was obtained on 29 May 2003, and such methods and procedures continue to be sufficient to ensure that these Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

Particulars of interested person transactions required to be disclosed under Rule 907 of the Listing Manual are as follows:

Interested Persons	**Aggregate value of all interested person transactions conducted in FY 2015 under the IPT Mandate pursuant to Rule 920 (excluding transactions less than $100,000) $'000**	**Aggregate value of all interested person transactions in FY 2015 (excluding transactions less than $100,000 and transactions conducted under the IPT Mandate pursuant to Rule 920)**	**$'000**
Hong Leong Investment Holdings Pte. Ltd. group of companies	188,648*	Property-related (a) provision to/by interested persons of (i) cleaning services; (ii) managing agent services; (iii) security services; and (iv) marketing services. (b) lease of premises to interested persons	12,305
		General Transactions Purchase of goods and services	204
		Total	12,509
Directors and their immediate family members	Nil		Nil

* The figure comprises:

(i) the aggregate value of shareholders' loans extended to joint venture companies involving interested persons, and where applicable, interest accrued on shareholders' loans, in FY 2015, which were announced on 16 February 2016 pursuant to Rule 916(3). The shareholders' loans referred herein have been extended by all the joint venture parties or shareholders in proportion to their respective equity interest in the joint venture and on the same terms and conditions, including the interest rate, if any, accrued or to be accrued on the shareholders' loans; and

(ii) the aggregate value of joint ventures between the Company or its wholly-owned subsidiaries with interested persons for the joint acquisition of land parcels. These transactions were announced pursuant to Rule 916(2).

The above interested person transactions were carried out on normal commercial terms and were not prejudicial to the interests of the Company and its minority shareholders.

Whistle-blowing Policy
CDL has in place a whistle-blowing procedure where staff of the Company and other persons can raise in confidence, whether anonymously or otherwise, concerns on possible improprieties relating to accounting, financial reporting, internal controls and auditing matters or other matters without fear of reprisals in any form. The ARC 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 whistle-blower concerned will be maintained where so requested by the whistle-blower 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 efforts basis, be carried out in a timely manner.

In order to facilitate and encourage the reporting of such matters, the whistle-blowing policy, together with the dedicated whistle-blowing communication channels (email and postal address as well as toll-free telephone contact numbers in various countries) are available on the Company's website and intranet and is easily accessible by all employees and other persons.

The whistle-blowing policy is reviewed by the ARC from time to time to ensure that it remains current.

Guideline 13.1

Does the Company have an internal audit function? If not, please explain why.
Yes. Please refer to the section under the header "Reporting Line and Qualification".

Principle 13: Internal Audit

Reporting Line and Qualification
The IA function is independent of the activities it audits. The Head of IA's primary reporting line is to the chairman of the ARC with an administrative line of reporting to the CEO (previously the Managing Director) of the Company. The appointment, resignation and dismissal of the Head of IA is reviewed and approved by the ARC. The ARC also provides input on the annual performance appraisal of the Head of IA. The ARC meets the Head of IA at least once annually without the presence of Management. The Head of IA has unfettered access to the ARC, the Board and Management as well as the Group's documents, records, properties and personnel.

IA operates within the framework stated in its IA Charter which is approved by the ARC and reviewed on an annual basis. The standards of the IA Charter are consistent with the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The Head of IA and Audit Managers are all Certified Internal Auditors accredited by The Institute of Internal Auditors.

Role and Activities of IA
The primary role of IA is to assist the Board to evaluate the reliability, adequacy and effectiveness of the internal controls and risk management processes of the Company, reviewing the internal controls of the Company to ensure prompt and accurate recording of transactions and proper safeguarding of assets and reviewing that the Company complies with the relevant laws, regulations and policies established by the Company.

The ARC approved the annual IA plan in February 2015 and received regular reports during 2015 on the progress of the audit work under the IA plan. All IA reports are given to the ARC, the Chairman of the Board, CEO, GGM, CFO, Company Secretary and the heads of the relevant departments. IA observations on control, operational and human lapses and recommendations to address them were also reviewed and discussed at ARC meetings. The ARC was satisfied that recommendations made were dealt with by the Management in a timely manner, with outstanding exceptions or recommendations being closely monitored and reported back to the ARC.

The ARC reviewed the effectiveness and adequacy of the IA function through a review of the IA activities on a quarterly basis as well as its annual assessment of the IA function. The assessment was facilitated through the use of an evaluation framework modeled on the framework recommended in the ACGC Guidebook. The evaluation framework is comprehensive and covers IA organisation, resources and continuing training, audit plans work scope, quality of reports and recommendations, IA Charter and IA internal control assessment. Based on the assessment, the ARC is satisfied with the quality and effectiveness of the IA function and that the IA function is currently adequately resourced and has appropriate independent standing within the Group to perform its functions effectively.

COMMUNICATION WITH SHAREHOLDERS

Principle 14: Shareholder Rights

Being committed to good corporate practices, the Company treats all shareholders fairly and equitably. To facilitate the exercise of shareholders' rights, the Company ensures that all material information relating to the Company and its financial performance is disclosed in an accurate and timely manner via SGXNET.

All shareholders are entitled to attend and vote at general meetings in person or by proxy. The rules, including the voting procedures, are set out in the notice of general meetings. In accordance with the Constitution of the Company, shareholders may appoint one or two proxies to attend and vote at general meetings in their absence. The proxy forms must be deposited with the Company not less than forty-eight (48) hours before the time set for the general meetings. Taking cognisance of the Companies Amendment Act ("Amendment Act") which came into effect on 3 January 2016 which *inter alia* provided for shareholders who are relevant intermediaries (as defined in the Amendment Act) to appoint more than two proxies to attend and vote at general meetings, the Board has recommended that the relevant provisions within the Company's Constitution be amended at the 2016 AGM, to align with the Amendment Act. Pursuant to the Amendment Act, relevant intermediaries will be able to appoint more than 2 proxies at the 2016 AGM.

Guideline 15.4

(a) *Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?*
Please refer to the explanation under "Principle 15: Communication with Shareholders."

(b) *Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?*
The Company's Head of Corporate Communications provides investor relations support to the Senior Management who takes an active role in investor relations. Please refer to the third paragraph in the section under the header "Principle 15: Communication with Shareholders".

(c) *How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?*
Please refer to the explanation under "Principle 15: Communication with Shareholders."

Guideline 15.5

If the Company is not paying any dividends for the financial year, please explain why.
Not applicable. The Company is paying dividends in respect of FY 2015.

Principle 15: Communication with Shareholders

The Company ensures that shareholders are notified of all material information in an accurate and timely manner. The Company notifies its investors in advance of the date of release of its financial results via SGXNET. The Company announces its quarterly and full-year results within the mandatory period. The financial statements and other presentation materials presented at the Company's general meetings, including material and price-sensitive information, are disseminated and publicly released via SGXNET on a timely basis. All shareholders of the Company receive the annual report of the Company and the notice of AGM, which notice is also advertised in the press and released via SGXNET.

Shareholders and investors can contact the Company or access information on the Company at its website at www.cdl.com.sg which has a dedicated "Investor Relations" link that provides, *inter alia*, information on the Board of Directors and Senior Management team, the Company's Corporate Governance Report, Sustainability Report, Annual Reports, corporate policies, corporate announcements, press releases and the latest financial results as released by the Company on SGXNET and other information which may be relevant to investors.

From time to time, the Executive Chairman and the Company's Senior Management hold briefings with analysts and the media to coincide with the release of the Group's half-year and full-year results. Media presentation slides are also released on SGXNET and are available on the Company's website. Audio webcast was made available to investors after the analysts/media briefing for the half year 2015 results announcement and a live video webcast was arranged for investors at the analysts/media briefing for the full year 2015 results in February 2016. In addition, the Management takes an active role in investor relations, meeting local and foreign fund managers regularly as well as participating in investor roadshows and conferences both locally and overseas.

Further, the Company has formalised its dividend policy which aims to provide a return to shareholders at least once a year through the payment of dividends, after taking into account the Group's financial performance, short and long term capital requirements, future investment plans, general global and business economic conditions and any regulatory factors. The Board endeavours to maintain a balance between meeting shareholders' expectations and prudent capital management with a sustainable dividend policy. The Board will review the dividend policy from time to time and reserves the right to modify, amend and update the policy.

Principle 16: Conduct of Shareholder Meetings

At general meetings of the Company, shareholders are given the opportunity to communicate their views and encouraged to ask the Directors and the Management questions regarding matters affecting the Company. The chairmen of the ARC, NC, RC and CSR&CGC and the external auditors were present at the last AGM, and will endeavour to be present at the 2016 AGM to assist the Directors in addressing queries raised by the shareholders.

Shareholders are given the opportunity to vote at general meetings. However, as the authentication of shareholder identity information and other related integrity issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail or electronic means.

The Company provides for separate resolutions at general meetings on each substantial issue, including treating the re-election or appointment of each Director as a separate subject matter. Detailed information on each item in the AGM agenda is provided in the explanatory notes to the notice of AGM in the AR. The Company also maintains minutes of the AGM, which includes the key comments and queries raised by shareholders and the responses from the Board, Management and/or the external auditors.

Pursuant to Rule 730A(2) of the Listing Manual, all resolutions proposed at the 2016 AGM and at any adjournment thereof shall be put to the vote by way of poll.

In support of greater transparency and to allow for a more efficient voting system, the Company had introduced electronic poll voting instead of voting by show of hands at the 2012 AGM and would continue to do so in respect of all resolutions proposed at the 2016 AGM. With electronic poll voting, shareholders present in person or represented by proxy at the meeting will be entitled to vote on a 'one-share, one-vote' basis. The voting results of all votes cast in respect of each resolution will also be instantaneously displayed at the meeting and announced via SGXNET after the 2016 AGM. The rules including voting procedures that govern general meetings of shareholders are attached with the notice of the 2016 AGM.

Corporate Values and Conduct of Business

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 in place an internal code of business and ethical conduct crystallising the Company's business principles and practices with respect to matters which may have ethical implications. The code, which provides a communicable and understandable framework for staff to observe the Company's principles such as honesty, integrity, responsibility and accountability at all levels of the organisation and in the conduct of the Company's business in their relationships with customers, suppliers and amongst employees, 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 its relationships with customers, suppliers, competitors and towards its employees.

In line with the Board's commitment to maintain high ethical standards which are integral to our corporate identity and business, the Company has the following three corporate policies in place:

(i) Anti-Corruption Policy & Guidelines which sets out the responsibilities of the Group companies and of each employee in observing and upholding CDL's 'zero-tolerance' position against all forms of corruption, bribery and extortion and provides information and guidance to employees on how to recognise, address, resolve, avoid and prevent instances of corruption, bribery and extortion which may arise in the course of their work.

(ii) Fraud Policy & Guidelines which provides guidance on actions which may constitute fraudulent conduct and highlights the importance of the implementation, maintenance and compliance with the internal controls framework of the Group and its policies and procedures.

(iii) Competition Policy & Guidelines which states the Company's policy to compete fairly and ethically in the conduct of business in all of our markets and provides direction and guidance to employees in their relationships and communications with competitors and customers.

These policies are available on the Company's intranet and have also been disseminated to officers and employees of the Group's key subsidiaries. Both the Anti-Corruption Policy & Guidelines and the Fraud Policy & Guidelines have also been made available on the Company's corporate website.

Internal Code on Dealings in Securities

The Company has in place 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 its Directors and officers. These guidelines prohibit dealing in the Company's securities (a) on short-term considerations, (b) while in possession of unpublished material price-sensitive information in relation to such securities, and (c) during the "closed period", which is defined as two weeks before the date of announcement of results for the first, second and third quarter 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.

Sustainability

The Company is committed to maintaining and achieving high standards of corporate governance ("CG") and continuing to build on its industry leadership on sustainability and corporate social responsibility ("CSR").

The CSR&CGC of the Company comprises three Directors, all of whom are independent Directors. Please refer to the 'Corporate Directory' section of this AR for the composition of the CSR&CGC. The CSR&CGC's responsibilities, as set out in its written terms of reference approved by the Board, is to have oversight of the Company's attention to CSR and CG issues, including the Company's policies on various aspects of CSR and CG which are significant and contribute to the Company's performance, business activities, and/or reputation as a global corporate citizen. Further information on the Company's sustainability practices are set out in the Sustainability Report on pages 68 to 75 of the AR.

Risk management continues to play an important part in the Company's business activities and is an essential component of its planning process.

The Board has overall responsibility 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 risks appetite that the Company undertakes to achieve its corporate objectives. To assist the Board in its risk management oversight, the Audit & Risk Committee (ARC) 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 ARC's risk management function is assisted by a Risk Management Committee (RMC), whose members comprise Senior Management and the Heads of Divisions, Business Units and Corporate Functions. The RMC 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 arising from the Company's core business of property investment, development and management activities and a systematic risk assessment methodology for the identification, assessment, management and reporting of such risks on a consistent and reliable basis. The RMC mandate is to focus on key strategic risks whilst also ensuring that the business units are held responsible for the management, monitoring and control of risks within their day-to-day operations. Since 2015, the RMC has also been provided quarterly risk reporting from local operating subsidiaries, operations from China and Thailand and Millennium & Copthorne Group.

The Enterprise Risk Management (ERM) function provides the RMC and Senior Management with regular updates on key strategic risks, assessment of key risk exposures and any new emerging risks that may require mitigations. The ERM function also assists the RMC to report quarterly to the ARC on the overall strategic and operational risks positions, including mitigating measures, treatment plans and the occurrence or potential occurrence of significant risk events.

The RMC has established a formal risk management framework which is regularly reviewed against international standards and best practices in risk management. This framework provides the Company with a holistic, structured and consistent process for the identification, assessment, evaluation, monitoring and reporting of risks, supported by continuous training to build risk awareness and competencies, as well as systems and tools to operationalise the risk management framework. The Company recognises that risk management is an on-going process and aims to continually to look for ways to improve in the following areas:

- Integrate risk management as a part of strategic and operational decision-making process within the Company through building a strong risk culture and instilling risk accountability and ownership at all levels;
- Improve monitoring and control capabilities to manage significant strategic business risks;
- Review the effectiveness of the systems of internal controls to limit, mitigate, manage and monitor identified risks;
- Ensure that information required for effective risk management is delivered adequately and in a timely manner;
- Build on and integrate into its 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, and
- Embed risk management process into our culture and all our business operations.

The Company strongly believes that the most senior executive in the company sets the "tone from the top" towards risk management and instils an effective risk culture. This is crucial for the success of risk management at both operational and strategic levels. To reinforce the desired risk culture and to promote accountability and ownership at all levels, Management and staff are engaged regularly on risk management related activities such as risk identification and assessment workshops, topical talks as well as Control Self-Assessment (CSA) exercises. Management is also regularly updated on the latest risk management regulatory developments and best practices through talks, seminars and other programmes conducted by external consultants and risk management practitioners.

CDL ERM FRAMEWORK

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

OPERATIONAL RISKS

The risk management process is progressively being embedded into operations, with the respective management at divisions and departments responsible for identifying, assessing, mitigating and managing the operational risks within each of their

RISK MANAGEMENT

functional areas. A risk management structure has been set up within each key department and subsidiary to define risk roles and responsibilities at operational levels. At least one Risk Owner has been identified for each key division, department and subsidiary, assisted by appointed Risk Champions who functions as risk management co-ordinators and liaisons with the ERM function. Other operational staff will be responsible for providing input where necessary in the risk management process and reporting risk issues and incidents encountered in their day-to-day work. The risk management process and system of internal controls in place includes operating, reporting and monitoring processes and procedures (such as 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. These elements are critical to mitigate and monitor 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.

Our ability to deliver high quality product to our customers is a key focus in operational risk management. Management continues to monitor closely control measures that will ensure projects development and delivery that will meet increasing demand on quality standards.

CDL is committed to comply with all existing and new laws and regulations, both locally and overseas. Management has emphasized the importance of regulatory compliance in all aspects of operations and non-compliances are dealt with appropriately. In addition, there is a reporting framework in place for our operations to highlight and report emerging regulatory changes so as to allow the Company and its relevant departments to make assessment on any potential impacts to costs and project timelines. The Company also maintains close working relationships with its business partners and relevant authorities to keep abreast with developments and changes in the regulatory framework and business environment.

Since 2013, the Company has implemented a CSA programme to infuse a greater sense of ownership and accountability in managing risks in the operating divisions. This programme augments independent audits by the Internal Audit team and has added assurance to our Senior Management and the Board that operational risks are being effectively and adequately managed and controlled. The Company is also in the process of developing tailored CSA programmes for its key subsidiaries to further enhance risk awareness, achieve "buy-in" and cement accountability in our subsidiaries.

The maintenance of adequate insurance coverage for the Company's assets, and the protection of and continued investment in the security and integrity of its information technology systems and database which are highly integrated with its business processes, are also part of the Company's measures for the management of operational risks.

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 collaborations are identified early to ensure business partnership objectives and visions are well-aligned and collaboration partners are like-minded and compatible.

TREASURY AND FINANCIAL RISKS

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

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 use as hedging instruments where appropriate and cost efficient.

Credit Risk – The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of these financial assets.

Transactions involving financial instruments are entered into only with counterparties that are of acceptable credit quality. Cash and fixed deposits are placed with banks and financial institutions which are regulated.

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

Interest Rate Risk – The Group's exposure to market risk changes in interest rates relates primarily to its interest-bearing financial assets and debt obligations. The Group adopts a policy of managing its interest rate exposure by maintaining a debt portfolio with both fixed and floating rates of interest. Where appropriate, the Group uses interest rate derivatives to hedge its interest rate exposure for specific underlying debt obligations. Given the potential volatility in the global interest rate environment after the U.S. Federal Reserve rate hike in end 2015, the Group will continue to monitor interest rates in Singapore and in other regions where the Group has operation to ensure its exposure is within acceptable level.

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

HUMAN RESOURCE (HR) RISKS

The Company recognises HR as an important contributing factor towards the stable growth of the Company. Efforts are taken to enhance the processes for recruitment, remuneration, training and development of employees.

Identification, development and retention of talents are key areas for HR risk management. Leadership development programmes are in place to groom talents and ensure smooth succession planning for key positions. Enhancement of the Performance Appraisal system, coupled with career development and training programmes, are part of the Company's HR strategy to improve feedback and work performance, level up competencies and increase employees' commitment. To further improve staff retention, the management also supports work-life harmony programmes and family-friendly policies as part of its efforts to help employees achieve a balanced life between work and family and at the same time create a quality workplace.

CRISIS RISKS

The threat of terrorism heightened in 2015 with a number of high profile attacks in Europe, Australia, the US and Asia, and is expected to remain high in 2016. On the global infectious disease front, while outbreaks of Ebola and MERS have subsided towards the end of 2015, vector borne viruses has become a key health risk in Singapore and overseas in 2016. These vector borne viruses include dengue, chikukuniya and the more recent Zika virus.

Since 2015, the Company has developed crisis management and communication plans with the objective to provide strategic guidance to its operating subsidiaries domestic and overseas in managing and communicating crisis risks.

CDL has in place company-wide Business Continuity Plans (BCP) and incident reporting procedures to mitigate the risks of interruption and catastrophic loss to its operations and information database arising from potential threats. The RMC is responsible for overseeing the maintenance of the BCP. Procedures and processes of the BCP include identification of alternate recovery centres, operational procedures to enable communication, continuity of critical business functions and recovery of database in the event of a crisis incident. Periodic incident communication drills are conducted to familiarise employees with the emergency response 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 RMC annually and reported to the ARC. Further enhancement during the year included the alignment of corporate BCP to various operating departments' emergency procedures. Action plans have been put in place to ensure newly established business units are equipped with the respective BCPs to meet their needs.

MARKET RISKS

The Company's operating environment has remained challenging since the introduction of a slew of property cooling measures in 2014. The weak property market especially in the residential sector in Singapore represented a key market risk to the Company. To mitigate this risk, the Company strives to differentiate its products through upholding high standards in product delivery, innovative design, value-added features and services, as well as promoting customer loyalty through regular feedback and engagement channels. In addition, the Management has also executed successfully PPS strategy that progressively unlocked values from our quality assets at opportune times. Through these strategies and management initiatives, the Company has strived to continue to deliver above market returns to our shareholders.

INFORMATION TECHNOLOGY (IT) RISKS

The Company has maintained an uncompromising stand on information availability, control and governance, as well as data security, especially in today's context where cyber security continues to be a rising concern as cyber-attacks become increasingly sophisticated Over the years, it has adopted a multi-pronged approach to effectively manage our information risks. Up-to-date information security policies are implemented and enforced company-wide. High availability and resilience are built into all critical information systems. Its enterprise IT systems and infrastructures are constantly monitored to proactively identify and mitigate risks. IT disaster recovery exercises are carried out regularly to ensure business recovery objectives are met. Since 2013, an IT risk management framework has also been established to formalise risk governance, approach and assessment of IT related risks and has been implemented progressively across the Company. At the staff level, information security materials are put in place to educate employees of the prevailing risks when handling corporate data. Finally, to ensure effective IT risk management, external auditors are engaged annually to review and enhance the Company's IT risk posture.

ENVIRONMENTAL, HEALTH AND SAFETY (EHS) RISKS

As a developer and major landlord with extensive operations, the Company is exposed to EHS risks arising from its activities. To manage significant EHS risks, strategic and concerted efforts have been put in place to mitigate the impacts on the environment and on the health and safety of the Company's key stakeholders.

Established in 2003, the Company's EHS Policy sets the strategic direction for all departments, employees and stakeholders to ensure effective EHS management in its operations. An externally certified EHS Management System based on ISO14001 and OHSAS18001 has also been established and integrated into the Company's operations.

The significant EHS risks are:

Climate change risks – These include risks driven by changes in regulations, physical climate parameters and other climate-related developments. The Company is committed to mitigating the effects of climate change. In addition to clear carbon reduction targets established since 2011, CDL also formalised in 2015 a Climate Change Policy highlighting the company's commitment and strategy adopted.

Water risks – The supply of water and the subsequent discharge into water systems are key risks that the Company has identified. To ensure reduction of the use of potable water in construction, the Company monitors water consumption closely with set targets in place. Water recycling and silt water treatment systems have been set up onsite, and discharges into the water systems are closely monitored.

Raw materials supply risks – Developing new buildings require raw materials that range from timber to steel. The stability and the sustainability of the supply and material production of such materials have direct impact to CDL's core business operations. Within the EHS Management System, the Company has a Green Procurement Policy that clearly states the requirement for the selection of products through sustainable sourcing.

Workplace safety and health risks – Even though most of the work activities at CDL's development sites and managed buildings are carried out by contractors, the Company recognises that a safe work environment is a productive one. Within the EHS Management System, the Company has established an independent audit tool, the CDL 5 Star EHS Assessment System, to monitor and ensure contractors' onsite EHS performance. In addition, the Company requires a minimum of a bizSAFE level 3 or OHSAS18001 certification from contractors. This ensures that contractors are able to adequately address and manage workplace safety and health risks.

EHS legal compliance risks – Any EHS legal non-compliances may impact operations onsite and affect the reputation of the Company. Within the EHS Management System, the applicable legal requirements are regularly monitored and evaluated for compliance. A system of incentives and penalties has also been implemented to improve and tighten contractors' site management.

The Management continually monitors and reviews the risks and the mitigating controls to reflect changes due to emerging global trends and the Company's activities.

MILLENNIUM & COPTHORNE HOTELS PLC (M&C)

The risk management activity of M&C, the Group's hotel arm, is directed by its executive committee members, including its regional operational heads and functional heads, led by its Group Chief Executive Officer (CEO). The Group CEO and members of the executive committee undertake regular reviews of (i) the risk registers, compiled and updated to map the nature of the risks relative to their likelihood of occurrence, severity and associated trends, and (ii) the progress of the risk treatment plans devised to eliminate, minimise or transfer risks. The board of directors of M&C has overall responsibility for the risk management processes of the M&C Group and for ensuring that its risks are managed appropriately and, either directly or through the Audit & Risk Committee of M&C, reviews the effectiveness of the M&C Group's risk management processes and other internal controls. Information on M&C's principal risks and risk management can be found in its most recent annual report and accounts.

In respect of EHS, M&C's UK region has published and launched health and safety management policies and procedures certified to OHSAS 18001 (externally audited by the British Standards Institution). Management of M&C's European region is currently in the process of rolling out across the remaining UK hotels the system which is designed to ensure robust and comprehensive risk assessment and recognition across the business. These efforts are being supported by new compliance management software resulting in tighter control of statutory/mandatory activities, inspections and creation of audit trails.

Whilst M&C continually assesses its environmental impact and actively seeks ways to reduce it through improvements in its hotels' operating infrastructure and by improving work practices, the management team also works with its suppliers to minimise the environment impact of their activities. Environmental performance is being integrated into the operational objectives of the hotel teams, a key requirement of the ISO 14001 management system certification, also attained through external audit from the British Standards Institution. The M&C Group has been producing a global carbon footprint for all of its owned and managed properties since 2010 and each year a summary of results is included within its annual report and accounts.

MOVING FORWARD

Despite best efforts, the Company recognises that risks cannot be eliminated but can only be managed to acceptable levels. Nevertheless, the Company commits to continuously refine and improve its risk management framework, systems and processes to ensure that risks are being well managed and monitored throughout the organisation, in order to thrive in the increasingly dynamic and changing business environment of today.

SUSTAINABILITY

BOARD STATEMENT

Since 2004, a Corporate Social Responsibility (CSR) Report endorsed by the Board of Directors has been included in CDL's Annual Reports. Retitled "Sustainability", this report contains a board statement, which is in line with the Singapore Exchange's (SGX) proposed sustainability reporting guidelines issued in January 2016. In addition, this report now forms part of the "Corporate" section for mandatory disclosures, an early step in support of the SGX's plan to implement the "comply or explain" approach towards sustainability reporting in 2017.

Having celebrated two decades of its CSR journey in 2015, CDL has stepped up on its focus towards "Creating Future Value", building on its ethos of "Conserving as we Construct". In line with this emphasis on value creation, CDL became the first property developer in Singapore to adopt the International Integrated Reporting Council's (IIRC) Integrated Reporting <IR> approach for its sustainability reporting in 2015. In the dedicated Sustainability Report 2016, CDL will continue to adopt the <IR> approach, connecting the company's environmental, social and governance (ESG) performance with financial and business value.

By harnessing the six capitals – financial, organisational, natural, manufactured, social and relationship, as well as human capitals – CDL aims to create greater value for its brand, business and stakeholders as well as enhance the marketability of its products, in addition to creating enduring societal and environmental benefits.

2015 was an important year for the environment, with a landmark global climate agreement reached in Paris for the first time in history at the Conference of Parties (COP21). Prior to COP21, Singapore submitted its Intended Nationally Determined Contribution, stating its intention to reduce its Emissions Intensity by 36% from 2005 levels by 2030, and stabilise emissions with the aim of peaking around 2030.

In line with such global and local developments, CDL recognises the crucial role it plays in mitigating the effects of climate change. In 2015, CDL took its commitment to environmental best practices one step further by formalising a Climate Change Policy, which is published on the CDL corporate website.

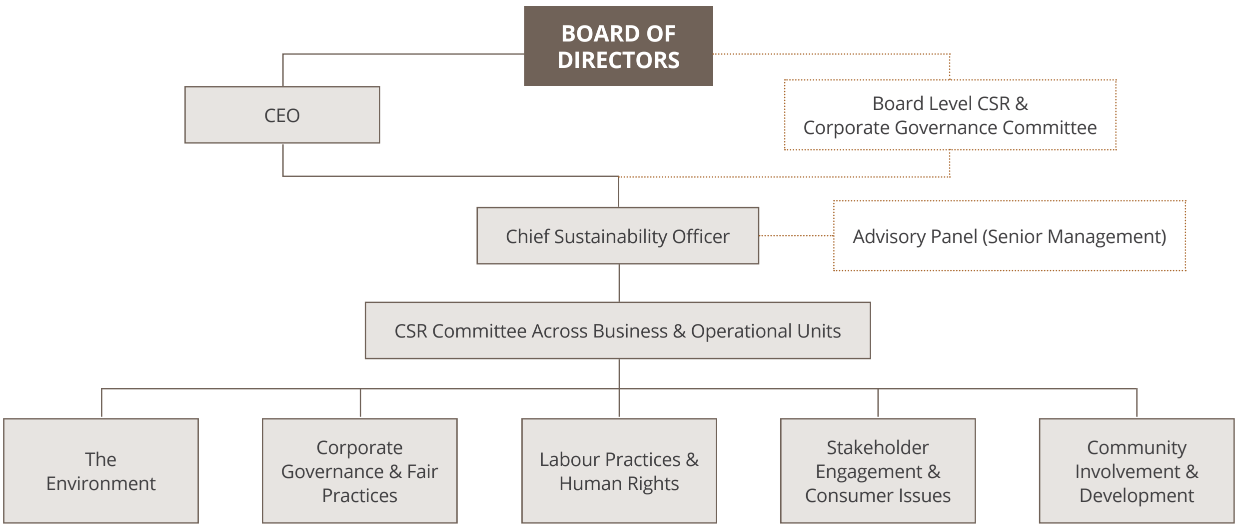
Testament to its sustainability efforts, CDL was ranked the Top Real Estate Company and Top 10 in the prestigious Global 100 Most Sustainable Corporations in the World in 2016. Since 2014, CDL has also been Asia's Top Property Developer and Top Singapore Company in the Channel NewsAsia Sustainability Ranking. The Company remains the first Singapore corporation to be listed on three of the world's leading sustainability benchmarks – FTSE4Good Index Series (since 2002), Global 100 (since 2010) and Dow Jones Sustainability Indices (since 2011).

In 2015, CDL mourned the passing of its Deputy Chairman, Mr Kwek Leng Joo. A dedicated advocate of CSR for over two decades, Mr Kwek's vision established CDL's reputation as a leading green building champion, raising the bar and driving change in Singapore's real estate industry. His pioneering green efforts have also put CDL and Singapore on the global map of sustainability.

STRATEGIC APPROACH TO SUSTAINABILITY

The Board and Senior Management remain committed to maintaining and advancing CDL's sustainability efforts and achievements. With effect from January 2016, the sustainability function and company-wide CSR committee is under the direct supervision of the Chief Executive Officer. This demonstrates CDL's continued leadership commitment to sustainable practices and its strategic approach to integrating sustainability in all aspects of its business and operations.

CSR COMMITTEE STRUCTURE AS AT JANUARY 2016



Financial Capital

CDL assesses its market performance beyond the financial bottom line. Apart from generating stable earnings and shareholder returns, the capacity to create a positive impact on the community forms part of the wider economic value that CDL creates for the society.

Highlights of the Group's FY 2015 financial performance can be found on page 15.

Organisational Capital

The Board and Senior Management are committed to conducting business with integrity, consistent with high standards of business ethics, and in compliance with all applicable laws and regulatory requirements. This shapes a culture of responsibility among employees, with a system of checks and balances at all levels of the organisation.

- **Corporate Governance**
  Based on the provisions of the Code of Corporate Governance 2012, CDL has adopted a set of internal guidelines. These include anti-corruption, fraud and competition policies and guidelines, which are available on CDL's corporate website and disseminated to all employees for annual e-declaration. More information on CDL's Corporate Governance practices and guidelines can be found on pages 38 to 62.

- **Risk Management**
  Effective risk management and mitigation are crucial for businesses to thrive, especially in today's increasingly dynamic and changing environment.

  Since 2002, CDL has established a formal risk management framework to enable significant business risks to be identified, assessed, monitored, managed and reviewed regularly. Against the backdrop of unprecedented global climate actions and public commitments, the company conducted a review in 2015 to expand its risk portfolio to include emerging environmental risks that are material to its business operations. More information can be found on pages 63 to 67.

Natural Capital

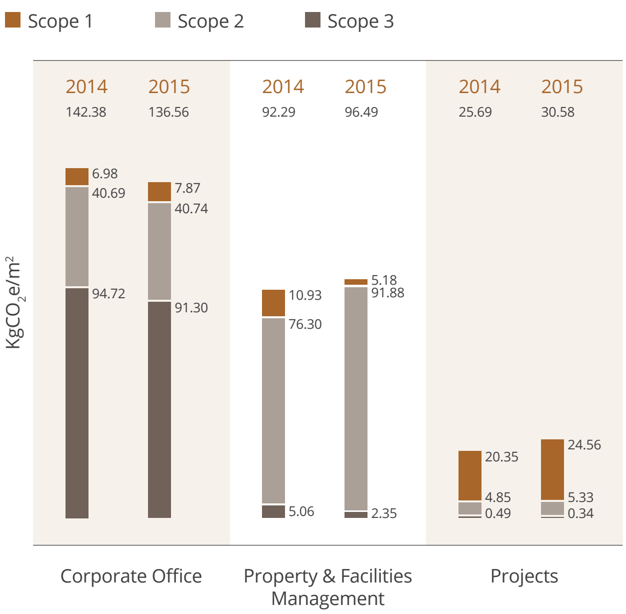
The long-term viability of CDL's business depends on the sustainability of the environment. CDL relies on natural resources to build and manage its properties, and recognises that they are vital to CDL's business capacity to create safe and efficient spaces for its stakeholders to live, work and play in.

CDL is committed to improving its environmental performance, supporting the Government's goal to reduce Singapore's emissions intensity by 36% below business-as-usual levels by 2030. In 2015, CDL reduced its greenhouse gas (GHG) emissions intensity by 14% from baseline year 2007 against the reduction targets of 22% by 2020, and 25% by 2030.

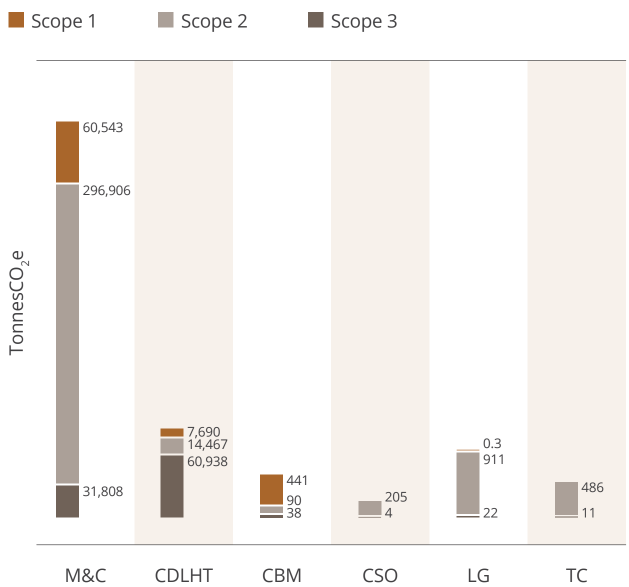
In 2015, CDL further introduced electricity and water intensity targets – to reduce 22% by 2020 and 25% by 2030 from baseline year 2007, across CDL's core business.

For greater disclosure and accountability of the Group's carbon footprint, CDL started to track the GHG emissions of its key subsidiaries in Singapore and overseas from 2014. These subsidiaries include the hotels owned and managed by Millennium & Copthorne Hotels plc (M&C), CDL Hospitality Trusts (CDLHT), CBM Pte Ltd (CBM), City Serviced Offices (CSO), Le Grove Serviced Apartments (LG) as well as Tower Club (TC).

GHG Emissions Intensity from CDL's Core Business

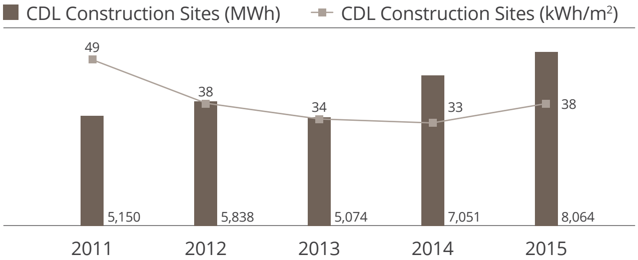


GHG Emissions from Key Subsidiaries

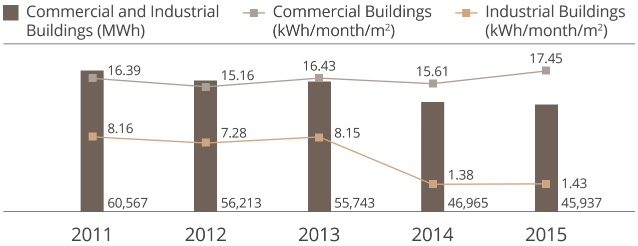


Electricity Intensity from CDL's Core Business

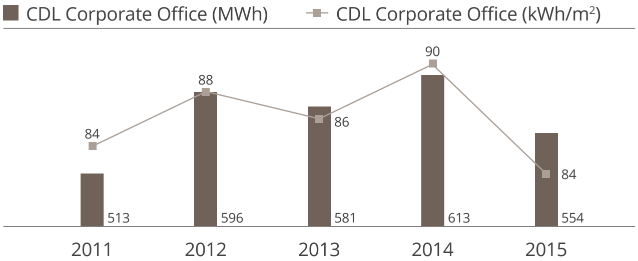
Energy used at CDL Construction Sites



Energy used at CDL Commercial and Industrial Buildings

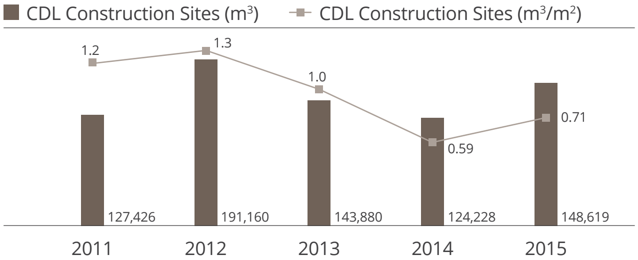


Energy used at CDL Corporate Offices

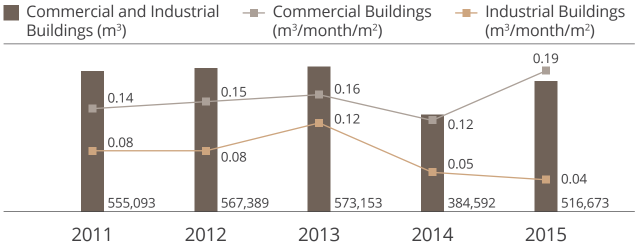


Water Intensity from CDL's Core Business

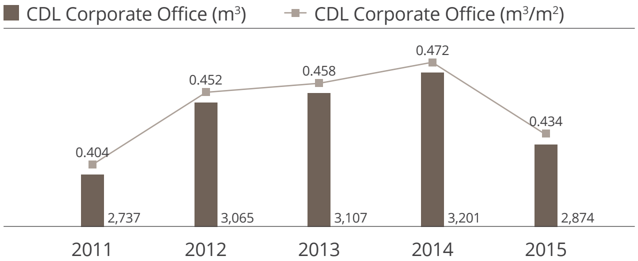
Water used at CDL Construction Sites



Water used at CDL Commercial and Industrial Buildings



Water used at CDL Corporate Office



Manufactured Capital

For over 50 years, creating spaces for people to live, work and play in has been CDL's core business. Building on the solid foundation of its brand and products, CDL has continued to improve the performance of its properties and strengthen its manufactured capital to create long-term value for homebuyers and tenants.

For over a decade, the Company has been investing between 2% and 5% of a new development's construction cost on green building design and features. Its promise to deliver quality green homes and offices was re-affirmed as CDL was awarded the Quality Excellence Award – Quality Champion (Platinum) by the Building and Construction Authority (BCA) in 2015, earning the distinction of being the only developer to have received this highest honour for three consecutive years. As at end 2015, CDL has over 80 BCA Green Mark developments – the most amongst local developers in Singapore.

Beyond the physical infrastructure, the Company has stepped up on the CDL Green Lease Partnership Programme by actively engaging commercial tenants to use less energy through changes in behaviour and daily operations. As of December 2015, more than 90% of existing tenants have signed the CDL Green Lease MOU for lease renewal. In recognition of its outstanding commercial tenant engagement efforts, CDL was also conferred with BCA's inaugural Green Mark Pearl Prestige Award in 2015.

Testament to the marketability of CDL's innovative and green developments, The Brownstone Executive Condominium (EC) – the world's largest residential development to adopt the use of advanced construction technology, Prefabricated Prefinished Volumetric Construction – emerged as the best-selling EC in 2015 at the time of its launch in July 2015.

Social and Relationship Capital

CDL views social and relationship capital as the sum of its trust-based networks and the goodwill forged with stakeholders through the course of its business activities. Stakeholder engagement is critical as it underscores CDL's capacity to mobilise resources effectively and enhance organisational and market performance. In the long-term, this strengthens the Company's social licence to operate, and enables CDL to deliver value more effectively.

Engaging the Value Chain

Key Initiatives	Impact
11th Anniversary of CDL 5-Star EHS Awards and 2nd EHS Cup	Organised to foster camaraderie amongst CDL's builders and their workers, the 2nd EHS Cup provided an opportunity for CDL to recognise their efforts in maintaining high Environment, Health & Safety (EHS) standards. The CDL 5-Star EHS Awards form part of CDL's efforts to advocate EHS excellence along its supply chain. Awards were presented to builders who have excelled in EHS, productivity and workers' welfare. 10 individuals also received the Safe Worker Award for demonstrating exemplary safety knowledge and practices.
"Let's Live Green!" Outreach	As a form of environmental outreach, CDL encourages homebuyers to adopt eco-friendly habits through specially-customised Green Living Kits given during the handover of their apartment units. The kit contains green living information such as the eco-friendly features in their new home and how to use them. Homebuyers enjoy a host of activities at the Welcome Party, including environmental conservation talks and exhibitions. In 2015, 1,879 Green Living Kits were distributed.

Raising Eco-awareness in the Wider Community

Key Initiatives	Impact
EcoBank — a CDL & Eco-Business Initiative	In December 2015, CDL partnered Eco-Business to launch a new initiative – EcoBank – to raise awareness of waste reduction and sustainable consumption. Through a weekend bazaar, nearly $48,000 was raised for disadvantaged women and children. With the support of tenants and customers at City Square Mall and at six of CDL's commercial properties, over 6,000kg of pre-loved items was collected. CDL employees and partners also contributed over 500 volunteer hours to help realise this meaningful initiative.
NUS Asia Environment Lecture	In partnership with BCA, CDL supported the 3rd Asia Environment Lecture which was co-organised by various faculties in the National University of Singapore (NUS). More than 200 students, academia and industry representatives benefited from the insights shared by renowned speaker Ms Christine Ervin — the first CEO and President of the US Green Building Council — on the drivers underpinning the rapid uptake of green building and the future of resilient infrastructure.
Reduce @ North West – "North West Power Up Scheme"	CDL partnered the North West Community Development Council (CDC) for a scheme to help needy families defray their electricity bills while raising environmental awareness amongst the community. CDL will donate $10 to the scheme for every household that pledges to sign up for a six-month energy audit, up to a cap of $100,000. The scheme is expected to assist up to 600 households over three years.
NEA ECS and Clean & Green SG50 Carnival	The National Environment Agency (NEA) Environment Challenge for Schools (ECS) is a national-level competition that encourages schools to partner tri-sector organisations in the co-creation of solutions to solve local environmental challenges. CDL's partner schools — Beatty Secondary School and Raffles Girls' School (Secondary) — won 2nd place and Merit prize respectively for the NEA ECS. The two schools showcased their winning projects at the Clean & Green SG50 Carnival. The Carnival, which was co-organised by the Ministry of the Environment and Water Resources, NEA, North East CDC, National Parks Board and Public Utilities Board, also featured a CDL-branded Eco Home exhibit which offered environmentally-friendly tips that Singaporeans can practise at home.

Advocating Best Practices in CSR

Key Initiatives	Impact
Singapore APEX CSR Awards 2015	Presented by CDL and jointly organised by Global Compact Network Singapore (GCNS), Singapore Business Federation and The Business Times, the Award is a new national accolade that promotes and recognises CSR excellence amongst Singapore-based companies.
Promoting CSR Thought-Leadership at High-level Platforms	Through sharing at conferences and other events, CDL advocates the value of CSR and showcases leading practices in sustainability and integrated reporting. Key platforms that CDL senior management have shared at include: • BCA Breakfast Talk for CEOs at the Singapore Green Building Week 2015 • CIMA-IIRC Integrated Reporting Dialogue • Financial Times-Deutsche Bank Global Treasury Leadership Retreat 2015 • Institute of Singapore Chartered Accountants' <IR> Business Network • International CSR Summit 2015 organised by GCNS • National Investor Relations Institute's Investor Relations Wisdom Roadshow 2015 • Singapore Institute of Directors Conference 2015
Sharing Innovative Best Practices at the International Arena	CDL's speaking engagements at international conferences create opportunities for organisational learning and collaborations. Key engagements include: • Global Compact +15 Conference, New York • Royal Institution of Chartered Surveyors Conference: 'Urbanisation to Globalisation: China's Next Steps', Beijing • World Green Building Council Congress 2015, Hong Kong

Developing CSR Champions of Tomorrow

Key Initiatives	Impact
CDL-Compact Singapore Young CSR Leaders Award 2015	This annual competition aims to nurture youths aged 17 to 30 to become future CSR leaders. Advancing the Award to the next level, the competition in 2015 introduced large organisations as business cases for the first time, attracting a record high participation of 95 teams from various education institutions in Singapore.
CDL E-Generation Challenge 2015	Recognising food waste as a pressing environmental issue, "Trace Your FOODprint" was adopted as the theme for CDL's annual signature eco-race for youths in 2015. Co-presented with Food Bank Singapore, the 2015 challenge aimed to foster greater consciousness about the environmental impact of food waste among over 400 participants aged 17 to 25 years old.
Community Involvement Programmes – Local and Overseas	Through direct sponsorship to student groups and the CDL-Singapore Management University Young CSR Leaders Fund, CDL supported close to 1,000 youth leaders and volunteers for 28 youth-led projects which contributed to local and neighbouring rural communities in the following ways: • Conservation of natural habitats and resources • Health and sanitation • Promotion of eco-awareness and green lifestyles • Sustainable development and community empowerment
Partnerships with Education Institutions	CDL continues to support leading education institutions in their youth engagement activities such as: • Nanyang Technological University Asian Business Case Challenge – Sustainable Enterprise Challenge 2015 • NUS SAVE's NUS Goes Lite 2015 • Raffles Institution Eco-Literacy Programme

Promoting Singapore's Arts & Heritage

Key Initiatives	Impact
Gala Dinner in Celebration of SBG as Singapore's First UNESCO World Heritage Site	CDL organised a Gala Dinner to celebrate the inscription of the Singapore Botanic Gardens (SBG) as Singapore's first UNESCO World Heritage Site. The event raised some $350,000 for the Garden City Fund in support of its outreach and conservation efforts. Sale of 20 copies of the late Mr Kwek Leng Joo's book "Embrace" autographed by Prime Minister Lee Hsien Loong raised $320,000 for the National Heritage Board's National Monuments Fund.
SG50 Commemorative Public Sculpture - "In the Eye of the Red Dot"	In 2015, CDL partnered the National Museum of Singapore to launch an open call for the concept submission of a special SG50 commemorative public sculpture, based on the theme "The Red Dot, Today & Tomorrow". Award-winning sculptor Yeo Chee Kiong's proposal was selected from 48 submissions. Titled "In the Eye of the Red Dot", the winning sculpture has been on display at the Museum since mid-September 2015.
"Treasures of the World from the British Museum" Exhibition	As one of the sponsors of this highly-anticipated exhibition at the National Museum of Singapore which showcases over 200 of the world's finest artefacts, CDL organised an exclusive private tour for close to 100 commercial and residential tenants, as well as business associates.

Caring for Our Community

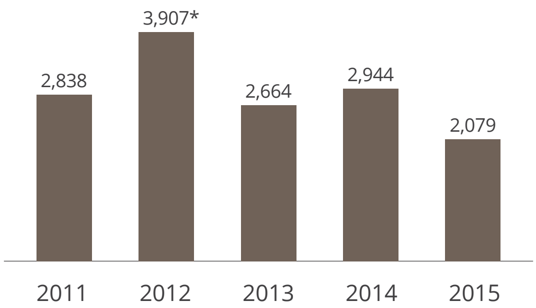
Key Initiatives	Impact
Fundraising for President's Challenge 2015 – "Soul & Sensibilities" Art Collaboration	Through the sale of three selected "Soul & Sensibilities" artworks and 35 commemorative art books autographed by President Tony Tan, a total of $550,000 was raised for President's Challenge 2015 to help the less fortunate in our society. "Soul & Sensibilities" is a poetic collection of artworks showcasing the intricate interaction between the photography works of the late Mr Kwek Leng Joo and Chinese brush painting by master painter Mr Lin Lu Zai.
Assisi Hospice Charity Fun Day 2015	For the 12th consecutive year, CDL co-organised the Assisi Hospice Charity Fun Day and rallied its subsidiary CBM Pte Ltd and four hotels in Singapore to contribute to the event. Some 250 employees and business partners helped to raise close to $50,000 for this worthy cause.
North West CDC – Christmas Party @Limbang and We Care @North West Event	Over the Christmas period on 27 December 2015, CDL's staff volunteer arm – City Sunshine Club (CSC) – partnered North West CDC to organise a Christmas party, bringing festive joy to 50 children from needy families at Limbang. As a continuation of support, CDL further partnered North West CDC on the WeCare @ North West event on 23 January 2016. Apart from distributing festive goodies and fulfilling the wishes of 10 needy households for household items such as refrigerators, electric fans and mattresses, CDL volunteers also helped to paint an old unit in the Limbang estate.

Employee Volunteerism

Apart from monetary contributions and fundraising for deserving charities, CDL has always believed in active employee volunteerism to deliver a greater impact to the local community.

CDL established CSC in 1999 to foster a spirit of volunteerism and encourage employees and their families to reach out to the less fortunate and underprivileged. In 2015, CDL employees clocked a total of 2,079 volunteer manhours.

Employee Volunteer Manhours



*The sharp increase in employee volunteer manhours in 2012 was due to employee participation in a company-wide community event in celebration of CSC's 10th anniversary.

Human Capital

CDL recognises that employees contribute to the Company's sustained growth, and believes in the importance of talent acquisition and retention. The company is committed to being an employer of choice through competitive remuneration, as well as by developing, engaging and caring for its people. More information can be found in the Human Resource Review on page 82.

Health and safety are fundamental to sustaining CDL's human capital, and the company believes that all employees have the right to a safe and healthy working environment. In 2015, there were zero fatalities, workplace injuries and occupational diseases involving CDL employees.

CDL also understands that the inclusion of appropriate ESG issues within executive management goals and incentive schemes is an important factor in promoting greater recognition and accountability in its CSR practices. Aligning with global best practices, CDL implemented an ESG-linked appraisal and remuneration policy in 2015, incorporating ESG goals in the setting of individual KPIs for all employees including Senior Management.

Awards and Accolades in 2015/2016

Regional and International	
Channel NewsAsia Sustainability Ranking (since 2014)	Named Top Property Developer in Asia, Top Singapore Corporation, and among the top 10 sustainable companies in Asia.
Dow Jones Sustainability Indices (since 2011)	Continued to be an index component on the Dow Jones Sustainability Indices (DJSI World and DJSI Asia Pacific). The first Singapore developer to be listed on both the DJSI and FTSE4Good Index Series.
Ethical Boardroom Corporate Governance Award 2015 – Best Corporate Governance, Real Estate Developer sector	Recognised for outstanding leadership from CDL's Board and for raising the bar to ensure that strong corporate governance plays an essential part in protecting and enhancing long-term value for all stakeholders.
FTSE4Good Index Series (since 2002)	Amongst an elite group of companies worldwide that meets globally recognised ESG standards.
Global 100 Most Sustainable Corporations in the World (since 2010)	Top Real Estate Company and Top 10 Corporations in this prestigious global ranking announced annually at the World Economic Forum, Davos. Only Singapore company to be listed for seven consecutive years.
Global Real Estate Sustainability Benchmark (GRESB) (since 2013)	Achieved a Green Star ranking – the highest category of sustainability performance for GRESB, a leading global source of comprehensive portfolio level sustainability data for the real estate industry.
MSCI ESG Indices (since 2009)	Received an AAA rating by MSCI ESG Research. The Indices are designed to represent the most prevalent ESG investment strategies.
RoSPA President's Award for Occupational Health and Safety 2015 – Achievement Awards category	Recognised for excellence in health and safety management by the UK-based safety organisation, the Royal Society for the Prevention of Accidents (RoSPA). Presented with the RoSPA President's Award for receiving 10 consecutive Gold Awards.
STOXX® Asia Pacific ESG Leaders 50 Index 2015	Ranked as one of the Top 10 Components on the STOXX Global ESG Leaders Index for the Asia Pacific region.

Awards and Accolades in 2015/2016 (continued)

Regional and International	
The Sustainability Yearbook 2016	Listed on the yearly guide of the world's most sustainable companies in each sector based on the annual assessment conducted by sustainability investment specialist RobeccoSam.
UN Global Compact 100	Only Singapore company selected as an index constituent based on the implementation of the ten UN Global Compact principles and evidence of executive leadership commitment and consistent base-line profitability.

Local	
BCA-Singapore Green Building Council (SGBC) Green Building Individual Awards 2015 – Green Visionary Award	A special pinnacle award presented to the late Mr Kwek Leng Joo in recognition for his visionary leadership and positive influence in Singapore's green building movement and beyond.
Great Place To Work® in Singapore – W.O.W! Special Mention Award	The award recognises companies with progressive workplace cultures and good people practices, based on the same methodology as "Fortune 100 Best Companies to Work For" for its selection and ranking.
President's Award for the Environment 2015	The late Mr Kwek Leng Joo was honoured with the highest individual environmental accolade awarded by the Ministry of the Environment and Water Resources, for his outstanding contributions towards environmental sustainability in Singapore.
SIAS Investors' Choice Awards 2015 – Most Transparent Company, Real Estate category	Presented annually by Securities Investors Association (Singapore) (SIAS) and supported by the SGX, the award recognises CDL's outstanding efforts in corporate disclosure and transparency standards.
Singapore Quality Class (SQC) Star	Accredited by SPRING Singapore, the certification was given to existing SQC organisations for demonstrating higher levels of performance in business excellence initiatives, processes and results.
Sustainable Business Awards 2015 – Land Use, Biodiversity and Environment	Organised by Global Initiatives in partnership with PricewaterhouseCoopers, the award recognises sustainable business best practices in reduction of impact on natural habitats and wildlife.
Workplace Safety and Health (WSH) Awards 2015 — Developer & SHARP Awards	Presented by the WSH Council and supported by the Ministry of Manpower, the annual awards recognise excellence in workplace safety and health. CDL is a proud recipient of the distinguished Developer Award for the eighth year, and four of its project sites were also accorded the SHARP (Safety and Health Award Recognition for Projects) award.
2015 Patron of the Arts Award	For the fifth consecutive year, the Award by the National Arts Council recognises CDL's sustained contributions to the promotion and development of the arts in Singapore.

In addition to the above, CDL has also received numerous project-related accolades. More of CDL's achievements can be found on the corporate website: www.cdl.com.sg.

For detailed information on CDL's sustainability efforts, please refer to the dedicated Sustainability Report 2016, which will be published in Q2 2016.

OPERATIONS REVIEW

WEATHERING DOMESTIC HEADWINDS

2015 was another subdued year for the Singapore residential property market due to the prevailing property cooling measures coupled with rising interest rates, as well as the lacklustre local and global economy.

During the year in review, despite these headwinds, CDL with its joint venture (JV) associates sold 674 units including Executive Condominiums (EC) at a sales value of around $692 million.

Two new EC developments were launched. Firstly, The Brownstone, a 638-unit New York-inspired JV EC, strategically located directly next to the upcoming Canberra MRT station, launched in July, was Singapore's top-selling EC in 2015. It is built using the innovative Prefabricated Prefinished Volumetric Construction (PPVC) methodology, featuring around 5,000 building modules. This PPVC application is the first-of-its-kind in Asia, and likely the world's largest for a large-scale residential development.

Designed for wellness and comfort, The Criterion, launched in September, is CDL's eighth EC project. Located in Yishun, it will be the first EC in Singapore to provide Panasonic inverter air-conditioning system with nanoe-G air purifying function in all its units. This advanced air-conditioner purifies the air by using nano technology fine particles consisting of ions and radicals.

RESILIENT INVESTMENT PROPERTY PORTFOLIO

In Q4 2015, CDL's office portfolio continued to enjoy high occupancy at 97.2% compared to the national average of 90.5%.

South Beach Tower, the office component of CDL's latest mega mixed-use South Beach JV development obtained its Temporary Occupation Permit (TOP) in February 2015. The 34-storey office tower secured over 97% of leases, including anchor tenant Facebook Singapore Pte Ltd.

The South Beach's contemporary rooms and suites are meticulously crafted by renowned French designer Philippe Starck to create a H.I.P. (Highly Individualised People and Places) Hotel.

The South Beach, a luxury hotel, soft opened in September 2015. With commanding views of the skyline, this iconic Hotel of Design features 654 Showcase Guest Rooms and Suites, an all-day dining restaurant, three vibrant bars, two Sky Gardens, two infinity swimming pools and a gym.

South Beach Quarter houses four new-to-market F&B concepts, which are already operational. Construction works for the direct links to the Esplanade and City Hall MRT stations are expected to complete in Q3 2016. This will offer direct connection to the retail spaces at South Beach Avenue, where active marketing of the space is ongoing. The 190-unit South Beach Residences is on track for completion by 2H 2016.

ACQUISITIONS AND EXPANSION

A key focus of CDL's growth strategy is to actively build its overseas platforms. Collectively, the Group made almost $1 billion in major international and domestic acquisitions in 2015.

UK

CDL acquired the landmark Stag Brewery land site in Mortlake in December, within the London Borough of Richmond upon Thames in south-west London, for £158 million. The expansive 89,031 square metre (sqm) (approximately 22 acres) freehold site offers tremendous potential for redevelopment into a mixed-use scheme with a riverside residential belt.

The purchase comes on the back of CDL's £85 million acquisition of the Teddington Studios site in November, also located within the London Borough of Richmond. The 18,211 sqm freehold site will be redeveloped into a luxury riverside condominium.

With the two acquisitions, to date CDL has invested a total of £400 million in seven prime freehold properties in the UK, after successfully monetising Emerald House with a profit of approximately £5.7 million.

On the hospitality front, Millennium & Copthorne Hotels plc (M&C), the Group's London-listed subsidiary, acquired the world's only Beatles-inspired hotel, Hard Days Night Hotel in Liverpool, the UK, for £13.8 million. Located in the heart of Liverpool's Cavern Quarter, the hotel comprises 110 guest rooms and suites.

CDL Hospitality Trusts (CDLHT), M&C's subsidiary, acquired Hilton Cambridge City Centre (previously known as Cambridge City Hotel), in the UK valued at £61.5 million. The acquisition of this upscale 198-room hotel, which is near popular tourist destinations, was a rare opportunity in a tightly-held investment market and marks CDLHT's first investment in Europe.

Australia
CDL also re-entered the Australian residential sector. In partnership with leading Australian developers, Abacus Property Group and KPG Capital, CDL will jointly develop a prime residential land site in Brisbane's highly sought after South Bank precinct. CDL and Abacus will jointly provide the majority of the equity funding with CDL contributing a preferred equity interest of approximately A$30 million.

Singapore
In Singapore, CDL and its JV partners won a tightly contested bid by a thin margin of 2.6% over 10 other bidders, for a 99-year leasehold residential site at Lorong Lew Lian for $321 million. The 14,001.5 sqm site is located within walking distance of Serangoon MRT station and bus interchange. There are plans to develop a residential project of up to 13-storeys with over 500 units.

SECOND PROFIT PARTICIPATION SECURITIES PLATFORM

Riding on the success of its first Profit Participation Securities (PPS) in 2014, CDL unveiled its second PPS in 2015. This partnership with Alpha Investment Partners Limited (Alpha) saw both CDL and Alpha jointly invest in an office portfolio comprising three of CDL's prime office assets with a total value of approximately $1.1 billion.

The total aggregated value of the securities issued in the PPS transaction is $333.5 million. Alpha and CDL co-financed the portfolio in the ratio of 60:40. The investors will receive a fixed coupon payout of 5% per annum for a period of five years, in relation to a component of the PPS transaction involving the subscription of bonds. Two banks provided senior loan facilities of $750.1 million.

7 & 9 Tampines Grande is one of the three prime office assets in the portfolio of CDL's second PPS. The building has a net lettable area of around 288,000 sq ft.

The office portfolio includes Central Mall (Office Tower), Manulife Centre and 7 & 9 Tampines Grande. The first two are 999-year leasehold and freehold respectively while Tampines Grande stands on a 99-year state lease. However, CDL is selling these three assets to the JV vehicle as 99-year leasehold tenures. CDL will also continue to manage the three prime office assets.

When the assets are divested, the first priority will be to repay the bank borrowings, followed by repaying Alpha's $200.2 million capital, then a preferred return to Alpha amounting to a total internal rate of return of up to 12.6% per annum (inclusive of the 5% annual coupon payment). CDL will then be repaid its $133.3 million capital investment. Thereafter, whatever cash flows remain will be split between Alpha and CDL in the proportion of 40:60 respectively.

EXTENDING THE GLOBAL HOTEL OPERATIONS

M&C Middle East and Africa (MEA) opened five new hotels in 2015, as part of its expansion plan across the United Arab Emirates (UAE) and Middle East.

The opening of the 115-room Millennium Executive Apartments Muscat represents a double first for M&C MEA – its first footstep into Muscat and the global debut of the Millennium Executive Apartments brand. The Millennium Executive Apartments is a new concept designed to address the growing demand for serviced apartments in the region.

The 208-room Millennium Taiba Hotel and 505-room Millennium Al Aqeeq Hotel, offering stunning views of Madinah, were opened in Q1 2015.

M&C MEA also opened the 221-room upscale Millennium Hotel Fujairah in the northern emirate of the United Arab Emirates and the 295-room five-star Millennium Hotel & Convention Centre Kuwait in the Salmiya district. The latter is home to one of the largest convention centres in Kuwait.

As part of M&C's ongoing asset enhancement intiatives, several hotels are in the midst or will be commencing their refurbishment works. These include three in the US where guests rooms are being refurbished in the Millennium Hotel Durham, Millennium Biltmore Hotel Los Angeles and ONE UN New York.

In New Zealand, the Copthorne Hotel Auckland Harbour City was closed for extensive refurbishment, and is expected to complete in early 2017. In Singapore, an overhaul of the lobby and F&B outlets of the Grand Copthorne Waterfront Hotel is underway and targeted for completion in Q3 2016. Finally, at the Grand Hyatt Taipei, the revamped lobby was recently completed, and retail and F&B components will follow later.

In the UK, new asset refurbishments are planned for Millennium Hotel London Mayfair and Millennium Hotel London Knightsbridge. It is anticipated that both projects will require removal of rooms from inventory in stages, but will not require full closure. The hotels are expected to fully re-open in 2017.

SCALING NEW HEIGHTS IN BUSINESS EXCELLENCE AND SUSTAINABILITY

For its commitment to uphold high standards of corporate governance, CDL was lauded with the Best Corporate Governance award in the Real Estate Developer sector in Asia for 2015 by Ethical Boardroom and the Most Transparent Company Award 2015 in the Real Estate category by the Securities Investors Association (Singapore) (SIAS). CDL was also conferred the Singapore Quality Class Star certification, affirming its business excellence initiatives, processes and results.

For its contributions to the built environment sector, CDL was the most awarded developer at the Building and Construction Authority Awards 2015 with 36 accolades, the only developer to win top honours Quality Excellence Award – Quality Champion (Platinum) for three consecutive years, and the sole winner of the inaugural top-tier Green Mark Pearl Prestige Award.

Globally, CDL was recognised as the top property developer in Asia and top Singapore corporation in the Channel NewsAsia Sustainability Ranking for Asia's corporate sustainability leaders, and ranked as one of the Top 10 Components in the STOXX® Asia/Pacific ESG Leaders 50 Index. CDL also remained listed on three leading global sustainability benchmarks – FTSE4Good Index Series (since 2002), Global 100 Most Sustainable Corporations in the World (since 2010) and Dow Jones Sustainability Indices (since 2011).

POISED FOR GROWTH

Looking ahead, CDL will continue to be well-attuned to changing market conditions, as a defensive measure and at the same time, to take advantage of growth opportunities. The Group will continue to step up its diversification efforts, growing its overseas real estate platforms, expanding its hotel portfolio and developing funds management, while continuing to keep a close tab on the Singapore property market. These strategies will put the Group in a strong position for greater growth ahead.

The historic Millennium Biltmore Hotel Los Angeles is an iconic hotel that has been the premier choice for celebrities, presidents and dignitaries in downtown Los Angeles for over 90 years. The hotel's phased refurbishment works is in progress and is scheduled to complete by mid-2017.

HIGHLIGHTS OF THE YEAR

JANUARY

- CDL became the first and only Singapore Company to be listed in the Global 100 Most Sustainable Corporations in the World for the sixth consecutive year, taking 34th position, up from 39th in 2014.

- M&C Middle East and Africa (MEA) opened the 115-key Millennium Executive Apartments Muscat, and the 208-room Millennium Taiba Hotel.

FEBRUARY

- Mr Kwek Leng Beng, CDL Executive Chairman, was honoured with the SG50 Outstanding Chinese Business Pioneers Award by the Singapore Chinese Chamber of Commerce & Industry, for his exemplary contributions to nation-building. The Award was presented to Mr Kwek by President Tony Tan Keng Yam.

CDL Executive Chairman Mr Kwek Leng Beng (right) received the SG50 Outstanding Chinese Business Pioneers Award from President Tony Tan Keng Yam.

- South Beach Tower, the office component of the mega mixed-use South Beach development by CDL and IOI Group, obtained its Temporary Occupation Permit (TOP). The 34-storey office tower is over 97% leased to date.

- First Sponsor Group Limited (FSGL), a Singapore-listed associate of Millennium & Copthorne Hotels plc (M&C), together with its joint venture partners, acquired Zuiderhof I, its first office building in Amsterdam, valued at €51.5 million.

MARCH

- The Rainforest, a 466-unit Executive Condominium (EC) by CDL and TID Pte. Ltd. located in Choa Chu Kang, obtained its TOP.

- M&C MEA opened the 505-room Millennium Al Aqeeq Hotel in Madinah, and the 221-room upscale Millennium Hotel Fujairah in the northern emirate of the United Arab Emirates.

APRIL

- CDL received the Partner of Heritage Award from the National Heritage Board for its contributions to heritage causes, including the "Heritage in Green" roving exhibition which raised public awareness and supported the Singapore Botanic Gardens' UNESCO bid.

MAY

- H_2O Residences, a 521-unit condominium in Sengkang New Town, obtained its TOP. The first private development designed to integrate seamlessly with the surrounding water bodies and park, the project received the Active, Beautiful and Clean (ABC) Waters Certification.

- CDL was the most-awarded property developer at the Building and Construction Authority (BCA) Awards 2015 with 36 accolades. Apart from being the sole developer to win the Quality Excellence Award – Quality Champion (Platinum) for the third consecutive year, CDL was also the sole winner of the inaugural Green Mark Pearl Prestige Award.

- CDL became the first property developer in Singapore to adopt the Integrated Reporting (IR) approach, for its 2015 Sustainability Report. Based on the International Integrated Reporting Council's (IIRC) Framework, the IR approach provides for a more meaningful and all-rounded corporate reporting.

- M&C MEA opened the 295-room five-star Millennium Hotel & Convention Centre Kuwait. Located in the Salmiya district, the property is home to one of the largest convention centres in Kuwait.

- CDL's Tree House condominium topped the Sustainable Development category at the FIABCI World Prix d'Excellence Awards 2015 and was Singapore's only World Gold winner. Designed with sustainability in mind, the development's striking 24-storey 2,289 square metres (sqm) green wall set a Guinness World Record in 2014 for the largest vertical garden.

JUNE

- The Lakefront Anchorage, formerly Millennium Alaskan Hotel Anchorage, completed refurbishment works for all 248 rooms and common areas. The rebranded hotel is the only lakefront hotel in Anchorage, Alaska.

HIGHLIGHTS OF THE YEAR

- FSGL acquired the 120-room Holiday Inn and 323-room Holiday Inn Express, Amsterdam Southeast, for €54.6 million.

- Bartley Residences, a 702-unit condominium, obtained its TOP. Jointly developed by CDL, Hong Leong Holdings Limited and TID Pte. Ltd., this project is conveniently located next to the Bartley MRT station.

JULY

- The Brownstone, a 638-unit luxury EC developed by CDL and TID Pte. Ltd., was launched. Located right next to the future Canberra MRT station, this project was Singapore's bestselling EC in 2015.

- CDL received the UK-based Royal Society for the Prevention of Accidents (RoSPA) President's Award for Occupational Health and Safety. The President's Award is presented only to organisations which have achieved 10 to 14 consecutive Gold Awards. CDL has received the RoSPA Gold Award since 2005.

AUGUST

- CDL received the Singapore Quality Class (SQC) Star certification – the first and only private real estate developer in Singapore to achieve this.

- M&C acquired the Hard Days Night Hotel in Liverpool, UK for £13.8 million. The world's only Beatles-inspired hotel comprises 110 rooms and suites and is located in the heart of Liverpool's Cavern Quarter.

- CDL was presented the 20th Anniversary Sustained Impact Achievement Award by the Singapore Environment Council for its continued excellence in environmental stewardship and conservation. This special award was accorded to past Singapore Environmental Achievement Award winners that had won the award at least twice.

SEPTEMBER

- The South Beach, a luxury hotel within the South Beach mixed-use development, soft opened. With commanding views of the skyline, this iconic Hotel of Design features 654 Showcase Guest Rooms and Suites, an all-day dining restaurant, three vibrant bars, two Sky Gardens, two infinity swimming pools and a gym.

- The Palette, a 892-unit condominium jointly developed by CDL, Hong Leong Holdings Limited and Hong Realty (Private) Limited, obtained its TOP. Located within walking distance of Pasir Ris MRT station, the project is CDL's third in the Pasir Ris Grove residential enclave.

- The Criterion, a 505-unit EC jointly developed by CDL and TID Pte. Ltd., was launched for sale. Located in Yishun, near Khatib and Yishun MRT stations, the project overlooks the Lower Seletar Reservoir and Orchid Country Club.

- CDL was presented the SG50 Arts Patron Award by the National Arts Council – a special recognition accorded to only 21 arts patrons for their sustained contributions to the local arts scene. CDL also received the Patron of the Arts Award.

OCTOBER

- CDL Hospitality Trusts (CDLHT), a subsidiary of M&C, marked its entry into Europe with the acquisition of Hilton Cambridge City Centre (previously known as Cambridge City Hotel) valued at £61.5 million. The 198-room newly refurbished hotel is located in the heart of Cambridge city centre.

- Claymore Connect, the revamped Orchard Hotel Shopping Arcade, officially opened. Owned by CDLHT, the mall with approximately 54,000 square feet of lettable area, adjoins Orchard Hotel Singapore.

- CDL Executive Chairman Mr Kwek Leng Beng was presented the prestigious Lifetime Achievement Award by Hotel Investment Conference Asia Pacific (HICAP), for his distinguished accomplishments and contributions to expanding, enhancing and advancing the hotel industry in the Asia Pacific region and the world. He was the first Singaporean to receive this honour.

- CDL was ranked as Asia's Top Property Developer and Top Singapore Company in the Channel NewsAsia Sustainability Ranking for the second consecutive year. CDL was also the only Singapore corporation to have made it into the list of Top 20 sustainable companies in Asia.

- CDL was conferred the Most Transparent Company Award 2015 in the Real Estate category by the Securities Investors Association (Singapore) (SIAS) at the 16th SIAS Investors' Choice Awards Presentation Ceremony.

M&C acquired the world's only Beatles-inspired hotel – Hard Days Night Hotel in Liverpool, UK. Pictured here is the Deluxe room.

- CDL received the Best Corporate Governance award in the Real Estate Developer sector in Asia for 2015 from Ethical Boardroom, a premier UK-based publisher focused on global governance issues.

NOVEMBER

- CDL acquired the coveted Teddington Studios land site in the London Borough of Richmond for £85 million. The 18,211 square metres (sqm) freehold site, located on the banks of the River Thames, will be redeveloped into a luxury riverside condominium scheduled for launch in Q2 2016.

- Together with its joint venture partners, Hong Leong Holdings and TID Pte. Ltd., CDL placed a successful bid of $321 million for a 99-year leasehold residential site at Lorong Lew Lian. The 14,001.5 sqm site is strategically located near Serangoon MRT station and bus interchange.

- CDL received the Watch Out World! (W.O.W!) Special Mention Award at the inaugural Singapore Best Companies To Work For 2015 Awards. Presented by Great Place to Work Institute Singapore, the award recognises companies with progressive workplace cultures and good people practices.

- Buckley Classique, an exclusive 64-unit freehold luxury condominium developed by CDL, was the Heritage category winner at the FIABCI Singapore Property Awards. CDL also received the SG50 Special Award for Tree House, a FIABCI World Prix d'Excellence Gold Winner.

- Lush Acres, CDL's 380-unit EC in Sengkang, was recognised by the National Parks Board with the Landscape Excellence Assessment Framework (LEAF) 2015 award for excellence in greenery provision and management. This is the first development in Singapore and the region to introduce the space-efficient Agri-Cube Hydroponic Farm from Japan.

DECEMBER

- CDL re-entered the Australian residential sector. In partnership with leading Australian developers, Abacus Property Group (Abacus) and KPG Capital, CDL would jointly develop a prime residential site in Brisbane's highly sought after South Bank precinct. CDL and Abacus will jointly provide the majority of equity funding via a preferred equity interest of approximately A$30 million each.

- CDL acquired the landmark Stag Brewery land site in Mortlake, South West London for £158 million. The expansive 89,031 sqm freehold site offers tremendous potential for redevelopment into a mixed-used project with a riverside residential belt.

- CDL unveiled its second Profit Participation Securities platform with $1.1 billion of assets. This partnership with Alpha Investment Partners Limited (Alpha) would invest in a portfolio comprising three of CDL's prime office assets – Central Mall (Office Tower), Manulife Centre and 7 & 9 Tampines Grande.

- UP@Robertson Quay, the trendy 70-unit residential development located by the Singapore River, obtained its TOP.

- FSGL, together with co-investors, acquired a portfolio of 16 office properties (including the Mondrian Tower, Amsterdam) across the Netherlands for €205.6 million. The assets are located in key business cities such as Amsterdam, Rotterdam, The Hague, and prime residential areas in Zeist and Bilthoven, and a 50% interest in VOF De Omval, which holds retail spaces near the Mondriaan Tower.

The expansive Stag Brewery land site is strategically located next to the River Thames and offers tremendous potential for redevelopment.

HUMAN RESOURCE REVIEW

At CDL, we value our employees. We are committed to being an employer of choice through competitive remuneration, and to develop, engage and care for our employees. As a home-grown Singapore company, over the past 50 years, we have built a family-oriented work culture, and our employees' dedication has helped establish our position as a market leader. The Singapore Quality Class Star certification attests to our employees' commitment and superior business excellence.

REMUNERATION

As an employer of choice, we place a strong emphasis on having a performance-based remuneration framework that is competitive and flexible to company, market and industry changes. Salary benchmarking with the market and within the industry is conducted regularly to ensure competitiveness of remuneration and benefits.

LEARNING AND DEVELOPMENT

CDL strongly believes that investment in learning and development will give CDL the competitive edge for future growth and success. Through learning and development opportunities, all CDL employees can acquire relevant skills and expertise. All new employees are required to attend the CDL On-boarding Programme, which aims to induct and integrate new hires into the organisational culture seamlessly. Annual training needs analysis is conducted to ensure that there are necessary training interventions to level up competencies and professional knowledge. In 2015, CDL employees clocked an average of four training days per employee. CDL also sponsored employees to upgrade their educational qualifications.

TALENT MANAGEMENT

Developing a robust talent pool is crucial to strengthening CDL's position as a leading property developer. The CDL Leadership Programme is structured to develop high-potential employees by sharpening their leadership and management skills to enable them to become more effective leaders.

ENGAGING EMPLOYEES

CDL places high value on our employees' engagement, ensuring that they remain engaged, committed and motivated. Biennial Employee Engagement Surveys are conducted to obtain feedback and insights into employee-related concerns. CDL's 2015 Employee Engagement score was above the Singapore country norm. CDL was also honoured with the 2015 Special Mention Award – WOW! (Watch Out World!) Award given out by Great Place to Work Institute. This award recognises CDL for our progressive workplace culture and good people practices.

CDL's management also believes in maintaining regular communication channels with employees. The Chief Executive Officer and senior management hold regular dialogues with employees to share management insights and gather feedback.

We conduct regular surveys via our intranet to seek employees' feedback and inputs on corporate activities. The feedback is taken into account when planning future activities. We encourage an open and fun work-life culture at CDL.

CARING FOR EMPLOYEES

The emotional and physical well-being of employees are integral to our constant strive for performance and organisational excellence. By providing a healthy work-life culture, CDL employees can better balance their personal and professional commitments. Flexi-working hour arrangements allow employees to manage their family and work commitments more effectively and meaningfully. The Human Resource (HR) department constantly reviews staff benefits and implements enhancements to attract, retain and engage employees.

CDL takes a pro-active employee-led approach for our wellness programmes. This promotes cohesiveness and encourages employees to participate in the decision-making and implementation of staff activities. Staff Connect, a committee made up of representatives from various departments, together with HR department, actively promotes and organises Work-Life strategies and initiatives.

In line with CDL's commitment to Corporate Social Responsibility (CSR), CDL encourages and creates opportunities for employees to participate in community service programmes through our employee volunteer platform, City Sunshine Club. In 2015, CDL employees clocked more than 2,000 hours in various community service programmes. For example, CDL supported Assisi Hospice in the annual Assisi Hospice Charity Fun Day and also partnered North West CDC for the WeCare @ North West project to reach out to needy families.

CDL employees in high spirits to spread warmth and good cheer at Assisi Hospice Charity Fun Day 2015.

CDL's business model is continuously evolving, innovating and growing amidst the increasingly challenging Singapore residential property market.

Our plans for strategic long-term growth focus on overseas expansion and developing unique investment platforms and fund management products.

CDL remains vigilant in seeking suitable opportunities in five overseas markets identified – UK, Japan, China, Australia and the US. In Singapore, we are actively seeking opportunities to tap the vast private capital markets, even as the residential property market is expected to remain subdued in the near term. The Group will also continue to maintain discipline in land or property acquisitions in Singapore and abroad.

SINGAPORE

The Ministry of Trade and Industry reported that the Singapore economy had expanded by 2.0% in 2015, compared with the 3.3% increase in 2014, marking the lowest rate of annual growth since 2009.

The manufacturing sector was the major impediment with a 4.8% contraction in 2015, compared with the 2.6% growth in 2014. The construction sector moderated with an expansion of 1.1% in 2015, compared with the 3.0% growth in 2014. The service sector grew by 3.6% in 2015, picking up from the 3.2% growth in 2014.

Residential

Residential property prices in Singapore are expected to continue to moderate across all market segments. The various Government cooling measures, in particular the total debt servicing ratio framework and additional buyer's stamp duty, have negatively impacted both sales volumes and prices. Average residential rents particularly in the high-end segment, have declined, coupled with a weak secondary market.

Land prices for public Government Land Sales (GLS) tenders have remained relatively resilient. The demand for prime sites with good location has remained strong and tender bids continue to be highly competitive. The demand for GLS sites underpins the pressure on developers to replenish their land banks. Furthermore, the restrictions imposed by the Qualifying Certificate system have caused the private land market to be deemed unfavourable for land bank replenishment. This has exerted upward pressure on GLS tender prices.

For 2015, prices of private residential properties fell by 3.7%, compared with the 4.0% decrease in 2014. Rentals of private residential properties declined 4.6% compared with the 3.0% year-on-year decline in 2014. A total of 7,440 private residential units were sold by developers in 2015, compared with 7,316 units in 2014 – a drop of 1.7%.

Despite the tough market conditions, CDL performed credibly for its project launches in 2015 – The Brownstone and The Criterion.

The outlook for the Singapore residential market remains challenging as the economic growth outlook remains soft while interest rates are on the rise. As of end 2015, the remaining supply of 24,546 unsold private residential units and 26,517 vacant private residential units will continue to put downward pressure on capital values and rentals while transaction volumes are expected to remain moderate.

Office

The Singapore office market ended 2015 on a softer note, with prices declining 0.1% and rentals declining 6.5% from end 2014. The total available office space as of end 2015 was approximately 81.4 million square feet (sq ft), with vacancies declining to 9.3% as of end 2015, from 9.8% as of end 2014. The downturn in commodities and continued challenges in the financial sector has reduced demand while a large supply of 4.97 million sq ft is scheduled to complete in 2016. These are expected to put downward pressure on capital values and rentals in 2016.

Retail

The Singapore retail market saw rents fall across prime and suburban locations in the last quarter by 4.3% and 1.3% respectively. Weak retail sales and increased business cost will continue to keep retailers cautious and business expansion muted. However, as the government has restricted the supply of new retail space since 2013, the supply is set to ease and the retail market is expected to remain stable.

The Criterion is CDL's eight EC project and comprises 505 units in ten 13-storey blocks at Yishun Street 51.

MARKET REVIEW

Hotel
The Singapore tourism sector remained stable for visitor arrivals in 2015, with a 0.9% increase to 15.9 million visitors from 15.1 million visitors in 2014.

The Singapore Tourism Board (STB)'s statistics also showed that the overall hotel average room rate in 2015 was about $246, a decline of 4.8% compared to 2014. Overall average occupancy rate dipped slightly by 0.5% to 85%.

The mixed performance was attributable to various headwinds such as an uncertain global economic outlook and the weakening currencies in some of Singapore's top source markets. For 2016, the STB expects flat to low single digit growth in international visitor arrivals and tourism receipts.

OVERSEAS MARKETS

UK
The UK economy continued to grow and inflation remains well below the Bank of England's 2% target rate, allowing the Bank of England to keep interest rates unchanged at 0.5% for the seventh consecutive year.

Driven by robust demand and a lack of supply, house prices in the Greater London area rose by 12.4% over 2015 with the biggest increases in Reading at 17.1%, where CDL has an 82-unit residential development. The Prime London market is experiencing a more cautious environment with house prices growing by a marginal 0.5% over 2015.

In 2015, as part of CDL's strategy to focus outside of Prime London, we acquired two significant residential development sites in the Borough of Richmond; namely the Teddington Studios and Stag Brewery land sites, which will benefit from strong local demand and excellent prospects for further capital growth.

Political events may have an influence in the near term, with a referendum over Britain's membership of the European Union; however, CDL expects the underlining resilience of the economy and the strong global demand base for London property to remain robust. CDL continues to be diligent in the assessment of new investments and remains optimistic about the longer term outlook for the UK.

Japan
After expanding its Quantitative Easing programme in 2014, the Bank of Japan maintained its level of bond buying in 2015 as economic growth remained stable while inflation continued to persist below inflation targets. Japan's government unveiled further policies in September 2015 to supplement the ongoing structural reforms to promote economic growth, address weakening demographics and improve social security. This was followed by the Bank of Japan adopting a negative interest rate policy in January 2016. The weaker yen has significantly boosted tourism with tourist arrivals growing 117% in the 12 months to September 2015 from 2012, and the 20 million foreign visitors target by 2020 (set in 2013), was almost achieved in 2015.

Japan's real estate market continues to attract record levels of investment, compressing yields to historic lows. Commercial rents picked up in 2015 and low borrowing costs continue to keep the yield spread over the risk free rate attractive. The Japan Residential Property Price Index for Condominiums in Tokyo increased by 17.5% over the past two years.

In 2014, CDL acquired a high end residential site in Tokyo and continues to source opportunities in the country. We expect monetary and foreign investment policies to remain accommodative as structural reforms are implemented and we forecast demand to remain robust as the country gears up for the 2020 Olympic Summer Games.

China
China's economy grew 6.9% in 2015, the lowest since the global financial crisis. The country is in the middle of its transition from an investment-based to a consumption-based economy and the government is expected to maintain

The expansive Teddington Studios site is planned to be redeveloped into a luxurious residential project.

an accommodative policy stance to support a smooth transition.

For the residential market, China's home prices edged up from Q3 2015, due to several rounds of interest rate cuts and other supportive policies. However, the price recovery was mainly experienced in first and second tier cities. Large amounts of housing inventory continue to exert downward pressure on home prices in third and fourth tier cities.

For 2016, the Chinese government is expected to continue providing support to the real estate market, with economists expecting further reforms and policy actions to stabilise housing demand.

Despite the near term uncertainty, we continue to remain confident in the longer term potential for China. As such, CDL remains fully committed towards developing its China operations across Shanghai, Suzhou and Chongqing.

Australia

The Australian economy continues to show stable, albeit below trend growth in 2015, with the slowdown in the resource sector buoyed by a robust services sector. Over the course of 2015, the Reserve Bank of Australia reduced its cash rate by 50 basis points to support the economy and is expected to remain accommodative as inflation continues to remain at low levels and demand from Australia's major trading partners remains moderate.

Australia's real estate market had an exceptionally strong 2015, with capital values rising to record levels and transaction volumes remaining robust. The residential real estate market showed strong growth in key cities – Sydney, Melbourne and Brisbane, although the Sydney and Melbourne markets showed signs of cooling towards the end of 2015. In the commercial real estate space, Sydney and Melbourne continue to attract buyers even at record low yields, while the downturn in the resource sector continued to impact occupier demand in Brisbane and Perth.

In 2015, CDL partnered Abacus Property Group and KPG Capital to develop a prime residential site in South Brisbane. CDL continues to assess opportunities for further investment in the Australian real estate market.

US

The US economic recovery continued in 2015 with real GDP increasing by 2.4%, at a similar pace to 2014. Together with sustained job creation driving the unemployment rate down to 5%, the US Federal Reserve was able to justify lifting its interest rates from zero for the first time since December 2008. However as inflation continues to run below the Federal Reserve's 2% longer-run objective, the rate of subsequent increases in the policy rate are expected to be gradual.

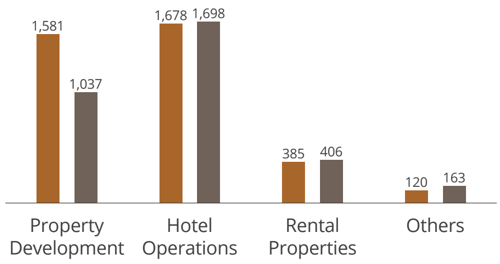
The US housing sector continues to show healthy growth, with annual housing starts growing by 10.8% in 2015 over 2014. Home sales continue to improve, though volumes remain at levels well below the previous pre-crisis peak. The commercial market is also experiencing a broad recovery, with national demand for office rising to 61.3 million sq ft, the highest since 2006, driven by a broadening economic expansion led by technology, professional and business services and financial services sectors.

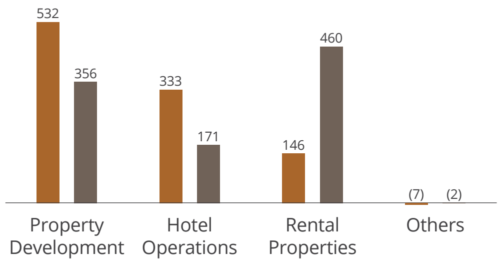
While the investment outlook has turned cautious due to greater uncertainty as the economy transitions away from a zero interest rate environment, CDL continues to look for opportunities in the US market.

CDL re-entered the Australian residential sector to jointly develop a prime residential land site in Brisbane's South Bank precinct with two leading Australian developers.

In China, CDL has four projects, including Hongqiao Royal Lake in Shanghai, which comprises 120 luxury villas.

FINANCIAL REVIEW





* Includes share of after-tax profit of associates and joint ventures.

PROPERTY DEVELOPMENT

Revenue decreased by $544.1 million to $1,037.1 million (FY 2014: $1,581.2 million) for FY 2015. Pre-tax profit decreased by $175.8 million to $355.8 million (FY 2014: $531.6 million) for FY 2015.

The decrease in revenue was largely due to absence of revenue recognition from Blossom Residences, an executive condominium (EC) which obtained TOP in September 2014. Under prevailing accounting standards, both revenue and profit for ECs are recognised in entirety only upon TOP. Lower contributions from H_2O Residences and The Palette, which were completed during the year, also attributed to the lower revenue. The decrease was partially mitigated by maiden contribution from Coco Palms in first quarter of 2015 (Q1 2015) and increased contribution from Jewel@Buangkok.

The decrease in pre-tax profit for FY 2015 was in tandem with lower revenue achieved coupled with the absence of gain arising from loss of control in Cityview Place Holdings Pte. Ltd. (Cityview) following the Group's first Profit Participation Securities (PPS 1) platform in December 2014 involving the Quayside Collection on Sentosa Cove. Although this gain was spread across residential, hotel operations and rental properties segments, the property development segment accounted for the biggest share. This was partially offset by lower allowance for foreseeable losses made and share of contributions from The Rainforest, a joint venture EC, which obtained TOP in Q1 2015 as well as higher share of profit contribution from Bartley Ridge, Echelon and Inflora.

HOTEL OPERATIONS

Revenue increased by $19.8 million to $1,698.1 million (FY 2014: $1,678.3 million) for FY 2015 due primarily to contributions from hotels acquired in 2014 namely, The Chelsea Harbour Hotel, Novotel New York Times Square, Hotel MyStays Asakusabashi and Hotel MyStays Kamata.

Pre-tax profit, on the other hand, decreased by $161.9 million to $170.9 million (FY 2014: $332.8 million) for FY 2015. The significant decrease was mainly due to impairment losses of $73.4 million made on a few hotels, lower performance of the Group's Asia hotels, as well as RevPAR declined for London and New York mainly due to refurbishments at Millennium Bailey's Hotel London and ONE UN New York respectively. In addition, included in 2014 was a gain arising from the loss of control in Cityview as it owns W Singapore – Sentosa Cove, and there was no such similar gain in 2015.

RENTAL PROPERTIES

Revenue increased by $20.8 million to $405.5 million (FY 2014: $384.7 million) for FY 2015. Pre-tax profit surged by $314.3 million to $460.2 million (FY 2014: $145.9 million) for FY 2015.

The increase in revenue for FY 2015 was due to rental income earned from Millennium Mitsui Garden Hotel Tokyo which opened in December 2014.

The significant increase for FY 2015 was mainly due to a $314 million gain recognised from the sale of leasehold interests in Central Mall (Office Tower), Manulife Centre and 7 & 9 Tampines Grande to Golden Crest Holdings Pte. Ltd., an associate of the Group via the Group's second PPS platform. In addition, in Q4 2014 and FY 2014, there was a minor portion of gain recognised from loss of control in Cityview being accounted under this segment as it owns Quayside Isle.

OTHERS

Revenue, comprising mainly income from building maintenance contracts, project management, club operations, laundry services and dividend income, increased by $43.6 million to $163.4 million (FY 2014: $119.8 million) for FY 2015 due to higher management fee income and income generated from laundry service business which the Group purchased in 2015.

This segment reported a lower pre-tax loss of $1.6 million (FY 2014: $6.6 million) for FY 2015.

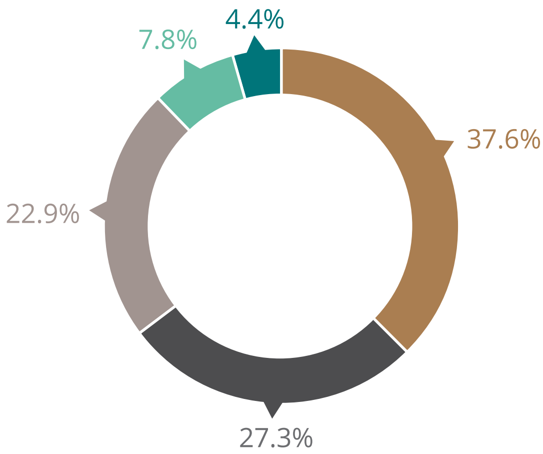
The loss for FY 2015 was due to the recognition of net fair value losses on financial assets held for trading in FY 2015 as opposed to net fair value gains in FY 2014. Lower pre-tax loss for FY 2015 was mainly attributable to the absence of impairment loss made on an available-for-sale financial asset which was recognised in 2014, and positive contribution from the Group's associate, First Sponsor Group Limited (FSGL). FSGL's positive contribution to this segment in 2015 was underpinned by its continued growth in the property financing business in China, in which higher interest income was generated on secured entrusted loans to third parties due to larger average loan portfolio in FY 2015.

PROPERTY PORTFOLIO ANALYSIS

CDL Group's attributable share as at 31 December 2015

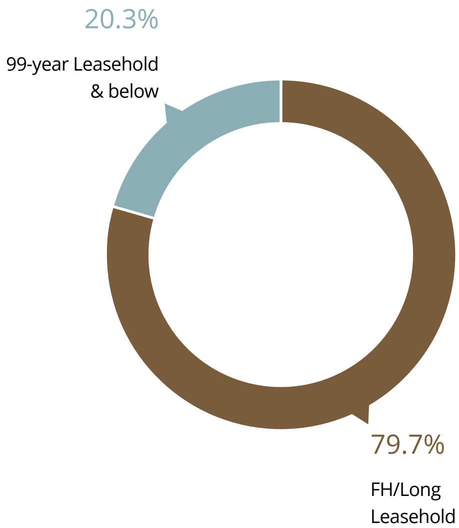
ANALYSIS BY SECTOR

Total lettable/gross floor area:
7.1 million square feet

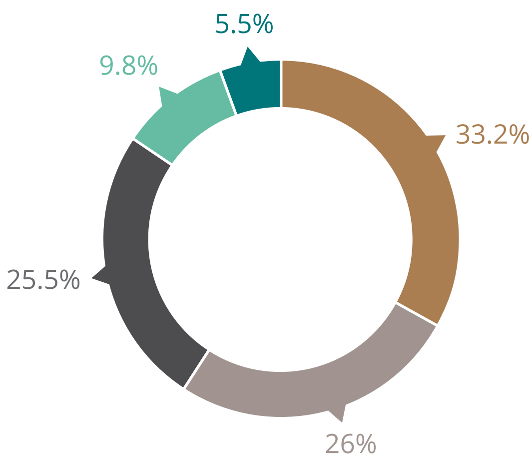


ANALYSIS BY TENURE

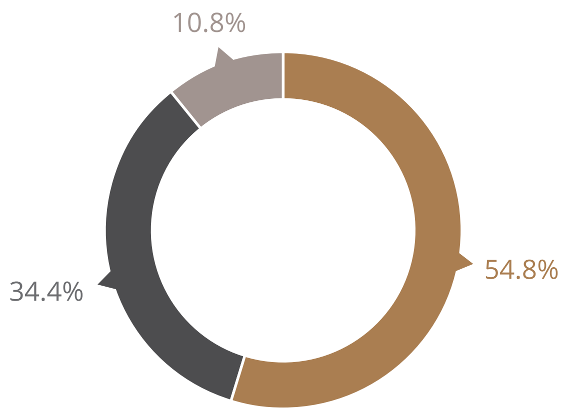
Total lettable/gross floor area:
7.1 million square feet



FH/Long Leasehold
Breakdown by Sector
Total lettable area/gross floor area: 5.7 million square feet



99-year Leasehold & below
Breakdown by Sector
Total lettable area/gross floor area: 1.4 million square feet



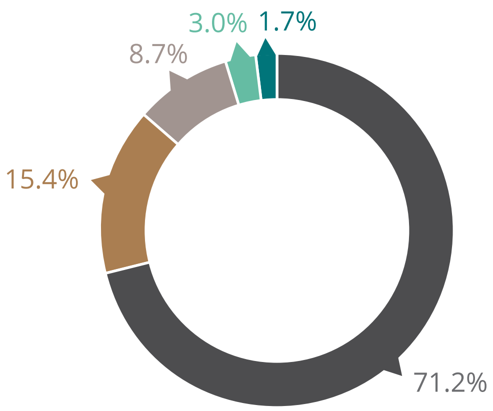
Office Hotel/Others Industrial Retail Residential

PROPERTY PORTFOLIO ANALYSIS

CDL Group's attributable share as at 31 December 2015 (inclusive of M&C and CES properties)

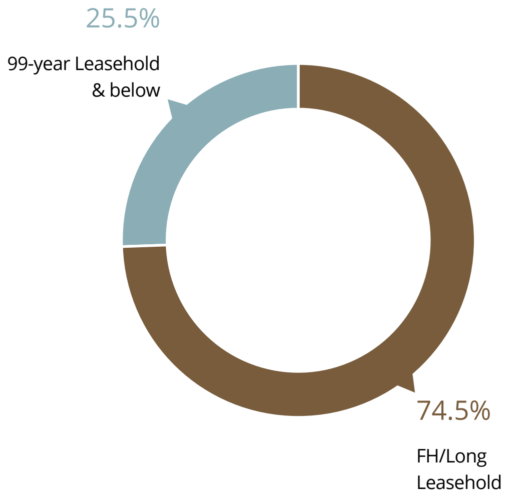
ANALYSIS BY SECTOR

Total lettable/gross floor area:
18.9 million square feet

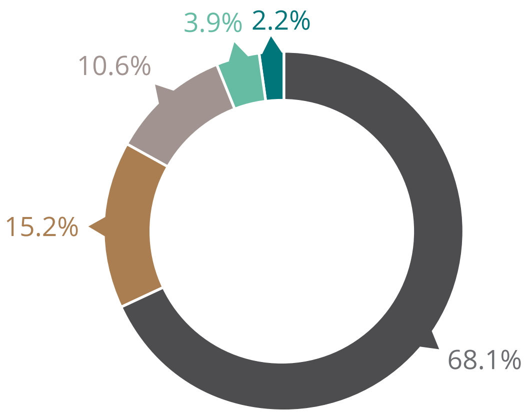


ANALYSIS BY TENURE

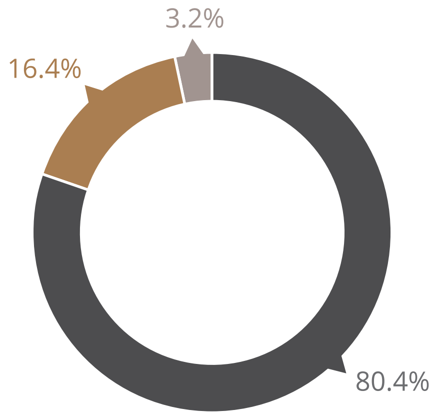
Total lettable/gross floor area:
18.9 million square feet



FH/Long Leasehold
Breakdown by Sector
Total lettable area/gross floor area: 14.1 million square feet



99-year Leasehold & below
Breakdown by Sector
Total lettable area/gross floor area: 4.8 million square feet



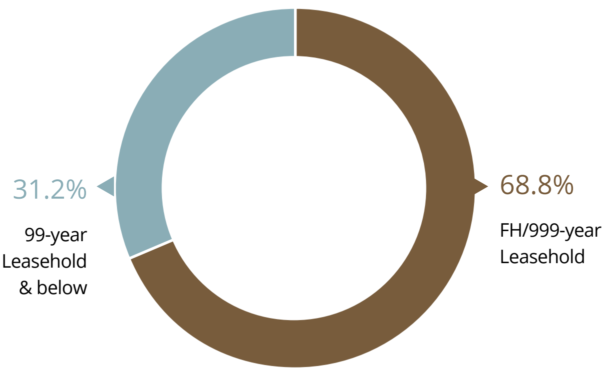
Office | Hotel/Others | Industrial | Retail | Residential

PROPERTY PORTFOLIO ANALYSIS – LAND BANK

CDL Group's attributable share as at 31 December 2015

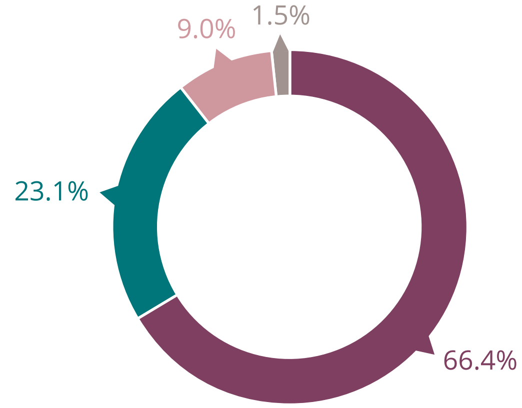
ANALYSIS BY TENURE

Total: 3.27 million square feet



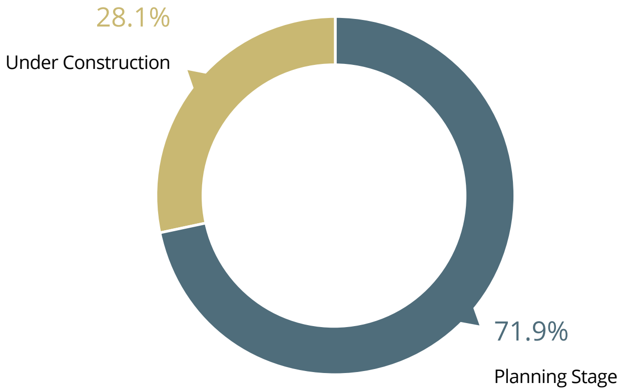
ANALYSIS BY SECTOR

Total: 3.27 million square feet

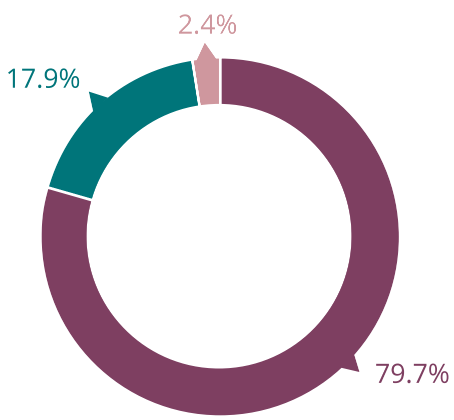


ANALYSIS BY DEVELOPMENT STAGE

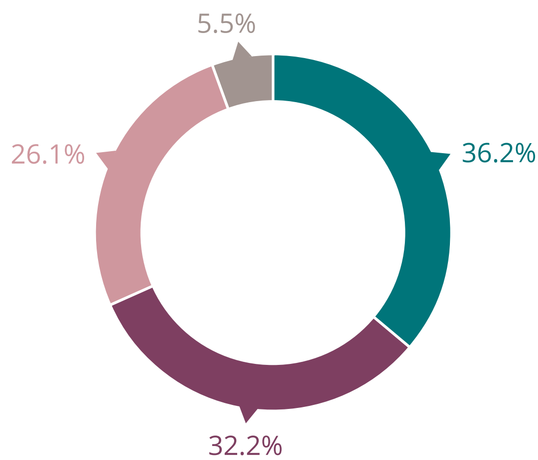
Total: 3.27 million square feet



Planning Stage
Breakdown by Sector
Total: 2.35 million square feet



Under Construction
Breakdown by Sector
Total: 0.92 million square feet



Residential | Residential - Overseas | Commercial & Hotel Projects | Commercial & Hotel Projects - Overseas

MAJOR PROPERTIES

As at 31 December 2015

SINGAPORE PROPERTIES	Tenure	Site Area (Sq. Metres)	Approximate Lettable/ Strata/ Gross Floor Area (Sq. Metres)	Effective Group Interest[1] (%)
Commercial Properties				
Republic Plaza, the flagship of CDL, is a 66-storey state-of-the-art intelligent office tower at Raffles Place, in the heart of Singapore's financial district.	999-year lease	6,765	72,604	100
Central Mall comprises a cluster of conservation shophouses at Havelock Road/Magazine Road.	99-year lease wef 15.05.1993	4,806	5,092	100
Central Mall (Office Tower) is a 7-storey office-cum-retail building located at Havelock Road/Magazine Road.	Freehold reversionary interest[2]	2,800	12,217	100
	99-year lease wef 22.12.2015			80[3]
New Tech Park is a high-technology industrial park at Lorong Chuan, off Braddell Road.	999-year lease[4]	39,798	56,040	42.8
City House is a 23-storey office building situated at Robinson Road/Cross Street within the Central Business District.	999-year lease	1,272	14,523	100
City Square Mall is an 11-storey shopping mall located at the junction of Serangoon and Kitchener Roads.	Freehold	14,920	41,156	100
Fuji Xerox Towers is a part 15-storey/part 38-storey commercial office building situated at the intersection of Anson Road, Keppel Road, Tanjong Pagar Road and Bernam Street, near the western fringe of the Central Business District.	Freehold	5,394	32,969	100
Manulife Centre is an 11-storey commercial building located at 51 Bras Basah Road.	999-year lease reversionary interest[2]	4,972	22,437	100
	99-year lease wef 22.12.2015			80[3]
Palais Renaissance is a 16-storey retail-cum-office complex with 3 basements located at Orchard Road.	Freehold	2,709	10,390	100
Delfi Orchard is an 11-storey commercial-cum-residential complex located at Orchard Road. The Group owns 124 out of 150 strata-titled units.	Freehold	1,882	6,621	100
Citilink Warehouse Complex is an 8-storey warehouse located at Pasir Panjang Road. The Group owns 62 out of 180 strata-titled units.	Freehold	14,152	9,597	100
Cideco Industrial Complex is an 8-storey industrial building located at Genting Lane.	Freehold	5,478	12,440	100
City Industrial Building is an 11-storey flatted factory building at Tannery Lane.	Freehold	3,150	11,830	100
Tanglin Shopping Centre is a shopping-cum-office complex situated at Tanglin Road, within the Orchard Road tourist district. The Group owns 83 out of 362 strata-titled units and 325 carpark lots.	Freehold	6,365	6,285	65

Notes:
(1) For strata-titled properties, this % refers to the Group's effective interest in the strata-titled units owned by the Group.
(2) The Group has reversionary interest of the property at the expiry of the 99-year lease sold to an associate.
(3) Although the Group owns 80% of the equity interests in the property holding company, it does not have control over the company as described in footnote @@ under Note 41 of the Notes to the Financial Statements.
(4) The Group has reversionary interest of the property at the expiry of the 45-year lease sold to third party.

SINGAPORE PROPERTIES	Tenure	Site Area (Sq. Metres)	Approximate Lettable/ Strata/ Gross Floor Area (Sq. Metres)	Effective Group Interest[1] (%)
Commercial Properties				
The Arcade is a 20-storey office-cum-shopping complex situated at Collyer Quay within the Central Business District. The Group owns 19 out of 127 strata-titled units.	999-year lease	2,035	4,511	100
Katong Shopping Centre is a 7-storey shopping-cum office complex situated along Mountbatten Road. The Group owns 60 out of 425 strata-titled units and 323 carpark lots.	Freehold	8,167	8,243	100
Tagore 23 Warehouse is a 4-storey warehouse located at Tagore Lane.	Freehold	7,418	12,066	100
King's Centre is an 8-storey office-cum-retail waterfront development located at Havelock Road, along the Singapore River.	99-year lease wef 09.02.1984	5,186	8,335	100
7 & 9 Tampines Grande is a pair of 8-storey new generation green office buildings located at Tampines Regional Centre.	99-year lease wef 20.08.2007[2]	8,000	26,718	80[4]
11 Tampines Concourse is a 3-storey office building located at Tampines Ave 5. It is the first CarbonNeutral® development in Singapore and Asia Pacific.	15-year lease wef 18.02.2008	11,521	9,692	100
Quayside Isle is a 2-storey F&B and retail waterfront development located next to W Singapore – Sentosa Cove.	99-year lease	8,332	4,099	42[5]
Mixed Development				
South Beach is a mixed-use development that is located on Beach Road, comprising a 34-storey office tower and a 45-storey hotel cum residential tower, along with retail.	99-year lease	34,959	47,877 (Office) 44,929 (Hotel) 10,999 (Retail)	50.1
Hotels				
Grand Copthorne Waterfront is a 30-storey, 574-room hotel-cum-retail waterfront development, located at Havelock Road/Kim Seng Road, along the Singapore River.	Freehold (Retail) Freehold reversionary interest (Hotel)[3]	10,860	2,916 (Retail) 46,169 (Hotel)	100
The St. Regis Singapore is a 20-storey, 299-room luxury hotel that is located at Tanglin Road/Tomlinson Road.	999 years	6,677	30,844	33
W Singapore – Sentosa Cove is a 7-storey, 240-room luxury hotel that is located at Ocean Way.	99-year lease	17,016	23,805	42[5]
Serviced Apartments				
Le Grove is the Group's first serviced apartments project located at Orange Grove Road, off Orchard Road.	Freehold	8,012	8,921	100

Notes:
[1] For strata-titled properties, this % refers to the Group's effective interest in the strata-titled units owned by the Group.
[2] The Group sold the remaining lease wef 22.12.2015 to an associate.
[3] The Group has reversionary interest of the property at the expiry of the 75-year lease sold to CDL Hospitality Trusts.
[4] Although the Group owns 80% of the equity interests in the property holding company, it does not have control over the company as described in footnote @@ under Note 41 of the Notes to the Financial Statements.
[5] Property is held by Cityview Place Holdings Pte. Ltd. (Cityview). Although the Group is the legal owner of the entire equity interests in Cityview, management has determined that it does not have control over Cityview upon the sale of cash flows in Cityview. The Group has significant influence in Cityview through Sunbright Holdings Limited.

MAJOR PROPERTIES

As at 31 December 2015

OVERSEAS PROPERTIES	Tenure	Site Area (Sq. Metres)	Approximate Lettable/ Strata/ Gross Floor Area (Sq. Metres)	Effective Group Interest (%)
Commercial Properties				
Umeda Pacific Building is an 11-storey commercial building located in the prime business district of Osaka, Japan.	Freehold	887	6,359	100
Exchange Tower is a 42-storey retail-cum-office building located in the prime business district at Sukhumvit Road, Bangkok, Thailand.	Freehold	6,464	40,938	39
Jungceylon Shopping Mall and **Millennium Resort Patong Phuket** is a mixed development comprising a 4-storey retail mall and a 418-room hotel, located in the commercial area of Patong, Phuket Island, Thailand.	Freehold	87,359	66,936 (Retail) 44,741 (Hotel)	49
Mille Malle is a 4-storey retail mall located in the prime residential and commercial district at Sukhumvit Road, Bangkok, Thailand.	Freehold	1,920	3,048	49
Biltmore Court & Tower is situated at 500/520 South Grand Avenue, Los Angeles, CA 90071, comprising the Court which has 22,133 sq. metres of Class "B" lettable office space within the Biltmore hotel structure and the Tower which has 12,116 sq. metres of Class "A" office space.	Freehold	4,951	34,249	65
Humen International Cloth Centre is located in Boyong Village, Humen Town, Dongguan, Guangdong Province, China, comprising 145 commercial units and 11 serviced apartments.	Leasehold to year 2063	Not Applicable	3,467	23
Chengdu Cityspring is located in Chengdu Hi-Tech Industrial Development Zone, Sichuan Province, China, comprising M Hotel, Chengdu, which is classified as property, plant and equipment; 21,875 sq. metres of commercial space in the same building as M Hotel Chengdu (level 3 -17), and 5,647 sq. metres of commercial and retail spaces.	Leasehold to year 2049	Not Applicable	27,522	23
Zuiderhof I is located in the South Axis, Amsterdam, the Netherlands, comprising office space, archive space and 111 car park lots.	Perpetual Leasehold. Ground rent paid until 2050	4,294	12,538	8

OVERSEAS PROPERTIES	Tenure	Site Area (Sq. Metres)	Approximate Lettable/ Strata/ Gross Floor Area (Sq. Metres)	Effective Group Interest (%)
Hotels				
Millennium Hilton Bangkok is a 32-storey, 544-room hotel-cum-retail waterfront development located at Charoen Nakorn Road, along the Chao Phraya River in Bangkok, Thailand.	Freehold	10,104	78,771	17
Iris Congress Hotel comprises an 8-storey, 211-room hotel and a 9-storey, 44-unit apartment building located at Korovinskoe Chausee, Moscow, Russia.	49 years	26,714	27,254	50
Millennium Mitsui Garden Hotel Tokyo, a 329-room hotel located at 5-11-1 Ginza, Chuo-Ku, Tokyo 104-0061, Japan.	Freehold/ Leasehold - 30 years from 25.03.2009	Not Applicable	13,428	76
Arena Towers is located in Amsterdam Southeast, the Netherlands, comprising 443 hotel rooms and 509 car park lots.	Perpetual Leasehold. Ground rent paid until 2053	15,650	17,396	23
M Hotel Chengdu is located in Gaoxin District, Chengdu, Sichuan Province, China, comprising 196 hotel room and suites.	Leasehold to year 2049	Not Applicable	19,228	23

MAJOR PROPERTIES FOR DEVELOPMENT AND/OR RESALE

As at 31 December 2015

Description & Location	Site Area (Sq. Metres)	Tenure	Effective Group Interest (%)
Residential			
Jalan Kolam Ayer, Johor Bahru, Malaysia	24,739	Freehold	100
Jalan Waspada, Johor Bahru, Malaysia	6,368	Freehold	100
15, 19 & 21 Swiss Club Road	20,014	Freehold	100
Tampines Road/Upper Changi Road North	22,534 14,013	99 years Freehold	33 33
Land Parcel at Lorong Lew Lian	14,002	99 years	50
28 Pavilion Road, Knightsbridge London	1,315	Freehold	100
90-100 Sydney Street, Chelsea, London	280	Freehold	100
Teddington Studios, Broom Road, Teddington, London	18,211	Freehold	100
The Stag Brewery, Mortlake, London	89,031	Freehold	100
Prime freehold site in Shirokane, Tokyo	16,815	Freehold	94.52
Mixed Development			
Chongqing Huang Huayuan, Yuzhong District, China	23,512	Residential - 50 years Commercial - 40 years	100
Hotel			
Land Site at Chung-gu, Namdaeumro, Seoul, South Korea	1,564	Freehold	65
Land Site at Sunnyvale, California, United States of America	35,717	Freehold	65

MAJOR PROPERTIES IN THE COURSE OF DEVELOPMENT

As at 31 December 2015

Description	Location	Site Area (Sq. Metres)	Gross Floor Area (Sq. Metres)	Tenure	Effective Group Interest (%)	Approximate Percentage Completion (%)	Expected Completion
Residential							
Eling Residences	Chongqing Eling Hill, Yuzhong District	27,559	35,486	50 years	100	80	2016
Gramercy Park	Grange Road	15,718	33,008	Freehold	100	93	2016
HAUS@ SERANGOON GARDEN	Serangoon Garden Way	28,402	N.A.	99 years	70	94	2016
The Inflora	Flora Drive	21,700	30,380	99 years	33	91	2016
Bartley Ridge	Mount Vernon Road	20,811	79,624	99 years	30	77	2016
Echelon	Alexandra View	9,953	48,768	99 years	50	67	2016
Jewel @ Buangkok	Buangkok Drive/ Sengkang Central	18,341	55,023	99 years	100	88	2016
Lush Acres	Sengkang West Way	14,101	42,302	99 years	100	87	2016
New Futura	Leonie Hill Road	8,086	23,066	Freehold	100	37	2016
Commonwealth Towers	Commonwealth Avenue	12,087	59,225	99 years	30	21	2017
D'Nest	Pasir Ris Grove	41,275	86,678	99 years	51	56	2017
Coco Palms	Pasir Ris Grove/ Pasir Ris Drive 1	41,514	87,179	99 years	51	32	2018
The Criterion	Yishun St 51	17,940	50,232	99 years	70	17	2018
The Brownstone	Canberra Drive	28,653	59,981	99 years	70	17	2018
Hanover House	202 Kings Road Reading Berkshire	3,399	3,252	Freehold	100	55	2016
Belgravia	31-35 Chesham Street, Belgravia, London	133	1,411	Freehold	100	45	2016
Knightsbridge	32 Hans Road, Knightsbridge, London	175	571	Freehold	100	55	2016
Merivale Street	Brisbane, Australia	2,733	32,393 (Total saleable area)	Freehold	33	*	2018

* Work less than 10% completed.

MAJOR PROPERTIES IN THE COURSE OF DEVELOPMENT

As at 31 December 2015

Description	Location	Site Area (Sq. Metres)	Gross Floor Area (Sq. Metres)	Tenure	Effective Group Interest (%)	Approximate Percentage Completion (%)	Expected Completion
Hotel							
Millennium Waterfront Chengdu Hotel	Wenjiang District, Chengdu, Sichuan Province, China	36,327	122,863	Leasehold to year 2051	23	50	2017
Mixed Development							
South Beach Project	Beach Road	34,959	36,340 (Residential)	99 years	50.1	73	2016
M Social Hotel	Robertson Quay	4,518	8,000	99 years	100	92	2016
Boulevard Hotel Site	Cuscaden Road/ Orchard Boulevard	12,127	56,050	Freehold	40	*	2019
Hong Leong City Center	Suzhou Jinji Lake, SIP District, China	45,455	295,104	Residential - 70 years Commercial - 40 years	70	60	2017
The Venue Residences and Shoppes	Tai Thong Crescent	8,200	28,702	99 years	60	34	2017

* Work less than 10% completed.

MAJOR PROPERTIES

As at 31 December 2015

HOTELS	Tenure	Approximate Site Area (Sq. Metres)	Number of Rooms	Effective Group Interest (%)
Owned by MILLENNIUM & COPTHORNE HOTELS PLC				
Asia				
Grand Millennium Beijing Fortune Plaza, 7 Dongsanhuan Middle Road, Chaoyang District, Beijing 100020 China	Leasehold to year 2046 (hotel) Leasehold to year 2056 (underground car park)	9,268	514	46
Grand Millennium Kuala Lumpur 160 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia	Freehold	7,670	459	65
JW Marriott Hotel Hong Kong Pacific Place, 88 Queensway, Hong Kong	75-year term from 18.04.1985 and may be renewable for a further term of 75 years	10,690	602	17
Millennium Hotel Sirih Jakarta Jalan Fachrudin 3, Jakarta 10250, Indonesia	The title is held under a Hak Guna Bangunan (i.e. Right to Build) and a 40-year lease wef 14.04.1984 and 22.01.1986 for approximate site area of 7,137 sq. metres and 212 sq. metres respectively	7,349	401	52
Millennium Seoul Hilton 50 Sowol-ro, Jung-gu, Seoul, Korea 100-802	Freehold	18,787	680	65
Copthorne Orchid Hotel Penang Jalan Tanjung Bungah, 11200 Penang, Malaysia	Freehold	10,329	307	65
The Heritage Hotel Manila Roxas Boulevard at corner of EDSA Pasay City, Metropolitan Manila, Philippines	Fee Simple	9,888	450	43
Grand Hyatt Taipei 2, Songshou Road Taipei, Taiwan, 11051	50 years starting from 07.03.90. The lease agreement is extendable for another 30 years.	14,193	853	54
Pullman Bangkok Grande Sukhumvit Hotel Sukhumvit Soi 21, Asoke Road, Bangkok, Thailand	30-year term from 02.02.2005 with option to renew for a further term of 30 years	5,052	325	33
New World Millennium Hong Kong Hotel 72 Mody Road, Tsimshatsui East, Kowloon, Hong Kong	75-year term from 28.11.1984 and may be renewable for a further term of 75 years	2,850	464	33

MAJOR PROPERTIES

As at 31 December 2015

HOTELS	Tenure	Approximate Site Area (Sq. Metres)	Number of Rooms	Effective Group Interest (%)
Europe				
The Chealsea Harbour Hotel Chelsea Harbour, London, SW10 0XG, England	Leasehold to year 2112	2,561	157	65
Copthorne Hotel Aberdeen 122 Huntly Street, Aberdeen AB10 1SU, Scotland	Freehold	1,302	87	54
Copthorne Hotel Birmingham Paradise Circus, Birmingham B3 3HJ, England	Freehold	2,188	211	65
Copthorne Hotel Cardiff-Caerdydd Copthorne Way, Culverhouse Cross, Cardiff CF5 6DH, Wales	Freehold	26,305	135	65
Copthorne Hotel Effingham Gatwick West Park Road, Copthorne, West Sussex RH10 3EU, England	Freehold	161,878	122	65
Copthorne Hotel London Gatwick Copthorne Way, Copthorne, West Sussex RH10 3PG, England	Freehold	404,694	227	65
Copthorne Hotel Manchester Clippers Quay, Salford Quays, Manchester M50 3SN, England	Leasehold to year 2135	9,800	166	65
Copthorne Hotel Merry Hill-Dudley The Waterfront, Level Street, Brierley Hill, Dudley, West Midlands DY5 1UR, England	Freehold	13,734	138	65
Copthorne Hotel Newcastle The Close, Quayside, Newcastle upon Tyne NE1 3RT, England	Freehold	9,200	156	62
Copthorne Hotel Plymouth Armada Way, Plymouth PL1 1AR, England	Leasehold to year 2110	1,853	135	65
Copthorne Hotel Slough-Windsor Cippenham Lane, Slough, Berkshire SL1 2YE, England	Freehold	6,880	219	65
Copthorne Tara Hotel London Kensington Scarsdale Place, Kensington, London W8 5SR, England	Freehold	7,535	833	65
Hard Days Night Hotel Liverpool Central Buildings North John Street Liverpool, L2 6RR, England	Leasehold to year 2129	5,275	110	65
Millennium Bailey's Hotel London Kensington 140 Gloucester Road, London SW7 4QH, England	Freehold	1,923	211	65
Millennium Gloucester Hotel London Kensington Harrington Gardens, London SW7 4LH, England	Freehold	6,348	610	65

HOTELS	Tenure	Approximate Site Area (Sq. Metres)	Number of Rooms	Effective Group Interest (%)
Europe (Continued)				
Millennium Hotel Glasgow George Square, Glasgow G2 1DS, Scotland	Leasehold to year 2109	9,398	116	65
Millennium Hotel London Knightsbridge 17 Sloane Street, Knightsbridge, London SW1X 9NU, England	Leasehold to year 2091	809	222	65
Millennium Hotel London Mayfair Grosvenor Square, Mayfair, London W1K 2HP, England	Leasehold to year 2096	4,260	336	65
Millennium Hotel Paris Opéra 12 Boulevard Haussmann, 75009 Paris, France	Freehold	1,093	163	65
Millennium Hotel Paris Charles de Gaulle Zone Hoteliere, Allée du Verger, 95700 Roissy-en-France, France	Freehold	11,657	239	65
Grand Hotel Palace Rome Via Veneto, 70, Rome, 00187, Italy	Freehold	801	87	65

North America				
The Lakefront Anchorage 4800 Spenard Road, Anchorage, AK 99517, USA	Freehold	20,639	248	65
Millennium Biltmore Hotel Los Angeles 506 South Grand Avenue, Los Angeles, CA 90071, USA	Freehold	11,331	683	65
Millennium Bostonian Hotel Boston 26 North Street, At Faneuil Hall Marketplace, Boston, MA 02109, USA	Freehold	2,796	204	65
Millennium Harvest House Boulder 1345 28th Street, Boulder, CO 80302, USA	Freehold	64,019	269	65
Millennium Hotel Buffalo 2040 Walden Avenue, Buffalo, NY 14225, USA	Leasehold to year 2022 (with one 10-year option)	31,726	300	65
Millennium Knickerbocker Hotel Chicago 163 East Walton Place, Chicago, IL 60611, USA	Freehold	2,007	306	65
Millennium Hotel Cincinnati 150 West Fifth Street, Cincinnati, OH 45202, USA	Freehold	6,839	872	65
Millennium Hotel Durham 2800 Campus Walk Avenue, Durham, NC 27705, USA	Freehold	42,814	224	65

MAJOR PROPERTIES

As at 31 December 2015

HOTELS	Tenure	Approximate Site Area (Sq. Metres)	Number of Rooms	Effective Group Interest (%)
North America (Continued)				
Millennium Hotel Minneapolis 1313 Nicollet Mall, Minneapolis, MN 55403, USA	Leasehold to year 2030	4,537	321	65
Millennium Maxwell House Nashville 2025 Rosa L. Parks Boulevard, Nashville, TN 37228, USA	Leasehold to year 2030 (with two 10-year options)	36,421	287	65
Millennium Broadway Hotel New York 145 West 44th Street, New York, NY 10036, USA	Freehold	1,762	625	65
The Premier Hotel New York 133 West 44th Street, New York NY 10036, USA	Freehold	360	125	65
ONE UN New York 1 UN Plaza, 44th Street at 1st Avenue, New York 10017, USA	East tower freehold/ West tower leasehold to year 2079	4,554	439	65
Millennium Hotel St. Louis (Closed) 200 South 4th Street, St. Louis, MO 63102, USA	Freehold	17,033	780	65
The McCormick Scottsdale 7401 North Scottsdale Road, Scottsdale, AZ 85208, USA	Leasehold to year 2033 (with two 10-year options)	32,819	125	65
Millenium Hilton 55 Church Street, New York, NY 10007, USA	Freehold	1,680	569	65
Novotel New York Times Square 226W 52nd Street, New York, NY 10019, USA	Fee simple estate, a leasehold interest, and a leased fee interest	1,977	480	65
Maingate Lakeside Resort 7769 W Irlo Bronson Memorial Highway, Kissimmee, FL 34747, USA	Freehold	93,796	475	65
Comfort Inn Near Vail Beaver Creek 161 West Beaver Creek Boulevard, Avon, CO 81620, USA	Freehold	11,209	146	65
Pine Lake Trout Club 17021 Chillicothe Road, Chagrin Falls, OH 44023, USA	Freehold	331,121	6	65

HOTELS	Tenure	Approximate Site Area (Sq. Metres)	Number of Rooms	Effective Group Interest (%)
New Zealand				
Copthorne Hotel Auckland City 150 Anzac Avenue, Auckland, New Zealand	Perpetual/Leasehold land	2,495	110	49
Copthorne Hotel Auckland Harbour City# 196-200 Quay Street, Auckland, New Zealand	Freehold	2,407	187	49
Copthorne Hotel & Resort Bay of Islands Tau Henare Drive, Paihia, New Zealand	Leasehold land to year 2021 (with a 30-year option)	62,834	180	24
Copthorne Hotel & Resort Queenstown Lakefront Corner Adelaide Street & Frankton Road, Queenstown, New Zealand	Freehold	18,709	240	49
Copthorne Hotel Wellington Oriental Bay 100 Oriental Parade, Wellington, New Zealand	Freehold	3,904	118	49
Kingsgate Hotel Dunedin 10 Smith Street, Dunedin, New Zealand	Freehold	2,193	55	49
Kingsgate Hotel Greymouth 32 Mawhera Quay, Greymouth, New Zealand	Freehold/ Perpetual leasehold land	2,807	98	49
Copthorne Hotel Palmerston North 110 Fitzherbert Avenue, Palmerston North, New Zealand	Freehold	15,514	89	49
Copthorne Hotel Rotorua Fenton Street, Rotorua, New Zealand	Freehold	35,935	110	49
Copthorne Hotel & Apartments Queenstown Lakeview 88 Frankton Road, Queenstown, New Zealand	Freehold/ Strata title	4,713	85	34
Kingsgate Hotel Te Anau 20 Lakefront Drive, Te Anau, New Zealand	Freehold	8,819	94	49
Millennium Hotel Queenstown Corner Frankton Road & Stanley St., Queenstown, New Zealand	Freehold	7,453	220	49
Millennium Hotel Rotorua Corner Eruera & Hinemaru Streets, Rotorua, New Zealand	Freehold/ Perpetual leasehold land	10,109	227	49

Closed for refurbishment.

MAJOR PROPERTIES

As at 31 December 2015

HOTELS	Tenure	Approximate Site Area (Sq. Metres)	Number of Rooms	Effective Group Interest (%)
Owned by CITY E-SOLUTIONS LIMITED				
North America				
Crown Plaza Syracuse Hotel 701 East Genesee Street, Syracuse, New York 13210, USA	Fee Simple	4,925.25	279	27
Sheraton Chapel Hill Hotel 1 Europa Drive, Chapel Hill, North Carolina, USA	Fee Simple	20,072.45	168	27
Owned by CDL HOSPITALITY TRUSTS				
Singapore				
Copthorne King's Hotel 403 Havelock Road, Singapore	99-year leasehold interest commencing from 01.02.1968	5,637	310	24
Grand Copthorne Waterfront Hotel[#] 392 Havelock Road, Singapore	75-year leasehold interest commencing from 19.07.2006	10,860[+]	574	24
M Hotel[#] 81 Anson Road, Singapore	75-year leasehold interest commencing from 19.07.2006	2,134	413	24
Novotel Singapore Clarke Quay 177A River Valley Road, Singapore	97 years and 30 days leasehold interest commencing from 02.04.1980	12,925	403	24
Orchard Hotel[#] 442 Orchard Road, Singapore	75-year leasehold interest commencing from 19.07.2006	8,588[@]	656	24
Claymore Connect[#] (Previously Orchard Hotel Shopping Arcade) 442 Orchard Road, Singapore	75-year leasehold interest commencing from 19.07.2006	Approximately 7,100 (net lettable area)	N.A.	24
Studio M Hotel 3 Nanson Road, Singapore	99-year leasehold interest commencing from 26.02.2007	2,932	360	24

Notes:
[#] The Group has freehold reversionary interest of the property at the expiry of the 75-year lease.
[@] Including Claymore Connect (previously Orchard Hotel Shopping Arcade).
[+] Including adjoining Waterfront Plaza.

HOTELS	Tenure	Approximate Site Area (Sq. Metres)	Number of Rooms	Effective Group Interest (%)
Australia				
Novotel Brisbane 200 Creek Street, Brisbane, Queensland, Australia	Strata volumetric freehold	6,235	218	24
Mercure & Ibis Brisbane 85-87 North Quay/27-35 Turbot Street, Brisbane, Queensland, Australia	Freehold	3,845	194/218	24
Mercure Perth 10 Irwin Street, Perth, Western Australia, Australia	Strata freehold	757	239	24
Ibis Perth 334 Murray Street, Perth, Western Australia, Australia	Freehold	1,480	192	24
New Zealand				
Rendezvous Grand Hotel Auckland 71-87 Mayoral Drive, Auckland, New Zealand	Freehold	5,910	452	24
Maldives				
Angsana Velavaru Velavaru Island, South Nilandhe Atoll, Republic of Maldives	50-year leasehold interest commencing from 26.08.1997	67,717	113	24
Jumeirah Dhevanafushi Meradhoo Island, Gaafu Alifu Atoll, Republic of Maldives	50-year leasehold interest commencing from 15.06.2006	53,576	37	24
Japan				
Hotel MyStays Asakusabashi 1-5-5, Asakusabashi, Taito-ku, Tokyo 111-0053, Japan	Freehold	567	138	24
Hotel MyStays Kamata 5-46-5, Kamata, Ota-ku, Tokyo 144-0052, Japan	Freehold	497	116	24
United Kingdom				
Hilton Cambridge City Centre Hotel (Previously Cambridge City Hotel) Grand Arcade, Downing Street, Cambridge CB2 3DT, England	125-year leasehold interest commencing from 25.12.1990 and extendable for a further 50 years	3,600	198	24

STATUTORY REPORTS AND ACCOUNTS

FINANCIAL CONTENTS

DIRECTORS' STATEMENT

The Directors are pleased to present their statement to the members of City Developments Limited (the "Company") together with the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2015.

In our opinion:

(a) the financial statements of the Group set out on pages 117 to 240 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors in office at the date of this statement are as follows:

Kwek Leng Beng (Executive Chairman)
Kwek Leng Peck
Tang See Chim
Yeo Liat Kok Philip
Tan Poay Seng
Chan Soon Hee Eric
Tan Yee Peng

DIRECTORS' INTERESTS

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants and/or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year. The directors of the Company consider Hong Leong Investment Holdings Pte. Ltd. to be the immediate and ultimate holding company of the Company.

DIRECTORS' INTERESTS (CONT'D)

According to the register kept by the Company under Section 164 of the Act, particulars of interests of directors who held office at the end of the financial year (including those of their spouses and children below 18 years of age) in shares and/or share options of the Company and in related corporations are as follows:

	Holdings in which the director, his spouse and children below 18 years of age have a direct interest	
	At beginning of the year	At end of the year
The Company		
Ordinary Shares		
Kwek Leng Beng	397,226	397,226
Kwek Leng Peck	43,758	43,758
Tang See Chim	11,000	11,000
Preference Shares		
Kwek Leng Beng	144,445	144,445
Tang See Chim	4,000	4,000
Immediate and Ultimate Holding Company		
Hong Leong Investment Holdings Pte. Ltd. Ordinary Shares		
Kwek Leng Beng	2,320	2,320
Kwek Leng Peck	10,921	10,921
Subsidiary Corporations		
City e-Solutions Limited Ordinary Shares of HK$1 each		
Kwek Leng Beng	3,286,980	3,286,980
Kwek Leng Peck	2,082,200	2,082,200

DIRECTORS' INTERESTS (CONT'D)

	Holdings in which the director, his spouse and children below 18 years of age have a direct interest	
	At beginning of the year	At end of the year
Subsidiary Corporations (cont'd)		
Millennium & Copthorne Hotels New Zealand Limited		
Ordinary Shares		
Kwek Leng Beng	906,000	906,000
Redeemable Non-voting Preference Shares		
Kwek Leng Beng	453,000	453,000
Related Corporations		
Hong Leong Finance Limited		
Ordinary Shares		
Kwek Leng Beng	5,603,567	5,603,567
Kwek Leng Peck	517,359	517,359
Options to subscribe for the following number of ordinary shares under the Hong Leong Finance Share Option Scheme 2001		
Kwek Leng Beng	3,136,000	2,920,000
Hong Leong Holdings Limited		
Ordinary Shares		
Kwek Leng Beng	259,000	259,000
Kwek Leng Peck	381,428	381,428
Hong Leong Asia Ltd.		
Ordinary Shares		
Kwek Leng Beng	660,000	660,000
Kwek Leng Peck	1,680,000	1,913,300

DIRECTORS' INTERESTS (CONT'D)

	Holdings in which the director, his spouse and children below 18 years of age have a direct interest	
	At beginning of the year	**At end of the year**
Related Corporations (cont'd)		
Options to subscribe for the following number of ordinary shares under the Hong Leong Asia Share Option Scheme 2000		
Kwek Leng Peck	470,000	470,000
Hong Realty (Private) Limited Ordinary Shares		
Kwek Leng Beng	1,110	1,110
Kwek Leng Peck	150	150
Sun Yuan Holdings Pte Ltd Ordinary Shares		
Kwek Leng Beng	15,000,000	15,000,000

	Other holdings in which the director is deemed to have an interest	
	At beginning of the year	**At end of the year**
Immediate and Ultimate Holding Company		
Hong Leong Investment Holdings Pte. Ltd. Ordinary Shares		
Kwek Leng Beng	40,744	40,744

The directors' interests in the Company as disclosed above remained unchanged as at 21 January 2016.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangements whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE OPTIONS

By the Company

During the financial year, there were:

(a) no options granted by the Company to any person to take up unissued shares of the Company; and

(b) no shares issued by virtue of any exercise of options to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under options.

By Subsidiary Corporations

Millennium & Copthorne Hotels plc (M&C)

The following share option schemes of M&C continue to be in operation:

(i) Millennium & Copthorne Hotels plc 2003 Executive Share Option Scheme;
(ii) Millennium & Copthorne Hotels plc 2006 Sharesave Scheme;
(iii) Millennium & Copthorne Hotels plc 2006 Long-Term Incentive Plan; and
(iv) Millennium & Copthorne Hotels plc Annual Bonus Plan.

(i) Millennium & Copthorne Hotels plc 2003 Executive Share Option Scheme

(a) The Millennium & Copthorne Hotels plc 2003 Executive Share Option Scheme (M&C 2003 Scheme) was approved by the shareholders at the Annual General Meeting of M&C held on 21 May 2002. There are 2 parts of the M&C 2003 Scheme, namely the "Approved" part for which approval from the United Kingdom Inland Revenue has been obtained, and the "Unapproved" part which is not designed for the United Kingdom Inland Revenue approval and which is used primarily where employees have more than £30,000 worth of outstanding approved options or are not based in the United Kingdom. Except to the extent required to obtain the United Kingdom Inland Revenue approval, the Approved and Unapproved parts of the M&C 2003 Scheme are in all material aspects identical. The operation of the M&C 2003 Scheme is supervised by M&C's Remuneration Committee comprising Alexander Waugh (Chairman), His Excellency Shaukat Aziz, Nicholas George, Susan Farr and Gervase MacGregor.

(b) Under the terms of the M&C 2003 Scheme,

(i) All employees of M&C, its subsidiaries and joint ventures (including directors who are required to devote substantially the whole of their working time to the business of the M&C Group, and who are not within 6 months of contractual retirement ages) will be eligible to participate in the M&C 2003 Scheme.

(ii) No option may be granted to an individual if it would cause the aggregate exercise price of options granted to him in any year under the M&C 2003 Scheme to exceed 200% of his basic salary, other than in exceptional circumstances (where the limit is 400% of basic salary).

(iii) No payment will be required for the grant of an option. Acquisition price upon the exercise of an option will not be less than the higher of:

- the average of the middle-market quotations of a share on the London Stock Exchange on the 3 dealing days immediately prior to grant date, provided that no such dealing day may fall prior to the date on which M&C last announced its results for any period; and

- the nominal value of a share (unless the option is expressed to relate only to existing shares).

SHARE OPTIONS (CONT'D)

By Subsidiary Corporations (cont'd)

Millennium & Copthorne Hotels plc (M&C) (cont'd)

(i) Millennium & Copthorne Hotels plc 2003 Executive Share Option Scheme (cont'd)

(c) No options may be granted which would cause the number of shares issued or issuable pursuant to options granted in the previous 10 years under the M&C 2003 Scheme or under any other share option scheme, or issued in that period under any employee share scheme (other than an option scheme) to exceed 10% of M&C's issued ordinary share capital from time to time. Not more than 5% of M&C's issued ordinary share capital from time to time may relate to discretionary share schemes.

(d) During the financial year under review, (i) no options were granted to subscribe for ordinary shares of £0.30 each in M&C; and (ii) 10,581 ordinary shares of £0.30 each in M&C were issued following the exercise of the subscription rights set out in the M&C 2003 Scheme.

As at the end of the financial year, there were no unissued shares under options pursuant to the M&C 2003 Scheme. Details of the options to subscribe for ordinary shares of £0.30 each in M&C are set out below:

Date granted	Balance at beginning of year	Exercised during the year	Expired/ Lapsed/ Forfeited during the year	Balance at end of year	Exercise price per share £	Exercise period
Part II (Unapproved)						
24.03.2005	10,581	(10,581)	–	–	3.9842	24.03.2008 – 23.03.2015

(ii) Millennium & Copthorne Hotels plc 2006 Sharesave Scheme

(a) The Millennium & Copthorne Hotels plc 2006 Sharesave Scheme (M&C Sharesave Scheme) is the United Kingdom Inland Revenue approved scheme under which the executive directors of M&C and the M&C Group employees are eligible to participate.

(b) Under the terms of the M&C Sharesave Scheme, M&C Group employees were to enter into a 3-year or 5-year savings contract, with an option to purchase shares at a pre-determined exercise price on maturity of the savings contract. The M&C Sharesave Scheme was approved by the shareholders at M&C's Annual General Meeting on 4 May 2006.

(c) No payment is required for the grant of an option.

(d) The options may be exercised upon maturity provided that the monies agreed under the savings contract are fully paid and the participant continues to hold office or employment with M&C. The M&C Sharesave Scheme provides that shares in M&C can be purchased at the option price up to the value of the accrued savings and interests in the event of retirement, redundancy, injury, disability or by the employees' estate in the event of their death.

(e) M&C may grant options up to the value of a savings contract at maturity. Participants cannot enter into contracts where their savings, in aggregate, would exceed £500 per month.

(f) During the financial year under review, (i) 74,892 options were granted to subscribe for ordinary shares of £0.30 each in M&C; and (ii) 47,659 ordinary shares of £0.30 each in M&C were issued following the exercise of the subscription rights set out in the M&C Sharesave Scheme.

SHARE OPTIONS (CONT'D)

By Subsidiary Corporations (cont'd)

Millennium & Copthorne Hotels plc (M&C) (cont'd)

(ii) Millennium & Copthorne Hotels plc 2006 Sharesave Scheme (cont'd)

As at the end of the financial year, there were 193,354 unissued shares under options pursuant to the M&C Sharesave Scheme. Details of the options to subscribe for ordinary shares of £0.30 each in M&C are set out below:

Date granted	Balance at beginning of year	Granted during the year	Exercised during the year	Expired/ Forfeited during the year	Balance at end of year	Exercise price per share £	Exercise period
01.04.2010	2,166	–	(1,978)	(188)	–	3.3000	01.08.2015 – 31.01.2016
19.04.2011	2,848	–	(2,762)	(86)	–	4.1800	01.08.2014 – 31.01.2015
19.04.2011	7,349	–	-	(309)	7,040	4.1800	01.08.2016 – 31.01.2017
19.04.2012	43,298	–	(39,115)	(1,680)	2,503	3.8800	01.08.2015 – 31.01.2016
19.04.2012	9,816	–	–	–	9,816	3.8800	01.08.2017 – 31.01.2018
19.04.2013	41,264	–	(1,283)	(4,295)	35,686	4.4800	01.08.2016 – 31.01.2017
19.04.2013	6,694	–	–	(3,348)	3,346	4.4800	01.08.2018 – 31.01.2019
06.05.2014	84,168	–	(2,521)	(18,539)	63,108	4.4600	01.08.2017 – 31.01.2018
06.05.2014	7,665	–	–	(1,344)	6,321	4.4600	01.08.2019 – 31.01.2020
14.04.2015	–	68,243	–	(9,358)	58,885	4.6900	01.08.2018 – 31.01.2019
14.04.2015	–	6,649	–	–	6,649	4.6900	01.08.2020 – 31.01.2021
	205,268	74,892	(47,659)	(39,147)	193,354		

(iii) Millennium & Copthorne Hotels plc 2006 Long-Term Incentive Plan

The Millennium & Copthorne Hotels plc 2006 Long-Term Incentive Plan (LTIP) was approved at M&C's Annual General Meeting held on 4 May 2006. Under the terms of the LTIP, M&C is permitted to make both Performance Share Awards and Deferred Share Bonus Awards to an employee (including an executive director) of M&C or its subsidiaries. The level of awards made under the terms of the LTIP is determined by M&C's Remuneration Committee.

Vesting of Performance Share Awards is subject to the achievement of stretching performance targets. Awards will not be subject to re-testing. For awards made in 2006 to 2010, earnings per share (EPS) targets were chosen so that participants are incentivised to deliver significant earnings growth.

SHARE OPTIONS (CONT'D)

By Subsidiary Corporations (cont'd)

Millennium & Copthorne Hotels plc (M&C) (cont'd)

(iii) Millennium & Copthorne Hotels plc 2006 Long-Term Incentive Plan (cont'd)

In 2011, the Remuneration Committee amended the performance conditions so that half of the awards are subject to EPS growth targets and half are subject to Total Shareholder Return (TSR) targets. The revised performance targets are designed to incentivise management to deliver significant earnings growth and align the interests of management with shareholders.

The performance condition applying to Performance Share Awards require M&C's EPS to grow, in real terms, over a period of three consecutive financial years from the date of grant of award. Performance Share Awards will vest on the third anniversary of the award being made, subject to the EPS growth targets being met. TSR targets measure M&C's relative TSR performance over a three-year period against a comparator group comprising companies in the FTSE 250 index participating companies (excluding investment trusts).

In 2014, the Remuneration Committee further amended the performance conditions so that 50% of the awards are subject to EPS growth targets, 30% are subject to TSR target measures comparing performance against a relevant benchmark which for 2015 will be split equally between the FTSE 250 market index and an index of peer companies, and 20% being subject to net asset value (plus dividends) (NAV).

In 2015, the Remuneration Committee retained the same performance measures as had been used for the 2014 award with a minor amendment made to the percentage weighting associated with each so that 60% of the awards are subject to EPS growth targets, 20% are subject to TSR targets split equally across two peer groups and the remaining 20% subject to NAV.

During the financial year under review, Performance Share Awards were made over 262,989 ordinary shares of £0.30 each in M&C. Details of the Performance Share Awards are set out below:

Date of award	Balance at beginning of year	Awards made during the year	Awards vested during the year	Awards expired/ forfeited during the year	Balance at end of year	Vesting date
16.08.2012	491,335	–	–	(491,335)	–	16.08.2015
11.09.2013	407,211	–	–	(44,246)	362,965	11.09.2016
21.11.2013	21,055	–	–	–	21,055	21.11.2016
04.04.2014	648,610	–	–	(122,825)	525,785	04.04.2017
03.08.2015	–	251,122	–	–	251,122	03.08.2018
10.09.2015	–	11,867	–	–	11,867	10.09.2018
	1,568,211	262,989	–	(658,406)	1,172,794	

SHARE OPTIONS (CONT'D)

By Subsidiary Corporations (cont'd)

Millennium & Copthorne Hotels plc (M&C) (cont'd)

(iv) Millennium & Copthorne Hotels plc Annual Bonus Plan

In 2013, M&C approved an Annual Bonus Plan. Under the terms of the plan, an annual bonus in the form of a cash payment of up to 150% of a participant's base salary could be awarded, subject to performance targets.

The rules of the plan were amended in 2014 to include a deferred element whereby up to 100% of the total bonus due could be deferred into M&C shares for three years in the form of an option or conditional share award (Deferred Share Awards). No performance conditions are attached to the share award.

No shares may be issued or treasury shares transferred to satisfy any award.

During the financial year under review, the first deferral of bonus payments was made in the form of conditional share awards on 8 September 2015 and 6 November 2015. A total of 82,767 ordinary shares of £0.30 each in M&C were granted and allocated to be held on behalf of the participants, subject to the plan rules. These shares shall be eligible to receive the value of the dividends that would have been paid on the shares in respect of dividend record dates occurring during the period between date of award and the date of vesting. This could be in the form of cash or shares.

Subject to the plan rules, which includes continued employment, the shares vest and become unconditional on 8 September 2018 and 6 November 2018 respectively.

Details of the Deferred Share Awards under the Annual Bonus Plan are set out below:

Date of award	Balance at beginning of year	Awards made during the year	Awards vested during the year	Awards expired/ forfeited during the year	Balance at end of year	Vesting date
08.09.2015	–	78,442	–	(1,574)	76,868	08.09.2018
06.11.2015	–	4,325	–	–	4,325	06.11.2018
	–	82,767	–	(1,574)	81,193	

City e-Solutions Limited (CES)

(a) The City e-Solutions Limited Share Option Scheme (CES Scheme) which was adopted by the shareholders of CES at the Annual General Meeting of CES held on 27 April 2005, is administered by a scheme committee to be set up (CES Scheme Committee).

(b) The subscription price of the CES shares under the CES Scheme shall be a price determined by the CES Scheme Committee at its absolute discretion which may require the achievement of performance targets by the Grantee as specified by the CES Scheme Committee. The subscription price shall not be less than the highest of:

  (i) the official closing price of the CES shares as stated in the daily quotations sheets of the Hong Kong Stock Exchange on the Offer Date;

  (ii) the average of the official closing price of the CES shares as stated in the daily quotations sheets of the Hong Kong Stock Exchange for the five business days immediately preceding the Offer Date; and

  (iii) the nominal value of a CES share.

SHARE OPTIONS (CONT'D)

By Subsidiary Corporations (cont'd)

City e-Solutions Limited (CES) (cont'd)

(c) During the financial year under review, (i) no options were granted to subscribe for ordinary shares of HK$1.00 each in CES; and (ii) no ordinary shares of HK$1.00 each in CES were issued pursuant to the CES Scheme. The CES Scheme shall be valid and effective for a period of ten years ending on 26 April 2015, after which no further options will be granted.

As at the end of the financial year, there were no unissued shares under options pursuant to the CES Scheme.

(d) The CES Scheme has lapsed and there are no options to take up unissued shares of CES and no unissued shares of CES under option.

The options granted by the subsidiaries of the Company, namely, M&C and CES, do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

AUDIT & RISK COMMITTEE

The Audit & Risk Committee comprises three non-executive members of the Board, all of whom are independent. The members of the Audit & Risk Committee at the date of this statement are:

Chan Soon Hee Eric	(Chairman)
Tang See Chim	
Tan Yee Peng	

The Audit & Risk Committee met six times during the financial year ended 31 December 2015 and performed the functions set out in Section 201B(5) of the Companies Act, Chapter 50. In performing its functions, the Audit & Risk Committee reviewed the overall scope of both internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Group's system of internal controls. The Audit & Risk Committee also reviewed the consolidated financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 December 2015 as well as the auditors' report thereon.

The Audit & Risk Committee further reviewed the independence of the auditors, KPMG LLP, as required under Section 206 (1A) of the Companies Act, Chapter 50, and determined that the auditors were independent in carrying out their audit of the financial statements. Accordingly, they have recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

DIRECTORS' STATEMENT

AUDITORS

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Kwek Leng Beng
Executive Chairman

Chan Soon Hee Eric
Director

8 March 2016

INDEPENDENT AUDITORS' REPORT

Members of the Company
City Developments Limited

Report on the financial statements

We have audited the financial statements of City Developments Limited (the Company) and its subsidiaries (the Group), which comprise the statements of financial position of the Group and the Company as at 31 December 2015, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 117 to 240.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
8 March 2016

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2015

	Note	Group		Company	
		31/12/2015 $'000	31/12/2014 $'000	31/12/2015 $'000	31/12/2014 $'000
Non-current assets					
Property, plant and equipment	3	**5,174,873**	4,918,273	**9,681**	10,138
Investment properties	4	**2,583,675**	3,109,176	**452,243**	502,405
Investments in:					
- subsidiaries	5	**–**	–	**2,136,656**	2,217,026
- associates	6	**351,211**	307,390	**–**	–
- joint ventures	7	**955,384**	821,088	**37,360**	36,360
Lease premium prepayment		**120,134**	119,170	**–**	–
Financial assets	8	**198,504**	76,460	**25,857**	28,419
Other non-current assets	9	**46,703**	19,646	**1,079,174**	461,766
		9,430,484	9,371,203	**3,740,971**	3,256,114
Current assets					
Lease premium prepayment		**3,985**	3,833	**–**	–
Development properties	10	**5,514,894**	4,792,947	**353,131**	363,279
Consumable stocks		**11,236**	11,181	**–**	1
Financial assets	8	**31,416**	35,232	**–**	–
Trade and other receivables	11	**1,761,630**	1,588,550	**5,614,534**	5,476,029
Cash and cash equivalents	14	**3,564,885**	3,897,574	**2,152,392**	2,118,494
		10,888,046	10,329,317	**8,120,057**	7,957,803
Total assets		**20,318,530**	19,700,520	**11,861,028**	11,213,917
Equity attributable to owners of the Company					
Share capital	15	**1,991,397**	1,991,397	**1,991,397**	1,991,397
Reserves	16	**7,004,395**	6,418,730	**4,075,020**	3,869,847
		8,995,792	8,410,127	**6,066,417**	5,861,244
Non-controlling interests		**2,217,223**	2,365,474	**–**	–
Total equity		**11,213,015**	10,775,601	**6,066,417**	5,861,244
Non-current liabilities					
Interest-bearing borrowings	18	**4,571,969**	4,466,222	**2,515,979**	2,395,948
Employee benefits	22	**28,500**	31,071	**–**	–
Other liabilities	23	**345,004**	136,522	**170,119**	239,318
Provisions	24	**53,084**	16,930	**–**	–
Deferred tax liabilities	25	**274,998**	316,855	**44,155**	47,750
		5,273,555	4,967,600	**2,730,253**	2,683,016
Current liabilities					
Trade and other payables	26	**1,602,289**	1,469,971	**2,230,138**	1,770,727
Interest-bearing borrowings	18	**1,910,732**	2,232,926	**793,258**	859,124
Employee benefits	22	**22,566**	20,024	**1,684**	2,971
Provision for taxation		**259,331**	193,905	**39,278**	36,835
Provisions	24	**37,042**	40,493	**–**	–
		3,831,960	3,957,319	**3,064,358**	2,669,657
Total liabilities		**9,105,515**	8,924,919	**5,794,611**	5,352,673
Total equity and liabilities		**20,318,530**	19,700,520	**11,861,028**	11,213,917

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2015

	Note	Group 2015 $'000	Group 2014 $'000
Revenue	27	**3,304,108**	3,763,938
Cost of sales		**(1,647,976)**	(2,131,575)
Gross profit		**1,656,132**	1,632,363
Other operating income	28	**324,626**	355,515
Administrative expenses		**(529,252)**	(509,405)
Other operating expenses		**(500,819)**	(439,053)
Profit from operating activities		**950,687**	1,039,420
Finance income		**53,425**	40,548
Finance costs		**(125,622)**	(131,033)
Net finance costs	28	**(72,197)**	(90,485)
Share of after-tax profit of associates		**22,768**	8,000
Share of after-tax profit of joint ventures		**84,117**	46,795
Profit before tax		**985,375**	1,003,730
Tax expense	29	**(119,355)**	(95,097)
Profit for the year	28	**866,020**	908,633
Profit attributable to owners of the Company:			
- Ordinary shareholders		**760,463**	756,733
- Preference shareholders		**12,904**	12,904
		773,367	769,637
Non-controlling interests		**92,653**	138,996
Profit for the year		**866,020**	908,633
Earnings per share			
- Basic	30	**83.6 cents**	83.2 cents
- Diluted	30	**81.0 cents**	80.6 cents

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2015

	Note	Group 2015 $'000	Group 2014 $'000
Profit for the year		**866,020**	908,633
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
Defined benefit plan remeasurements		**(4,595)**	3,530
Items that are or may be reclassified subsequently to profit or loss:			
Change in fair value of available-for-sale equity investments		**(3,881)**	(523)
Change in fair value of available-for-sale equity investments reclassified to profit or loss		**–**	8,742
Effective portion of changes in fair value of cash flow hedges		**581**	(213)
Exchange differences on hedges of net investment in foreign entities		**(15,678)**	12,276
Exchange differences on monetary items forming part of net investment in foreign entities		**4,722**	(14,354)
Exchange differences realised on liquidation/dilution of investment in an associate reclassified to profit or loss		**(123)**	(757)
Exchange differences realised on liquidation of a subsidiary reclassified to profit or loss		**(483)**	–
Share of other reserve movements of associates		**–**	(1,317)
Share of other reserve movements of an associate transferred to profit or loss upon dilution		**–**	1,528
Translation differences arising on consolidation of foreign entities		**57,265**	33,804
		42,403	39,186
Total other comprehensive income for the year, net of tax	29	**37,808**	42,716
Total comprehensive income for the year		**903,828**	951,349
Total comprehensive income attributable to:			
Owners of the Company		**760,873**	802,145
Non-controlling interests		**142,955**	149,204
Total comprehensive income for the year		**903,828**	951,349

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2015

	Note	Share capital $'000	Capital reserve $'000	Hedging reserve $'000	Fair value reserve $'000
Group					
At 1 January 2015		1,991,397	160,542	(155)	15,287
Total comprehensive income for the year					
Profit for the year		–	–	–	–
Other comprehensive income					
Change in fair value of available-for-sale equity investments		–	–	–	(3,881)
Defined benefit plan remeasurements		–	–	–	–
Effective portion of changes in fair value of cash flow hedges		–	–	137	–
Exchange differences on hedges of net investment in foreign entities		–	–	–	–
Exchange differences on monetary items forming part of net investment in foreign entities		–	–	–	–
Exchange differences realised on liquidation of investment in an associate reclassified to profit or loss		–	–	–	–
Exchange differences realised on liquidation of a subsidiary reclassified to profit or loss		–	–	–	–
Share of other reserve movements of associates		–	–	–	–
Translation differences arising on consolidation of foreign entities		–	–	–	–
Total other comprehensive income		–	–	137	(3,881)
Total comprehensive income for the year		–	–	137	(3,881)
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Capital contribution from non-controlling interests		–	–	–	–
Dividends paid to owners of the Company	31	–	–	–	–
Dividends paid to non-controlling interests		–	–	–	–
Share-based payment transactions		–	–	–	–
Total contributions by and distributions to owners		–	–	–	–
Changes in ownership interests in subsidiaries					
Acquisition of subsidiaries with non-controlling interests		–	(2,634)	–	–
Changes in interests in subsidiaries without loss of control		–	(19,248)	18	–
Total changes in ownership interests in subsidiaries		–	(21,882)	18	–
Total transactions with owners		–	(21,882)	18	–
At 31 December 2015		1,991,397	138,660	–	11,406

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2015

Other reserve $'000	Share option reserve $'000	Foreign currency translation reserve $'000	Accumulated profits $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
963	11,866	(324,224)	6,554,451	8,410,127	2,365,474	10,775,601
–	–	–	773,367	773,367	92,653	866,020
–	–	–	–	(3,881)	–	(3,881)
–	–	–	(2,882)	(2,882)	(1,713)	(4,595)
–	–	–	–	137	444	581
–	–	(10,180)	–	(10,180)	(5,498)	(15,678)
–	–	7,258	–	7,258	(2,536)	4,722
–	–	(75)	–	(75)	(48)	(123)
–	–	(253)	–	(253)	(230)	(483)
398	–	–	(398)	–	–	–
–	–	(2,618)	–	(2,618)	59,883	57,265
398	–	(5,868)	(3,280)	(12,494)	50,302	37,808
398	–	(5,868)	770,087	760,873	142,955	903,828
–	–	–	–	–	876	876
–	–	–	(158,392)	(158,392)	–	(158,392)
–	–	–	–	–	(113,237)	(113,237)
–	3,027	–	–	3,027	1,636	4,663
–	3,027	–	(158,392)	(155,365)	(110,725)	(266,090)
–	–	–	–	(2,634)	3,059	425
11	87	1,267	656	(17,209)	(183,540)	(200,749)
11	87	1,267	656	(19,843)	(180,481)	(200,324)
11	3,114	1,267	(157,736)	(175,208)	(291,206)	(466,414)
1,372	14,980	(328,825)	7,166,802	8,995,792	2,217,223	11,213,015

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2015

	Note	Share capital $'000	Capital reserve $'000	Hedging reserve $'000	Fair value reserve $'000
Group					
At 1 January 2014		1,991,397	157,096	(89)	7,068
Total comprehensive income for the year					
Profit for the year		–	–	–	–
Other comprehensive income					
Change in fair value of available-for-sale equity investments		–	–	–	(523)
Change in fair value of available-for-sale equity investments reclassified to profit or loss		–	–	–	8,742
Defined benefit plan remeasurements		–	–	–	–
Effective portion of changes in fair value of cash flow hedges		–	–	(64)	–
Exchange differences on hedges of net investment in foreign entities		–	–	–	–
Exchange differences on monetary items forming part of net investment in foreign entities		–	–	–	–
Exchange differences realised on dilution of investment in an associate reclassified to profit or loss		–	–	–	–
Share of other reserve movements of associates		–	–	–	–
Share of other reserve movements of an associate transferred to profit or loss upon dilution		–	–	–	–
Translation differences arising on consolidation of foreign entities		–	–	–	–
Total other comprehensive income		–	–	(64)	8,219
Total comprehensive income for the year		–	–	(64)	8,219
Transactions with owners, recorded directly in equity					
<u>Contributions by and distributions to owners</u>					
Capital contribution from non-controlling interests		–	–	–	–
Capital reduction by a subsidiary via distribution in specie of its interests in an associate		–	–	–	–
Dividends paid to owners of the Company	31	–	–	–	–
Dividends paid to non-controlling interests		–	–	–	–
Issue expense incurred by a subsidiary		–	(258)	–	–
Share-based payment transactions		–	–	–	–
Total contributions by and distributions to owners		–	(258)	–	–
<u>Change in ownership interests in subsidiaries</u>					
Changes in interests in subsidiaries without loss of control		–	3,704	(2)	–
Total change in ownership interests in subsidiaries		–	3,704	(2)	–
Total transactions with owners		–	3,446	(2)	–
At 31 December 2014		1,991,397	160,542	(155)	15,287

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2015

Other reserve $'000	Share option reserve $'000	Foreign currency translation reserve $'000	Accumulated profits $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
(4,409)	11,691	(351,160)	5,919,803	7,731,397	2,484,439	10,215,836
–	–	–	769,637	769,637	138,996	908,633
–	–	–	–	(523)	–	(523)
–	–	–	–	8,742	–	8,742
–	–	–	2,399	2,399	1,131	3,530
–	–	–	–	(64)	(149)	(213)
–	–	7,468	–	7,468	4,808	12,276
–	–	(642)	–	(642)	(13,712)	(14,354)
–	–	(452)	–	(452)	(305)	(757)
(884)	–	–	–	(884)	(433)	(1,317)
933	–	–	–	933	595	1,528
–	–	15,531	–	15,531	18,273	33,804
49	–	21,905	2,399	32,508	10,208	42,716
49	–	21,905	772,036	802,145	149,204	951,349
–	–	–	–	–	31,556	31,556
–	–	–	–	–	(58,713)	(58,713)
–	–	–	(122,020)	(122,020)	–	(122,020)
–	–	–	–	–	(153,261)	(153,261)
–	–	–	–	(258)	(308)	(566)
–	118	–	–	118	79	197
–	118	–	(122,020)	(122,160)	(180,647)	(302,807)
5,323	57	5,031	(15,368)	(1,255)	(87,522)	(88,777)
5,323	57	5,031	(15,368)	(1,255)	(87,522)	(88,777)
5,323	175	5,031	(137,388)	(123,415)	(268,169)	(391,584)
963	11,866	(324,224)	6,554,451	8,410,127	2,365,474	10,775,601

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2015

	Note	Group 2015 $'000	Group 2014 $'000
Cash flows from operating activities			
Profit for the year		**866,020**	908,633
Adjustments for:			
Depreciation and amortisation		**214,668**	200,002
Dividend income		**(8,161)**	(6,672)
Equity settled share-based transactions		**4,410**	637
Finance costs		**125,622**	131,033
Finance income		**(53,425)**	(40,548)
Gain on dilution of investment in an associate		**–**	(6,843)
Impairment losses (written back)/made on loans to joint ventures		**(2,707)**	2,491
Impairment losses on lease premium prepayment and property, plant and equipment		**73,588**	–
Tax expense		**119,355**	95,097
Gain on liquidation of/loss of control in subsidiaries (net)		**(483)**	(330,896)
Profit on sale/realisation of investments (net)		**(3,986)**	(9,557)
Profit on sale of property, plant and equipment and investment properties		**(313,996)**	(198)
Property, plant and equipment and investment properties written off		**3,716**	309
Share of after-tax profit of associates		**(22,768)**	(8,000)
Share of after-tax profit of joint ventures		**(84,117)**	(46,795)
		917,736	888,693
Changes in working capital:			
Development properties		**(674,804)**	(636,998)
Consumable stocks and trade and other receivables		**(137,784)**	75,313
Trade and other payables		**103,859**	79,397
Employee benefits		**(2,894)**	529
Cash generated from operations		**206,113**	406,934
Tax paid		**(128,282)**	(114,751)
Net cash from operating activities		**77,831**	292,183
Cash flows from investing activities			
Acquisition of subsidiaries (net of cash acquired)	34	**(138,233)**	(151,655)
Dividends received:			
- an associate		**3,197**	105
- financial investments		**8,161**	6,672
- joint ventures		**5,556**	11,076
Increase in intangible assets		**–**	(366)
Increase in investment in an associate		**(25,096)**	(86,945)
Increase in investments in joint ventures		**(63,827)**	(8,116)
Increase in lease premium prepayment		**(846)**	(643)
Interest received		**38,614**	23,480
Payments for capital expenditure on investment properties		**(27,322)**	(97,497)
Payments for purchase of property, plant and equipment		**(228,726)**	(838,693)
(Purchase of)/Disposal and distribution of income from financial assets		**(123,315)**	25,093
Proceeds from loss of control in subsidiaries (net of cash disposed of)	34	**–**	1,074,974
Proceeds from sale of property, plant and equipment and investment properties		**1,072,214**	682
Net cash from/(used in) investing activities		**520,377**	(41,833)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2015

	Note	Group 2015 $'000	Group 2014 $'000
Cash flows from financing activities			
Acquisition of non-controlling interests		**(200,749)**	(89,773)
Capital contribution from non-controlling interests		**481**	31,123
Decrease/(Increase) in deposits pledged to financial institutions		**49,238**	(165,722)
Deposit charged to financial institutions		**(26,665)**	–
Disposal of interests in a subsidiary without loss of control		**–**	996
Dividends paid		**(271,234)**	(274,848)
Finance lease payments		**(806)**	(30)
Interest paid (including amounts capitalised as property, plant and equipment, investment properties and development properties)		**(151,014)**	(126,734)
Net increase in amount owing by related parties (non-trade)		**(597)**	(4,442)
Net (repayment of)/proceeds from revolving credit facilities and short-term bank borrowings		**(13,755)**	661,033
(Repayment of)/Increase in other long-term liabilities		**(1,108)**	11,105
Restricted cash		**(1,371)**	–
Payment of financing transaction costs		**(12,435)**	(13,522)
Payment of issue expenses by a subsidiary		**–**	(566)
Payment on settlement of financial instruments		**–**	(1,170)
Proceeds from bank borrowings		**825,975**	1,188,313
Proceeds from issuance of bonds and notes		**363,680**	612,199
Repayment of bank borrowings		**(702,219)**	(772,280)
Repayment of bonds and notes		**(771,695)**	(317,000)
Net cash (used in)/from financing activities		**(914,274)**	738,682
Net (decrease)/increase in cash and cash equivalents		**(316,066)**	989,032
Cash and cash equivalents at beginning of the year		**3,724,731**	2,718,405
Effect of exchange rate changes on balances held in foreign currencies		**6,902**	17,294
Cash and cash equivalents at end of the year	14	**3,415,567**	3,724,731

Non-cash transaction

Dividends amounting to $395,000 (2014: $433,000) were paid by a subsidiary to its non-controlling interests in the form of additional shares in that subsidiary.

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 8 March 2016.

1 DOMICILE AND ACTIVITIES

City Developments Limited (the Company) is incorporated in the Republic of Singapore and has its registered office at 36 Robinson Road, #04-01 City House, Singapore 068877.

The principal activities of the Company are those of a property developer and owner, and investment holding.

The principal activities of the subsidiaries are those of property developers and owners, hotel owners and operators, a club operator and owner, investment in properties and in shares, property management, project management and provision of consultancy services, hospitality-related information technology, procurement services and provision of laundry services.

The consolidated financial statements for the year ended 31 December 2015 relate to the Company and its subsidiaries (together referred to as the Group and individually as Group entities) and the Group's interests in associates and joint ventures.

The directors consider the immediate and ultimate holding company to be Hong Leong Investment Holdings Pte. Ltd., a company incorporated in the Republic of Singapore.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on the historical cost basis except that financial instruments at fair value through profit or loss, derivative financial instruments and certain equity investments available for sale are stated at fair value. The financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information has been rounded to the nearest thousand, unless otherwise stated.

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following note:

Note 2.2	Assessment of ability to control or exert significant influence over partly-owned investments

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are described in the following notes:

Note 2.19	Measurement of profit attributable to properties under development
Note 2.22	Estimation of provisions for current and deferred taxation
Notes 3 and 4	Measurement of recoverable amounts of property, plant and equipment, and investment properties
Note 5	Measurement of recoverable amounts of investments in and balances with subsidiaries
Note 8	Impairment of available-for-sale equity investments and debt instruments
Note 10	Measurement of realisable amounts of development properties
Note 22	Valuation of defined benefit obligations
Note 37	Valuation of financial instruments that are not actively traded

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

2.2 Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Basis of consolidation (cont'd)

Business combinations (cont'd)

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on a transaction-by-transaction basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. Any difference between the adjustment to non-controlling interests and the fair value of consideration paid is recognised directly in equity and presented as part of equity attributable to owners of the Company.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Basis of consolidation (cont'd)

Associates and joint ventures (equity-accounted investee)

Associates are companies in which the Group has significant influence, but not control or joint control, over their financial and operating policies. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. Joint ventures are arrangements in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest (including any long-term interests that, in substance, form part of the Group's net investment in the equity-accounted investee) is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Joint operations

A joint operation is an arrangement in which the Group has joint control whereby the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement. The Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

The joint operation is proportionately consolidated until the date on which the Group ceases to have joint control over the joint operation.

As at 31 December 2015, the Group is a 51% (2014: 51%) partner in Hong Realty (Private) Limited – Pasir Ris Joint Venture (the Pasir Ris Joint Venture), a joint arrangement formed with two fellow subsidiaries, whose principal activity is that of a property developer and the place of business is in Singapore. The Group has classified the Pasir Ris Joint Venture as a joint operation as the joint venture partners control the Pasir Ris Joint Venture collectively and the Pasir Ris Joint Venture is not structured through a separate legal vehicle.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investee are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting for subsidiaries and joint ventures by the Company

Investments in subsidiaries and joint ventures are stated in the Company's statement of financial position at cost less accumulated impairment losses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currencies at the exchange rates at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currencies at the exchange rates at the dates on which their fair values were determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of monetary items that in substance form part of the Group's net investment in a foreign operation (see below), available-for-sale equity instruments, a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective (see below) or qualifying cash flow hedges to the extent that the hedge is effective which are recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and translated at the exchange rates at the reporting date. For acquisitions prior to 1 January 2005, the exchange rates at the date of acquisition were used.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. However, if the foreign operation is a non wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Foreign currencies (cont'd)

Net investment in a foreign operation

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of the Group's net investment in the foreign operation and are recognised in other comprehensive income, and are presented within equity in the foreign currency translation reserve. When the foreign operation is disposed of, the cumulative amount in the foreign currency translation reserve is transferred to profit or loss as part of gain or loss on disposal.

Hedge of net investment in a foreign operation

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of the Group's net investment in a foreign operation are recognised in other comprehensive income to the extent that the hedge is effective, and are presented within equity in the foreign currency translation reserve. To the extent that the hedge is ineffective, such differences are recognised in profit or loss. When the hedged net investment is disposed of, the cumulative amount in the foreign currency translation reserve is transferred to profit or loss as an adjustment to the gain or loss on disposal.

2.4 Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, the cost of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net in profit or loss.

Subsequent expenditure

Subsequent expenditure is recognised in the carrying amount of the asset if it is probable that future economic benefits embodied within the expenditure will flow to the Group, and its cost can be measured reliably. All other subsequent expenditure are recognised in profit or loss when incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Property, plant and equipment (cont'd)

Depreciation

No depreciation is provided on freehold and 999-year leasehold land. For freehold and leasehold properties under development and renovation-in-progress, no depreciation is provided until these items have been completed.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives (or lease term, if shorter) of each part of an item of property, plant and equipment.

The estimated useful lives for the current and comparative periods are as follows:

Freehold and leasehold land and buildings	
• Core component of hotel buildings	- 50 years, or lease term if shorter
• Surface, finishes and services of hotel buildings	- 30 years, or lease term if shorter
• Leasehold land (other than 999-year leasehold land)	- Lease term
Furniture, fittings, plant and equipment and improvements	- 3 to 20 years

Residual values ascribed to the core component of hotel buildings depend on the nature, location and tenure of each hotel property. No residual values are ascribed to surface, finishes and services of hotel buildings.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

2.5 Intangible assets

Goodwill

Goodwill and negative goodwill arise on the acquisition of subsidiaries, associates and joint ventures.

Acquisitions prior to 1 January 2001

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets and liabilities of the acquiree.

Goodwill and negative goodwill on acquisitions were written off against reserves in the year of acquisition.

Goodwill and negative goodwill that had previously been taken to reserves are not taken to profit or loss when (a) the business is disposed of or (b) the goodwill is impaired.

Acquisitions occurring between 1 January 2001 and 1 January 2005

There was no goodwill arising from acquisition of subsidiaries occurring between 1 January 2001 and 1 January 2005.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Intangible assets (cont'd)

Acquisitions occurring between 1 January 2005 and 31 December 2009

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Goodwill arising on the acquisition of subsidiaries is presented in intangible assets. Goodwill arising on the acquisition of associates and joint ventures is presented together with investments in associates and joint ventures.

Goodwill is measured at cost less accumulated impairment losses, and tested for impairment (note 2.13). Negative goodwill is recognised immediately in profit or loss.

Acquisitions on or after 1 January 2010

Goodwill represents the excess of:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Goodwill arising on the acquisition of subsidiaries is presented in intangible assets. Goodwill arising on the acquisition of associates and joint ventures is presented together with investments in associates and joint ventures.

Goodwill is measured at cost less accumulated impairment losses, and tested annually for impairment (note 2.13).

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses. Other intangible assets (comprise mainly technology, trade name, franchise application, trademarks customer relations and customer contracts) are amortised in profit or loss on a straight-line basis over their estimated useful lives ranging from 1 to 15 years, from the date on which they are available for use.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Investment properties

Investment properties are properties held either to earn rental income or capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

Gains and losses on disposal of investment properties are determined by comparing the proceeds from disposal with the carrying amount of investment property, and are recognised net in profit or loss.

Depreciation

No depreciation is provided on freehold and 999-year leasehold land included in the investment properties.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives (or lease terms, if shorter) of each component of the investment properties.

The estimated useful lives are as follows:

Freehold and leasehold properties	-	50 years, or lease term if shorter
Leasehold land (other than 999-year leasehold land)	-	Lease term ranging from 85 to 96 years
Furniture, fittings, plant and equipment and improvements	-	3 to 20 years

Depreciation methods and useful lives are reviewed, and adjusted as appropriate, at each reporting date.

Transfers

Transfers to, or from, investment properties are made where there is a change in use, evidenced by:

- commencement of owner-occupation, for a transfer from investment properties to property, plant and equipment;
- commencement of development with a view to sell, for a transfer from investment properties to development properties; and
- end of owner-occupation, for a transfer from property, plant and equipment to investment properties.

2.7 Leased assets

Leases in terms of which the Group assumes substantially all risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases, and the leased assets are not recognised in the statement of financial position.

2.8 Lease premium prepayment

Lease premium prepayment relates to upfront premium paid in respect of long leasehold land where substantially all risks and rewards of ownership are not anticipated to be passed to the Group. It is classified appropriately between current and non-current assets and is charged to profit or loss on a straight-line basis over the term of the lease.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following categories of non-derivative financial assets: financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein, which takes into account any dividend income, are recognised in profit or loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, trade and other receivables (excluding prepayments and tax recoverable), other non-current assets (excluding deferred tax assets, deferred expenditure, prepayment and intangible assets), and unquoted debt instruments.

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the statement of cash flows, pledged deposits, deposits charged and restricted cash are excluded whilst bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Financial instruments (cont'd)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. The Group's investments in certain equity securities and certain debt securities are classified as available-for-sale financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note 2.13) and foreign currency differences on available-for-sale monetary items (see note 2.3), are recognised in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognised, the cumulative gain or loss in other comprehensive income is reclassified to profit or loss.

Where an investment in equity securities classified as available for sale does not have a quoted market price in an active market and other methods of determining fair value do not result in a reasonable estimate, the investment is measured at cost less accumulated impairment losses.

Non-derivative financial liabilities

The Group initially recognises all financial liabilities on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or when they expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial liabilities: borrowings, other liabilities and trade and other payables (excluding deferred income), and derivative financial liabilities.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Derivative financial instruments, including hedging activities

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Financial instruments (cont'd)

Cash flow hedges

When a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in equity. When the forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated cumulative gain or loss is removed from equity and included in the initial cost or other carrying amount of the non-financial asset or liability. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, then the associated gains or losses that were recognised directly in equity are reclassified to profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss (i.e. when interest income or expense is recognised).

For cash flow hedges, other than those covered by the preceding two policy statements, the associated cumulative gain or loss is removed from equity and recognised in profit or loss in the same period or periods during which the hedged forecast transaction affects profit or loss. The ineffective part of any gain or loss is recognised immediately in profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, then the cumulative unrealised gain or loss recognised in equity is recognised immediately in profit or loss.

Separable embedded derivatives

Changes in the fair value of separable embedded derivatives are recognised immediately in profit or loss.

Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss.

2.10 Intercompany loans

Loans to subsidiaries

Intercompany loans to subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future and are, in substance, a part of the Company's net investment in those subsidiaries, are stated at cost less accumulated impairment losses.

Such balances are eliminated in full in the consolidated financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Development properties

Development properties are those properties which are held with the intention of development and sale in the ordinary course of business. They are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

The cost of properties under development comprise specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding a development property are also capitalised, on a specific identification basis, as part of the cost of the development property until the completion of development.

Properties under development, the sales of which are recognised using the percentage of completion method

The aggregated costs incurred together with attributable profits and net of progress billings are presented as development properties in the statement of financial position.

Other properties under development

The aggregated costs incurred are presented as development properties while progress billings are presented separately as deferred income within trade and other payables.

2.12 Consumable stocks

Consumable stocks comprise principally food and beverage and other hotel related consumable supplies. Stocks are valued at the lower of cost and net realisable value. Cost is determined on a first-in first-out principle. Net realisable value represents the estimated selling price in the ordinary course of business, less the estimated cost of completion and cost necessary to make the sale.

2.13 Impairment

(i) Impairment of non-derivative financial assets

A financial asset not carried at fair value through profit or loss, including interest in an associate and joint venture, is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that a loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Impairment (cont'd)

(i) *Impairment of non-derivative financial assets (cont'd)*

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. Impairment losses on available-for-sale financial asset are recognised by transferring the cumulative loss that has been recognised in other comprehensive income, and presented in the fair value reserve in equity, to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, an impairment loss once recognised in profit or loss is not reversed through profit or loss. Any subsequent increase in fair value of such assets is recognised in other comprehensive income.

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 2.13 (ii). An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(ii) *Impairment of non-financial assets*

The carrying amounts of the Group's non-financial assets, other than development properties, consumable stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amounts are estimated. For goodwill, the recoverable amount is estimated at each reporting date, and as and when indicators of impairment are identified.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Preference shares

Preference shares are classified as equity if they are non-redeemable, or are redeemable only at the option of the Company and dividend payments are discretionary. Dividends thereon are recognised as distributions within equity.

Dividends on non-redeemable preference shares are recognised as a liability in the period in which they are declared.

2.15 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit post-employment plans, including pension plans, is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised immediately as an expense in profit or loss.

The Group recognises remeasurement gains or losses within the consolidated statement of comprehensive income in the period in which they occur.

The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability/(asset), taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits, other than pension plans is the amount of future benefit that employees have earned in return for their service in current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any plan assets is deducted.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Employee benefits (cont'd)

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payment transactions

The grant date fair value of equity-settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment arrangements in which the Group receives goods or services as consideration for its equity instruments of the Group entities are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employees as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. All cancellations of equity-settled transaction awards are treated equally.

2.16 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Beijing indemnity

A provision is recognised for tax indemnity provided to the former shareholders of Grand Millennium Beijing which the Group acquired an additional 40% interest in 2010.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Provisions (cont'd)

Capital expenditure

A provision for capital expenditure is recognised for the Group's contractual obligation to incur capital expenditure under the terms of the hotel operating agreements.

Legal

Provision for legal fees is recognised in relation to disputes in several hotels.

Dilapidation

Provision for dilapidation costs is recognised in respect of the expected costs to be incurred on termination of a leasehold asset.

Rental guarantee

A provision for rental guarantee is recognised when the Group becomes a party to the contractual provisions of the guarantees.

Cash flows support

A provision for cash flows support is recognised for the Group's obligation to Sunbright Holdings Limited (Sunbright), an associate, to fund any shortfall for interest payments and/or annual/daily operational costs.

Bond interest support

A provision for bond interest support is recognised for the Group's obligation to fund the 5% interest payment on the fixed rate bonds subscribed by a third party investor through In-V Asset Holding Pte. Ltd. (In-V) which provided funding to the Group's associate, Golden Crest Holdings Pte. Ltd. and its subsidiaries (collectively Golden Crest Group), to finance its acquisition of certain investment properties from the Group.

2.17 Financial guarantee contracts

Financial guarantees are financial instruments issued by the Group that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are accounted for as insurance contracts. A provision is recognised based on the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

2.18 Government grants

Government grants are recognised when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant.

Government grants relating to assets are deducted against the carrying amount of the assets, and released to profit or loss over the expected useful life of the relevant asset or over the benefits received by the Group related to the assets.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Revenue recognition

Development properties for sale

Revenue from sales of development properties is recognised using the percentage of completion method when the Group determines that (a) control and the significant risks and rewards of ownership of the work-in-progress transfer to the buyer in its current state as construction progresses, (b) sales price is fixed and collectible, (c) the percentage of completion can be measured reliably, (d) there is no significant uncertainty as to the ability of the Group to complete the development, and (e) costs incurred or to be incurred can be measured reliably.

In all other instances, revenue from sales of development properties is only recognised upon the transfer of control and significant risks and rewards of ownership of the property to the buyer. This generally coincides with the point in time when the development unit is delivered to the buyer. No revenue is recognised when there is significant uncertainty as to the collectability of consideration due or the possible return of units sold.

The percentage of completion is measured by reference to the work performed, based on the ratio of costs incurred to date to the estimated total costs. Profits are recognised only in respect of finalised sales contracts to the extent that such profits relate to the progress of the construction work.

Rental and car park income

Rental income (net of any lease incentives) is recognised on a straight-line basis over the lease term. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period on a receipt basis.

Car park income is recognised on an accrual basis.

Hotel income

Revenue from hotel operations is recognised on an accrual basis, upon rendering of the relevant services.

Dividends

Dividend income is recognised in profit or loss when the shareholder's right to receive payment is established.

2.20 Operating leases

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

2.21 Finance income and costs

Finance income comprises mainly interest income on funds invested and mark-to-market gain on financial assets at fair value through profit or loss. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise mainly interest expense on borrowings, amortisation of transaction costs capitalised, impairment loss on available-for-sale financial assets, mark-to-market loss on financial assets at fair value through profit or loss and loss on hedging instruments that are recognised in profit or loss. All borrowing costs are recognised in profit or loss using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Tax

Tax expense comprises current and deferred tax. Tax expense is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

2.23 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, for the dilutive effect arising from the conversion of the non-redeemable convertible non-cumulative preference shares.

2.24 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3 PROPERTY, PLANT AND EQUIPMENT

	Note	Freehold land and buildings $'000	Leasehold land and buildings $'000	Freehold and leasehold properties under development $'000	Furniture, fittings, plant and equipment and improvements $'000	Renovation-in-progress $'000	Total $'000
Group							
Cost							
At 1 January 2014		3,445,535	1,228,022	118,993	1,316,513	20,734	6,129,797
Additions		516,871	121,827	17,031	133,732	37,763	827,224
Acquisition of subsidiaries	34	–	–	–	163	–	163
Loss of control in a subsidiary		–	(243,058)	–	(8,579)	–	(251,637)
Disposals		(29)	–	–	(8,136)	–	(8,165)
Written off during the year		–	(58)	–	(24,380)	–	(24,438)
Reclassifications and transfers		9,719	18,821	(13,618)	21,886	(36,808)	–
Transfers from investment properties	4	–	–	–	55	–	55
Translation differences on consolidation		34,755	580	188	3,014	(71)	38,466
At 31 December 2014		4,006,851	1,126,134	122,594	1,434,268	21,618	6,711,465
Additions		14,925	71,354	10,633	84,054	49,471	230,437
Acquisition of subsidiaries	34	71,448	42,988	–	26,228	–	140,664
Disposals		(4,071)	–	–	(8,095)	–	(12,166)
Written off during the year		(3,155)	(2)	(86)	(20,930)	–	(24,173)
Reclassifications and transfers		(2,514)	1,687	(288)	22,364	(21,249)	–
Transfers (to)/from investment properties	4	(968)	–	–	357	–	(611)
Translation differences on consolidation		80,645	21,317	(1,934)	19,670	778	120,476
At 31 December 2015		4,163,161	1,263,478	130,919	1,557,916	50,618	7,166,092

3 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Note	Freehold land and buildings $'000	Leasehold land and buildings $'000	Freehold and leasehold properties under development $'000	Furniture, fittings, plant and equipment and improvements $'000	Renovation-in-progress $'000	Total $'000
Group							
Accumulated depreciation and impairment losses							
At 1 January 2014		618,905	262,753	6,044	843,072	–	1,730,774
Charge for the year	28	22,950	20,528	–	79,331	–	122,809
Loss of control in a subsidiary		–	(26,625)	–	(3,337)	–	(29,962)
Disposals		(4)	–	–	(7,677)	–	(7,681)
Written off during the year		–	(35)	–	(24,094)	–	(24,129)
Reclassifications and transfers		(15)	(414)	–	429	–	–
Translation differences on consolidation		5,144	137	116	(4,016)	–	1,381
At 31 December 2014		646,980	256,344	6,160	883,708	–	1,793,192
Charge for the year	28	25,403	13,952	–	93,947	–	133,302
Disposals		(4,071)	–	–	(7,262)	–	(11,333)
Written off during the year		(19)	–	–	(20,475)	–	(20,494)
Impairment losses	28	76,891	915	–	643	–	78,449
Reversal of impairment loss	28	–	(5,026)	–	–	–	(5,026)
Translation differences on consolidation		10,903	5,257	295	6,674	–	23,129
At 31 December 2015		756,087	271,442	6,455	957,235	–	1,991,219
Carrying amounts							
At 1 January 2014		2,826,630	965,269	112,949	473,441	20,734	4,399,023
At 31 December 2014		3,359,871	869,790	116,434	550,560	21,618	4,918,273
At 31 December 2015		3,407,074	992,036	124,464	600,681	50,618	5,174,873

3 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land $'000	Furniture, fittings and equipment $'000	Total $'000
Company			
Cost			
At 1 January 2014	2,570	29,744	32,314
Additions	–	2,709	2,709
Disposals	–	(30)	(30)
Written off during the year	–	(2,676)	(2,676)
At 31 December 2014	2,570	29,747	32,317
Additions	–	2,064	2,064
Disposals	–	(14)	(14)
Written off during the year	–	(2,475)	(2,475)
At 31 December 2015	2,570	29,322	31,892
Accumulated depreciation			
At 1 January 2014	–	22,519	22,519
Charge for the year	–	2,267	2,267
Disposals	–	(28)	(28)
Written off during the year	–	(2,579)	(2,579)
At 31 December 2014	–	22,179	22,179
Charge for the year	–	2,482	2,482
Disposals	–	(11)	(11)
Written off during the year	–	(2,439)	(2,439)
At 31 December 2015	–	22,211	22,211
Carrying amounts			
At 1 January 2014	2,570	7,225	9,795
At 31 December 2014	2,570	7,568	10,138
At 31 December 2015	2,570	7,111	9,681

Property, plant and equipment with the following carrying amounts were acquired under finance lease arrangements:

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Furniture, fittings and equipment	**377**	406	**–**	–

Included in property, plant and equipment are certain hotel properties of the Group with carrying amount totalling $435,245,000 (2014: $432,730,000) which are mortgaged to certain financial institutions to secure credit facilities (refer to notes 19 and 20 for more details of the facilities).

3 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The management undertook their annual review of the carrying amount of hotels and property assets for indicators of impairment and, where appropriate, external valuations were also undertaken. Based on this assessment, an impairment charge of $78,449,000 (2014: $Nil), included in "other operating expenses", was made in relation to one hotel located in the United States of America, two hotels in Europe and one hotel in Maldives, all of which are held by certain subsidiaries. The impairment losses were a result of the challenging hospitality market in these regions, affecting the operating performance of these hotels. In particular, the room rates achieved by the hotel in the United States of America and another in Europe were lower than expected. The estimated recoverable amounts were based on the value-in-use of the said properties determined by professional valuers using pre-tax discount rates ranging from 7.0% to 13.5%.

In addition, the Group reversed an impairment loss of $5,026,000 (2014 : $Nil) which was recognised in prior years in respect of one hotel in New Zealand held by a subsidiary due to improved trading performance. The estimated recoverable amount was based on the value-in-use of the said property, determined by management of the subsidiary using a pre-tax discount rate of 10.0%.

4 INVESTMENT PROPERTIES

	Note	Group $'000	Company $'000
Cost			
At 1 January 2014		4,098,205	618,620
Additions from subsequent expenditure		97,276	3,173
Loss of control in a subsidiary		(64,247)	–
Disposals		(85)	–
Written off during the year		(457)	(123)
Transfers to property, plant and equipment	3	(55)	–
Translation differences on consolidation		(18,803)	–
At 31 December 2014		4,111,834	621,670
Additions from subsequent expenditure		16,777	960
Disposals		(623,244)	(54,533)
Written off during the year		(459)	(65)
Transfers from property, plant and equipment (net)	3	611	–
Translation differences on consolidation		3,780	–
At 31 December 2015		3,509,299	568,032
Accumulated depreciation and impairment losses			
At 1 January 2014		937,132	107,485
Charge for the year	28	72,858	11,903
Loss of control in a subsidiary		(2,438)	–
Disposals		(85)	–
Written off during the year		(457)	(123)
Translation differences on consolidation		(4,352)	–
At 31 December 2014		1,002,658	119,265
Charge for the year	28	76,210	12,066
Disposals		(155,574)	(15,477)
Written off during the year		(422)	(65)
Translation differences on consolidation		2,752	–
At 31 December 2015		925,624	115,789

4 INVESTMENT PROPERTIES (CONT'D)

	Group $'000	Company $'000
Carrying amounts		
At 1 January 2014	3,161,073	511,135
At 31 December 2014	3,109,176	502,405
At 31 December 2015	2,583,675	452,243
Fair value		
At 31 December 2014	7,437,920	1,314,815
At 31 December 2015	6,544,508	1,090,711

Investment properties comprise commercial, residential, hotel and industrial properties that are leased to external customers. Generally, each of the leases is fixed for a period of 1 to 11 years, and subsequent renewals are negotiated at prevailing market rates and terms.

The management undertook their annual review of the carrying amount of investment properties for indicators of impairment and, where appropriate, external valuations were also undertaken. Based on this assessment, no indicators of impairment were identified for the current and prior year.

Investment properties of the Group with a total carrying amount of $1,088,211,000 (2014: $1,110,386,000) are mortgaged to certain financial institutions to secure credit facilities (refer to notes 19 and 20 for more details of the facilities).

5 INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES

	Company	
	2015 $'000	2014 $'000
Investments in subsidiaries		
Unquoted shares, at cost	**2,182,883**	2,263,253
Impairment losses	**(46,227)**	(46,227)
	2,136,656	2,217,026

5 INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES (CONT'D)

	Note	Company 2015 $'000	Company 2014 $'000
Balances with subsidiaries			
Amounts owing by subsidiaries:			
- trade, interest-free		**10,709**	9,225
- non-trade, interest-free		**2,593,463**	2,419,507
- non-trade, interest-bearing		**3,915,782**	3,315,376
		6,519,954	5,744,108
Impairment losses		**(135,053)**	(135,330)
		6,384,901	5,608,778
Receivable:			
- within 1 year	11	**5,305,727**	5,147,012
- after 1 year	9	**1,079,174**	461,766
		6,384,901	5,608,778
Amounts owing to subsidiaries:			
- trade, interest-free		**1,029**	995
- non-trade, interest-free		**1,556,541**	1,097,678
- non-trade, interest-bearing		**631,145**	680,643
		2,188,715	1,779,316
Repayable:			
- within 1 year	26	**2,038,715**	1,554,316
- after 1 year	23	**150,000**	225,000
		2,188,715	1,779,316

During the year, the Company assessed the carrying amount of its investments in subsidiaries for indicators of impairment. Based on this assessment, no charge or write-back of impairment loss is made. In 2014, the Company recognised an impairment loss of $799,000 on its investment in a wholly-owned subsidiary as the subsidiary was loss-making. The recoverable amount of the investment was determined based on the net asset position of the subsidiary which approximated its fair value as at 31 December 2014.

The non-trade amounts owing by and to subsidiaries are unsecured. In respect of interest-bearing amounts owing by and to subsidiaries, interest was charged at 0.51% to 6.12% (2014: 0.52% to 4.52%) and at 1.00% to 3.25% (2014: 1.00% to 3.25%) per annum respectively. The non-trade balances with subsidiaries that are presented as receivable or repayable within one year are receivable or repayable on demand.

Included in amounts owing by subsidiaries receivable after one year are loans to subsidiaries with carrying amounts of $1,077,027,000 (2014: $461,766,000) for which settlement is neither planned nor likely to occur in the foreseeable future. As the amounts are in substance a part of the Company's net investment in subsidiaries, they are stated at cost less accumulated impairment losses.

5 INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES (CONT'D)

Impairment losses

The movements in impairment losses in respect of amounts owing by subsidiaries during the year are as follows:

	Company	
	2015	2014
	$'000	$'000
At 1 January	**135,330**	51,827
(Write-back)/Charge of impairment losses	**(277)**	83,503
At 31 December	**135,053**	135,330

Further details regarding subsidiaries are set out in note 40.

6 INVESTMENTS IN AND BALANCES WITH ASSOCIATES

		Group		Company	
	Note	2015	2014	2015	2014
		$'000	$'000	$'000	$'000
Investments in associates		**351,211**	307,390	**–**	–
Balances with associates					
Amounts owing by associates receivable within 1 year:					
- trade, interest-free	11	**182**	111	**12**	–
Amounts owing to an associate payable within 1 year:					
- trade, interest-free	26	**3**	–	**3**	–

Included in the Group's investments in associates is an investment in an associate which is listed on the Mainboard of Singapore Exchange Securities Trading Limited. The carrying amount of the investment in the associate was $332,802,000 (2014: $305,855,000) and the Group's share of its fair value as at the reporting date based on published price quotation (Level 1 in the fair value hierarchy) was $264,865,000 (2014: $262,763,000).

Management had assessed the recoverable amount of the investment in the associate and determined that the recoverable amount based on fair values of the associate's individual assets less costs to sell, is higher than the carrying amount as at 31 December 2015. Accordingly, no impairment loss is recognised.

6 INVESTMENTS IN AND BALANCES WITH ASSOCIATES (CONT'D)

Immaterial associates

The Group has interests in a number of individually immaterial associates. The following table summarises, in aggregate, the Group's share of profit and other comprehensive income of these immaterial associates that are accounted for using the equity method:

	Group 2015 $'000	Group 2014 $'000
Carrying amount of interest in individually immaterial associates	**351,211**	307,390
Group's share of:		
- profit from continuing operation	**22,768**	8,000
- other comprehensive income	**–**	(1,317)
- **total comprehensive income**	**22,768**	6,683

7 INVESTMENTS IN AND BALANCES WITH JOINT VENTURES

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Investments in joint ventures					
Investments in joint ventures		**955,384**	821,088	**37,360**	37,360
Impairment losses		**–**	–	**–**	(1,000)
		955,384	821,088	**37,360**	36,360
Balances with joint ventures					
Amounts owing by joint ventures receivable within 1 year:					
- trade, interest-free		**3,904**	3,835	**295**	299
- non-trade, interest-bearing		**543,932**	846,871	**217,941**	284,453
- non-trade, interest-free		**688,223**	214,178	**–**	–
		1,236,059	1,064,884	**218,236**	284,752
Impairment losses		**(39,800)**	(43,195)	**(15,593)**	(16,365)
	11	**1,196,259**	1,021,689	**202,643**	268,387
Amounts owing to joint ventures payable within 1 year:					
- trade, interest-free		**–**	4	**–**	–
- non-trade, interest-free		**22,733**	25,222	**22,727**	22,727
	26	**22,733**	25,226	**22,727**	22,727

7 INVESTMENTS IN AND BALANCES WITH JOINT VENTURES (CONT'D)

The non-trade amounts owing by and to joint ventures are unsecured. In respect of interest-bearing amounts owing by joint ventures, interest at rates ranging from 1.10% to 4.50% (2014: 1.50% to 4.75%) per annum and 1.50% to 2.00% (2014: 1.50% to 2.00%) per annum were charged by the Group and the Company respectively.

The non-trade amounts presented as receivable or repayable within one year are receivable or repayable on demand.

During the year, the Company assessed the carrying amount of its investments in joint ventures for indicators of impairment. Based on this assessment, the Company reversed impairment loss of $1,000,000 (2014: $Nil) on its investment in a joint venture as the joint venture has recognised profits during the year following the completion of its pre-sold Executive Condominium project. The recoverable amount of the investment has been determined based on the net asset position of the joint venture which approximates the fair value as at 31 December 2015.

The movements in impairment losses in respect of balances with joint ventures are as follows:

		Group		Company	
	Note	**2015**	**2014**	**2015**	**2014**
		$'000	**$'000**	**$'000**	**$'000**
At 1 January		**43,195**	41,448	**16,365**	16,365
(Write-back)/Charge of impairment losses	28	**(2,707)**	2,491	**(772)**	–
Impairment losses utilised		**(772)**	–	**–**	–
Translation differences on consolidation		**84**	(744)	**–**	–
At 31 December		**39,800**	43,195	**15,593**	16,365

The (write-back)/charge of impairment losses was included in "other operating expenses".

Immaterial joint ventures

The Group has interests in a number of individually immaterial joint ventures. The following table summarises, in aggregate, the share of profit and other comprehensive income of these immaterial joint ventures that are accounted for using the equity method:

	Group	
	2015	**2014**
	$'000	**$'000**
Carrying amount of interest in individually immaterial joint ventures	**955,384**	821,088
Group's share of:		
- profit from continuing operations/total comprehensive income	**84,117**	46,795

7 INVESTMENTS IN AND BALANCES WITH JOINT VENTURES (CONT'D)

The Group's share of the joint ventures' commitments is as follows:

	Group	
	2015	**2014**
	$'000	**$'000**
Commitments		
Development expenditure contracted but not provided for in the financial statements	**135,253**	376,324
Capital expenditure contracted but not provided for in the financial statements	**9,282**	2,434
Commitment in respect of purchase of property for which deposits have been paid	**120,375**	–
Non-cancellable operating lease payables	**99**	208
Non-cancellable operating lease receivables	**63,642**	63,822

8 FINANCIAL ASSETS

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Non-current financial assets				
Unquoted equity investments available for sale				
- fellow subsidiaries	**3,290**	3,290	**3,290**	3,290
- other related parties	**6,600**	5,121	**–**	–
- non-related companies	**24,111**	32,171	**1,340**	1,340
Impairment losses	**(3,339)**	(3,339)	**–**	–
	30,662	37,243	**4,630**	4,630
Quoted equity investments available for sale				
- fellow subsidiaries	**25,243**	28,290	**21,227**	23,789
- non-related companies	**10,099**	10,927	**–**	–
	35,342	39,217	**21,227**	23,789
Unquoted debt instruments				
- a non-related company	**132,500**	–	**–**	–
Total non-current financial assets	**198,504**	76,460	**25,857**	28,419

8 FINANCIAL ASSETS (CONT'D)

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Current financial assets				
Equity investments held for trading				
- quoted	**28,879**	31,894	**–**	–
- unquoted	**2,537**	3,338	**–**	–
Total current financial assets	**31,416**	35,232	**–**	–
Total financial assets	**229,920**	111,692	**25,857**	28,419

Included in quoted equity investments held for trading are investments in shares of listed subsidiaries with a total carrying amount of $11,271,000 (2014: $14,034,000) which are held by the Group for trading purposes.

Included in unquoted equity investments available for sale of the Group and the Company are investments with total carrying amount of $30,662,000 (2014: $37,243,000) and $4,630,000 (2014: $4,630,000) respectively, which are measured at cost less accumulated impairment losses as the fair values cannot be determined reliably given that the variability in the range of reasonable fair value estimates derived from valuation techniques is expected to be significant.

Impairment losses on equity investments available for sale are recognised when there is a significant or prolonged decline in the fair value of such investments below their cost.

Unquoted debt instruments with a carrying amount of $132,500,000 (2014: $Nil) at 31 December 2015 bear interest at rate of 5% per annum and mature within 5 years.

The Group has not reclassified any investments between various categories during the year.

Impairment losses

In 2014, an impairment loss of $8,742,000 was recognised in respect of an available-for-sale quoted equity investment in a non-related company, as there was a significant and prolonged decline in its fair value.

9 OTHER NON-CURRENT ASSETS

		Group		Company	
	Note	2015	2014	2015	2014
		$'000	$'000	$'000	$'000
Amounts owing by subsidiaries	5	**–**	–	**1,079,174**	461,766
Deferred tax assets	25	**32,834**	7,344	**–**	–
Deposits and prepayment		**5,627**	5,201	**–**	–
Intangible assets		**6,238**	4,351	**–**	–
Other receivables		**2,004**	2,750	**–**	–
		46,703	19,646	**1,079,174**	461,766

10 DEVELOPMENT PROPERTIES

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Properties in the course of development, at cost	**4,075,165**	3,804,150	**–**	–
Attributable profits	**118,964**	90,854	**–**	–
	4,194,129	3,895,004	**–**	–
Progress billings	**(569,365)**	(599,357)	**–**	–
	3,624,764	3,295,647	**–**	–
Properties for development and resale representing mainly land, at cost	**845,257**	446,716	**–**	–
Completed units, at cost	**939,390**	933,532	**190,695**	196,645
	5,409,411	4,675,895	**190,695**	196,645
Allowance for foreseeable losses	**(55,157)**	(47,271)	**–**	(570)
	5,354,254	4,628,624	**190,695**	196,075
Share of joint operations				
Properties in the course of development, at cost	**283,948**	405,769	**285,744**	408,650
Attributable profits	**161,988**	178,327	**161,988**	178,327
	445,936	584,096	**447,732**	586,977
Progress billings	**(285,296)**	(419,773)	**(285,296)**	(419,773)
	160,640	164,323	**162,436**	167,204
Total development properties	**5,514,894**	4,792,947	**353,131**	363,279

The movements in allowance for foreseeable losses in respect of development properties during the year are as follows:

		Group		Company	
	Note	2015	2014	2015	2014
		$'000	$'000	$'000	$'000
At 1 January		**47,271**	26,322	**570**	506
Allowance made/(written back) (net)	28	**9,678**	24,229	**(81)**	64
Allowance utilised		**(1,582)**	(3,243)	**(489)**	–
Translation differences on consolidation		**(210)**	(37)	**–**	–
At 31 December		**55,157**	47,271	**–**	570

10 DEVELOPMENT PROPERTIES (CONT'D)

Included in the above are development properties under construction where revenue is recognised as construction progresses, which are set out below:

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Properties in the course of development, at cost	**2,431,831**	2,758,101	**285,744**	408,650
Attributable profits	**280,952**	269,181	**161,988**	178,327
	2,712,783	3,027,282	**447,732**	586,977
Progress billings	**(854,661)**	(1,019,130)	**(285,296)**	(419,773)

In 2015, development properties of the Group recognised as cost of sales, excluding foreseeable losses, amounted to $660,986,000 (2014: $1,191,007,000).

The allowance for foreseeable losses is estimated taking into account estimated selling prices and estimated total construction costs. The estimated selling prices are based on recent selling prices for the development project or comparable projects and prevailing property market conditions. The estimated total construction costs are based on contracted amounts and, in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration historical trends of the amounts incurred. The allowance for foreseeable losses is included in "cost of sales".

Development properties of the Group with carrying amounts of $1,119,507,000 (2014: $1,015,259,000) are mortgaged to financial institutions to secure credit facilities (refer to note 19).

11 TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2015 $'000	2014 $'000	2015 $'000	2014 $'000
Trade receivables		**202,756**	175,101	**10,553**	21,191
Impairment losses		**(6,768)**	(12,718)	**(403)**	(8,052)
		195,988	162,383	**10,150**	13,139
Other receivables		**69,042**	78,231	**3,459**	2,873
Impairment losses		**(28)**	(405)	**(1,238)**	(1,305)
		69,014	77,826	**2,221**	1,568
Deposits and prepayments		**76,614**	185,267	**1,133**	822
Tax recoverable		**491**	1,342	**–**	–
Accrued receivables	12	**228,534**	145,468	**91,254**	43,742
Impairment losses		**(7,307)**	(7,307)	**–**	–
		221,227	138,161	**91,254**	43,742
Amounts owing by:					
- subsidiaries	5	**–**	–	**5,305,727**	5,147,012
- associates	6	**182**	111	**12**	–
- joint ventures	7	**1,196,259**	1,021,689	**202,643**	268,387
- fellow subsidiaries	13	**1,855**	1,771	**1,394**	1,359
		1,761,630	1,588,550	**5,614,534**	5,476,029

11 TRADE AND OTHER RECEIVABLES (CONT'D)

The maximum exposure to credit risk for trade receivables, other receivables, deposits, accrued receivables and amounts owing by subsidiaries, associates, joint ventures and fellow subsidiaries at the reporting date by business segment is set out below:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Property development	**1,339,378**	1,150,717	**4,239,220**	3,642,276
Hotel operations	**185,959**	195,897	**135,380**	94,458
Rental properties	**118,606**	115,957	**147,197**	467,968
Others	**53,031**	51,212	**1,092,526**	1,271,044
	1,696,974	1,513,783	**5,614,323**	5,475,746

Impairment losses

The aging of trade receivables at the reporting date is as follows:

	Gross 2015 $'000	Impairment losses 2015 $'000	Gross 2014 $'000	Impairment losses 2014 $'000
Group				
Not past due	**138,501**	**101**	107,421	7
Past due 1 – 30 days	**25,047**	**76**	27,587	74
Past due 31 – 60 days	**13,018**	**172**	14,486	21
Past due 61 – 90 days	**7,181**	**163**	3,290	38
More than 90 days	**19,009**	**6,256**	22,317	12,578
	202,756	**6,768**	175,101	12,718
Company				
Not past due	**8,240**	**–**	12,091	–
Past due 1 – 30 days	**1,033**	**20**	596	–
Past due 31 – 60 days	**122**	**13**	105	2
Past due 61 – 90 days	**12**	**1**	9	–
More than 90 days	**1,146**	**369**	8,390	8,050
	10,553	**403**	21,191	8,052

11 TRADE AND OTHER RECEIVABLES (CONT'D)

Impairment losses (cont'd)

The movements in impairment losses in respect of trade and other receivables during the year are as follows:

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
At 1 January		**20,430**	19,829	**9,357**	9,509
Charge/(Write-back) of impairment losses	28	**2,512**	1,084	**137**	(18)
Impairment losses utilised		**(8,777)**	(584)	**(7,681)**	(110)
Loss of control in a subsidiary		**–**	(14)	**–**	–
Translation differences on consolidation		**(62)**	115	**(172)**	(24)
At 31 December		**14,103**	20,430	**1,641**	9,357

The charge/(write-back) of impairment losses were included in "other operating expenses".

The Group's historical experience in the collection of trade and other receivables falls within the recorded allowances. Due to this factor, management believes that no additional credit risks beyond amount provided for collection losses is inherent in the Group's trade and other receivables.

Trade receivables that were not past due relate to a wide range of customers for whom there has not been a significant change in the credit quality.

12 ACCRUED RECEIVABLES

Accrued receivables represent mainly the remaining balances of sales consideration for development properties to be billed. In accordance with the Group's accounting policy, income is recognised on the sale of development properties based on accounting policy set out in note 2.19. Upon receipt of the Temporary Occupation Permit, the balance of sales consideration to be billed is recognised as accrued receivables.

13 AMOUNTS OWING BY AND TO FELLOW SUBSIDIARIES

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Amounts owing by fellow subsidiaries:					
- trade, interest-free	11	**1,855**	1,771	**1,394**	1,359
Amounts owing to fellow subsidiaries:					
- trade, interest-free		**11**	12	**11**	12
- non-trade, interest-bearing		**146,811**	138,332	**–**	–
	26	**146,822**	138,344	**11**	12

13 AMOUNTS OWING BY AND TO FELLOW SUBSIDIARIES (CONT'D)

Fellow subsidiaries are subsidiaries of the immediate holding company which are subject to common control. The non-trade amounts owing to fellow subsidiaries are unsecured and repayable on demand. In respect of interest-bearing amounts owing to fellow subsidiaries, interest is charged at 2.00% to 2.50% (2014: 2.00% to 2.50%) per annum.

14 CASH AND CASH EQUIVALENTS

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Amounts held under project accounts and withdrawals from which are restricted to payments for expenditure incurred on projects		**341,810**	373,477	**134,672**	157,859
Fixed deposits placed with financial institutions which are:					
- fellow subsidiaries		**5,650**	60,881	**–**	–
- others		**2,432,194**	2,837,896	**1,718,080**	1,790,133
		2,437,844	2,898,777	**1,718,080**	1,790,133
Amounts held in escrow account for payment of bond interest to a third party investor under a bond issued by a financing vehicle		**50,000**	–	**–**	–
Amounts held in escrow account as holdback of the consideration in relation to the acquisition of a hotel in Rome		**10,277**	11,279	**–**	–
Cash at banks and in hand*		**724,954**	614,041	**299,640**	170,502
Cash and cash equivalents in the statements of financial position		**3,564,885**	3,897,574	**2,152,392**	2,118,494
Bank overdrafts	18	**(26)**	(7,121)		
Deposits pledged		**(121,256)**	(165,722)		
Deposits charged		**(26,665)**	–		
Restricted cash		**(1,371)**	–		
Cash and cash equivalents in the consolidated statement of cash flows		**3,415,567**	3,724,731		

* Includes cash pool overdrafts.

Deposits pledged represent bank balances of a subsidiary pledged to financial institutions as collateral for credit facilities granted (see note 19).

Deposits charged represent bank balances of a subsidiary charged to financial institutions to cover interest shortfall in connection with the credit facilities granted to In-V (see footnote [@@] of note 41).

Restricted cash represents bank balances of a subsidiary reserved by a trust bank in Japan.

15 SHARE CAPITAL

	Company			
	2015		2014	
	Number of shares	$'000	Number of shares	$'000
Issued and fully paid ordinary share capital with no par value:				
At 1 January and 31 December	**909,301,330**	**1,661,179**	909,301,330	1,661,179
Issued and fully paid non-redeemable convertible non-cumulative preference share capital with no par value:				
At 1 January and 31 December	**330,874,257**	**330,218**	330,874,257	330,218
Total share capital		**1,991,397**		1,991,397

Ordinary share capital

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per ordinary share at General Meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Preference share capital

The Company has in issue 330,874,257 non-redeemable convertible non-cumulative preference shares (Preference Shares), listed on the Official List of Singapore Exchange Securities Trading Limited. The Preference Shares are convertible only at the option of the Company, into fully-paid ordinary shares of the Company at the conversion ratio of 0.136 ordinary share for each Preference Share.

In the event the Company exercises its right of conversion, the Company shall pay to preference shareholders a one-off preference cash dividend at the fixed rate of 64% (net) of the issue price for each Preference Share (Additional Preference Dividend) and any preference dividend accrued but unpaid.

As at 31 December 2015, a maximum number of 44,998,898 (2014: 44,998,898) ordinary shares are issuable upon full conversion at the sole option of the Company of all the Preference Shares.

Holders of Preference Shares have no voting rights, except under certain circumstances provided for in the Singapore Companies Act and as set out in the Company's Constitution.

15 SHARE CAPITAL (CONT'D)

Preference share capital (cont'd)

The Preference Shares rank:

(i) *pari passu* without any preference or priority among themselves; and

(ii) in priority over the ordinary shares in respect of (a) payment of the preference dividend (when, as and if declared) and the Additional Preference Dividend; and (b) in the event of a winding-up of or return of capital by the Company, payment of any preference dividend that has accrued to holders of Preference Shares and is unpaid, the Additional Preference Dividend (whether or not then due) as well as the amount paid up on the Preference Shares (including the premium paid thereon).

Capital management policy

The Group's primary objective in capital management is to maintain a strong capital base so as to maintain investor, creditor and market confidence, and to continue to maintain the future development and growth of the business.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. For this purpose, the Group defines "capital" as including all components of equity, including non-controlling interests. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares or other financial instruments.

The Group monitors capital using a net debt equity ratio, which is defined as net borrowings divided by total capital employed.

	Group	
	2015	**2014**
	$'000	**$'000**
Gross borrowings	**6,502,704**	6,717,593
Cash and cash equivalents	**(3,564,885)**	(3,897,574)
Net debt	**2,937,819**	2,820,019
Total capital employed	**11,213,015**	10,775,601
Net debt equity ratio	**0.26**	0.26

No changes were made to the above objectives, policies and processes during the years ended 31 December 2015 and 2014.

15 SHARE CAPITAL (CONT'D)

One of the Group's subsidiaries, CDL Hospitality Trusts (CDLHT) which is a stapled group comprising CDL Hospitality Real Estate Investment Trust (H-REIT) and CDL Hospitality Business Trust (HBT), a business trust, is required to maintain certain minimum base capital and financial resources. H-REIT is subject to the aggregate leverage limit as defined in the Property Fund Appendix of the Code on Collective Investment Schemes (CIS Code) issued by the Monetary Authority of Singapore. The CIS Code stipulates that the total borrowings and deferred payments (together the Aggregate Leverage) of a property fund should not exceed 35.0% of its Deposited Property except that the Aggregate Leverage of a property fund may exceed 35.0% of its Deposited Property (up to a maximum of 60.0%) if a credit rating of the property fund from Fitch Inc., Moody's or Standard and Poor's is obtained and disclosed to the public. The property fund should continue to maintain and disclose a credit rating so long as its Aggregate Leverage exceeds 35.0% of its Deposited Property. With effect from 1 January 2016, the Aggregate Leverage of a property fund shall not exceed 45.0%.

For this financial year, H-REIT has a credit rating of BBB- from Fitch Inc. The Aggregate Leverage of H-REIT as at 31 December 2015 was 36.4% (2014: 31.7%) of H-REIT's Deposited Property. This complies with the aggregate leverage limit as described above.

HBT, H-REIT and CDLHT are in compliance with the borrowing limit requirements imposed by the relevant Trust Deeds and all externally imposed capital requirements for the financial years ended 31 December 2015 and 2014.

Except for the above, neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

16 RESERVES

	Group		Company	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Capital reserve	**138,660**	160,542	**63,743**	63,743
Hedging reserve	**–**	(155)	**–**	–
Fair value reserve	**11,406**	15,287	**10,311**	12,873
Other reserve	**1,372**	963	**–**	–
Share option reserve	**14,980**	11,866	**–**	–
Foreign currency translation reserve	**(328,825)**	(324,224)	**–**	–
Accumulated profits	**7,166,802**	6,554,451	**4,000,966**	3,793,231
	7,004,395	6,418,730	**4,075,020**	3,869,847

The capital reserve comprises mainly negative goodwill on the consolidation of subsidiaries and issue expenses.

The hedging reserve comprises the effective portions of the cumulative net changes in the fair values of cash flow hedging instruments related to hedged transactions that have not yet occurred.

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised.

16 RESERVES (CONT'D)

Other reserve comprises the share of other reserves of associates and joint ventures.

The share option reserve comprises the cumulative value of employee services received for the issue of share options of a subsidiary.

The foreign currency translation reserve comprises:

(a) foreign exchange differences arising from the translation of the financial statements of foreign entities whose functional currencies are different from the presentation currency of the Company;

(b) the gain or loss on instruments used to hedge the Group's net investment in foreign entities that are determined to be effective hedges; and

(c) exchange differences on monetary items which form part of the Group's net investment in foreign operations, provided certain conditions are met.

17 EQUITY COMPENSATION BENEFITS

By Subsidiaries

Millennium & Copthorne Hotels plc

Millennium & Copthorne Hotels plc (M&C) has the following share option schemes:

(i) Millennium & Copthorne Hotels plc 2003 Executive Share Option Scheme;

(ii) Millennium & Copthorne Hotels plc 2006 Sharesave Scheme;

(iii) Millennium & Copthorne Hotels plc 2006 Long-Term Incentive Plan; and

(iv) Millennium & Copthorne Hotels plc Annual Bonus Plan.

(i) Millennium & Copthorne Hotels plc 2003 Executive Share Option Scheme

(a) The Millennium & Copthorne Hotels plc 2003 Executive Share Option Scheme (M&C 2003 Scheme) was approved by the shareholders at the Annual General Meeting of M&C held on 21 May 2002. There are two parts of the M&C 2003 Scheme, namely the "Approved" part for which approval from the United Kingdom Inland Revenue has been obtained, and the "Unapproved" part which is not designed for the United Kingdom Inland Revenue approval and which is used primarily where employees have more than £30,000 worth of outstanding approved options or are not based in the United Kingdom. Except to the extent required to obtain the United Kingdom Inland Revenue approval, the Approved and Unapproved parts of the M&C 2003 Scheme are in all material aspects identical.

17 EQUITY COMPENSATION BENEFITS (CONT'D)

By Subsidiaries (cont'd)

(i) Millennium & Copthorne Hotels plc 2003 Executive Share Option Scheme (cont'd)

(b) Under the terms of the M&C 2003 Scheme,

(i) All employees of M&C, its subsidiaries and joint ventures (including directors who are required to devote substantially the whole of their working time to the business of the M&C Group, and who are not within six months of contractual retirement ages) will be eligible to participate in the M&C 2003 Scheme.

(ii) No option may be granted to an individual if it would cause the aggregate exercise price of options granted to him in any year under the M&C 2003 Scheme to exceed 200% of his basic salary, other than in exceptional circumstances (where the limit is 400% of basic salary).

(iii) No payment will be required for the grant of an option. Acquisition price upon the exercise of an option will not be less than the higher of:

- the average of the middle-market quotations of a share on the London Stock Exchange on the three dealing days immediately prior to grant date, provided that no such dealing day may fall prior to the date on which M&C last announced its results for any period; and

- the nominal value of a share (unless the option is expressed to relate only to existing shares).

(c) No options may be granted which would cause the number of shares issued or issuable pursuant to options granted in the previous ten years under the M&C 2003 Scheme or under any other share option scheme, or issued in that period under any employee share scheme (other than an option scheme) to exceed 10% of M&C's issued ordinary share capital from time to time. Not more than 5% of M&C's issued ordinary share capital from time to time may relate to discretionary share schemes.

(ii) Millennium & Copthorne Hotels plc 2006 Sharesave Scheme

(a) The Millennium & Copthorne Hotels plc 2006 Sharesave Scheme (M&C Sharesave Scheme) is the United Kingdom Inland Revenue approved scheme under which the executive directors of M&C and the M&C Group employees are eligible to participate.

(b) Under the terms of the M&C Sharesave Scheme, M&C Group employees were to enter into a 3-year or 5-year savings contract, with an option to purchase shares at a pre-determined exercise price on maturity of the savings contract. The M&C Sharesave Scheme was approved by the shareholders at M&C's Annual General Meeting on 4 May 2006.

(c) No payment is required for the grant of an option.

(d) The options may be exercised upon maturity provided that the monies agreed under the savings contract are fully paid and the participant continues to hold office or employment with M&C. The M&C Sharesave Scheme provides that shares in M&C can be purchased at the option price up to the value of the accrued savings and interests in the event of retirement, redundancy, injury, disability or by the employees' estate in the event of their death.

(e) M&C may grant options up to the value of a savings contract at maturity. Participants cannot enter into contracts where their savings, in aggregate, would exceed £500 per month.

17 EQUITY COMPENSATION BENEFITS (CONT'D)

By Subsidiaries (cont'd)

(iii) Millennium & Copthorne Hotels plc 2006 Long-Term Incentive Plan

The Millennium & Copthorne Hotels plc 2006 Long-Term Incentive Plan (LTIP) was approved at M&C's Annual General Meeting held on 4 May 2006. Under the terms of the LTIP, M&C is permitted to make both Performance Share Awards and Deferred Share Bonus Awards to an employee (including an executive director) of M&C or its subsidiaries. The level of awards made under the terms of the LTIP is determined by M&C's Remuneration Committee.

Vesting of Performance Share Awards is subject to the achievement of stretching performance targets. Awards will not be subject to re-testing. For awards made in 2006 to 2010, earnings per share (EPS) targets were chosen so that participants are incentivised to deliver significant earnings growth.

In 2011, the Remuneration Committee amended the performance conditions so that half of the awards are subject to EPS growth targets and half are subject to Total Shareholder Return (TSR) targets. The revised performance targets are designed to incentivise management to deliver significant earnings growth and align the interests of management with shareholders.

The performance condition applying to Performance Share Awards require M&C's EPS to grow, in real terms, over a period of three consecutive financial years from the date of grant of award. Performance Share Awards will vest on the third anniversary of the award being made, subject to the EPS growth targets being met. TSR targets measure M&C's relative TSR performance over a three-year period against a comparator group comprising companies in the FTSE 250 index participating companies (excluding investment trusts).

In 2014, the Remuneration Committee further amended the performance conditions so that 50% of the awards are subject to EPS growth targets, 30% are subject to TSR target measures comparing performance against a relevant benchmark which for 2015 will be split equally between the FTSE 250 market index and an index of peer companies, and 20% being subject to net asset value (plus dividends) (NAV).

In 2015, the Remuneration Committee retained the same performance measures as had been used for the 2014 award with a minor amendment made to the percentage weighting associated with each so that 60% of the awards are subject to EPS growth targets, 20% are subject to TSR targets split equally across two peer groups and the remaining 20% subject to NAV.

(iv) Millennium & Copthorne Hotels plc Annual Bonus Plan

In 2013, M&C approved an Annual Bonus Plan. Under the terms of the plan, an annual bonus in the form of a cash payment of up to 150% of a participant's base salary could be awarded, subject to performance targets.

The rules of the plan were amended in 2014 to include a deferred element whereby up to 100% of the total bonus due could be deferred into M&C shares for three years in the form of an option or conditional share award (Deferred Share Awards). No performance conditions are attached to the share award.

No shares may be issued or treasury shares transferred to satisfy any award.

17 EQUITY COMPENSATION BENEFITS (CONT'D)

By Subsidiaries (cont'd)

City e-Solutions Limited (CES)

The City e-Solutions Limited Share Option Scheme (CES Scheme) was adopted by the shareholders of CES at the Annual General Meeting of CES held on 27 April 2005.

The subscription price of the CES shares under the CES Scheme shall be a price determined by the CES Scheme Committee at its absolute discretion which may require the achievement of performance targets by the Grantee as specified by the CES Scheme Committee. The subscription price shall not be less than the highest of:

(i) the official closing price of the CES shares as stated in the daily quotations sheets of the Hong Kong Stock Exchange on the Offer Date;

(ii) the average of the official closing price of the CES shares as stated in the daily quotations sheets of the Hong Kong Stock Exchange for the five business days immediately preceding the Offer Date; and

(iii) the nominal value of a CES share.

During the financial year under review, (i) no options were granted to subscribe for ordinary shares of HK$1.00 each in CES; and (ii) no ordinary shares of HK$1.00 each in CES were issued pursuant to the CES Scheme. The CES Scheme shall be valid and effective for a period of ten years ending on 26 April 2015, after which no further options will be granted.

As at the end of the financial year, there were no unissued shares under options pursuant to the CES Scheme.

The CES Scheme has lapsed and there are no options to take up unissued shares of CES and no unissued shares of CES under option.

The options granted by CES and M&C do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

Details of the options granted under the M&C option schemes on the unissued ordinary shares of £0.30 each in a subsidiary, M&C, as at the end of the financial year, presented in Sterling Pound, are as follows:

(i) Millennium & Copthorne Hotels plc 2003 Executive Share Option Scheme

Date of grant of options	Exercise price per share £	Options outstanding as at 1 January	Options granted during the year	Options exercised during the year	Options forfeited during the year	Options expired during the year	Options outstanding as at 31 December	Options exercisable as at 31 December	Exercise period
2014									
Part II (Unapproved)									
24.03.2005	3.9842	13,891	–	(3,310)	–	–	10,581	10,581	24.03.2008 – 23.03.2015
2015									
Part II (Unapproved)									
24.03.2005	3.9842	10,581	–	(10,581)	–	–	–	–	24.03.2008 – 23.03.2015

17 EQUITY COMPENSATION BENEFITS (CONT'D)

(ii) Millennium & Copthorne Hotels plc 2006 Sharesave Scheme

Date of grant of options	Exercise price per share £	Options outstanding as at 1 January 2014	Options granted during the year	Options exercised during the year	Options forfeited during the year	Options expired during the year	Options outstanding as at 31 December 2014	Options exercisable as at 31 December 2014	Exercise period
2014									
20.03.2008	3.2800	204	–	–	–	(204)	–	–	01.07.2013 – 31.12.2013
01.04.2009	1.5400	32,312	–	(32,312)	–	–	–	–	01.08.2014 – 31.01.2015
01.04.2010	3.3000	1,320	–	–	–	(1,320)	–	–	01.08.2013 – 31.01.2014
01.04.2010	3.3000	2,166	–	–	–	–	2,166	–	01.08.2015 – 31.01.2016
19.04.2011	4.1800	21,790	–	(18,252)	(690)	–	2,848	2,848	01.08.2014 – 31.01.2015
19.04.2011	4.1800	7,349	–	–	–	–	7,349	–	01.08.2016 – 31.01.2017
19.04.2012	3.8800	45,337	–	–	(2,039)	–	43,298	–	01.08.2015 – 31.01.2016
19.04.2012	3.8800	9,816	–	–	–	–	9,816	–	01.08.2017 – 31.01.2018
19.04.2013	4.4800	52,867	–	–	(11,603)	–	41,264	–	01.08.2016 – 31.01.2017
19.04.2013	4.4800	6,694	–	–	–	–	6,694	–	01.08.2018 – 31.01.2019
06.05.2014	4.4600	–	96,757	–	(12,589)	–	84,168	–	01.08.2017 – 31.01.2018
06.05.2014	4.4600	–	7,934	–	(269)	–	7,665	–	01.08.2019 – 31.01.2020
		179,855	104,691	(50,564)	(27,190)	(1,524)	205,268	2,848	

17 EQUITY COMPENSATION BENEFITS (CONT'D)

(ii) Millennium & Copthorne Hotels plc 2006 Sharesave Scheme (cont'd)

Date of grant of options	Exercise price per share £	Options outstanding as at 1 January 2015	Options granted during the year	Options exercised during the year	Options forfeited during the year	Options expired during the year	Options outstanding as at 31 December 2015	Options exercisable as at 31 December 2015	Exercise period
2015									
01.04.2010	3.3000	2,166	–	(1,978)	(188)	–	–	–	01.08.2015 – 31.01.2016
19.04.2011	4.1800	2,848	–	(2,762)	–	(86)	–	–	01.08.2014 – 31.01.2015
19.04.2011	4.1800	7,349	–	–	(309)	–	7,040	–	01.08.2016 – 31.01.2017
19.04.2012	3.8800	43,298	–	(39,115)	(1,680)	–	2,503	2,503	01.08.2015 – 31.01.2016
19.04.2012	3.8800	9,816	–	–	–	–	9,816	–	01.08.2017 – 31.01.2018
19.04.2013	4.4800	41,264	–	(1,283)	(4,295)	–	35,686	–	01.08.2016 – 31.01.2017
19.04.2013	4.4800	6,694	–	–	(3,348)	–	3,346	–	01.08.2018 – 31.01.2019
06.05.2014	4.4600	84,168	–	(2,521)	(18,539)	–	63,108	–	01.08.2017 – 31.01.2018
06.05.2014	4.4600	7,665	–	–	(1,344)	–	6,321	–	01.08.2019 – 31.01.2020
14.04.2015	4.6900	–	68,243	–	(9,358)	–	58,885	–	01.08.2018 – 31.01.2019
14.04.2015	4.6900	–	6,649	–	–	–	6,649	–	01.08.2020 – 31.01.2021
		205,268	74,892	(47,659)	(39,061)	(86)	193,354	2,503	

17 EQUITY COMPENSATION BENEFITS (CONT'D)

(iii) Millennium & Copthorne Hotels plc 2006 Long-Term Incentive Plan

Date of award	Balance at beginning of year	Awards awarded during the year	Awards vested during the year	Awards forfeited during the year	Awards expired during the year	Balance at end of year	Vesting date
2014							
28.11.2011	635,119	–	(304,170)	(30,264)	(300,685)	–	28.11.2014
16.08.2012	553,543	–	–	(62,208)	–	491,335	16.08.2015
11.09.2013	463,643	–	–	(56,432)	–	407,211	11.09.2016
21.11.2013	25,117	–	–	(4,062)	–	21,055	21.11.2016
04.04.2014	–	659,027	–	(10,417)	–	648,610	04.04.2017
	1,677,422	659,027	(304,170)	(163,383)	(300,685)	1,568,211	
2015							
16.08.2012	491,335	–	–	(491,335)	–	–	16.08.2015
11.09.2013	407,211	–	–	(44,246)	–	362,965	11.09.2016
21.11.2013	21,055	–	–	–	–	21,055	21.11.2016
04.04.2014	648,610	–	–	(122,825)	–	525,785	04.04.2017
03.08.2015	–	251,122	–	–	–	251,122	03.08.2018
10.09.2015	–	11,867	–	–	–	11,867	10.09.2018
	1,568,211	262,989	–	(658,406)	–	1,172,794	

For options exercised during 2015, the weighted average share price at the date of exercise of share options is £5.54 (2014: £5.84). The options outstanding as at 31 December 2015 had an exercise price in the range of £3.30 to £4.69 (2014: £3.30 to £4.48) and a weighted average contractual life of 1.6 years (2014: 1.7 years).

The LTIP and Sharesave awards, which are subject to an EPS performance condition, were valued using the Black-Scholes valuation method. The LTIP awards which are subject to a share price related performance condition (i.e. TSR) were valued using the Monte Carlo valuation method.

The option pricing model involves six variables, namely the exercise price, share price at grant date, expected term, expected volatility of share price, risk-free interest rate and expected dividend yield.

17 EQUITY COMPENSATION BENEFITS (CONT'D)

The variables used in estimating the fair value of options and awards granted under the M&C option schemes, presented in Sterling Pound, are as follows:

	Date of grant	Awards/ options granted - Directors	Awards/ options granted – Non-directors	Share price prevailing on date of grant £	Exercise price £	Fair value £	Expected term (years)	Expected volatility	Expected dividend yield	Risk-free interest rate
2014										
LTIP – EPS	04.04.2014	86,898	242,616	5.57	–	5.17	3.00	–	2.4%	–
LTIP – TSR (FTSE 250)	04.04.2014	26,069	72,785	5.57	–	1.61	3.00	16.5%	2.4%	1.0%
LTIP – TSR (hotels)	04.04.2014	26,069	72,785	5.57	–	2.46	3.00	22.4% to 49.5%	2.4%	1.0%
LTIP – NAV	04.04.2014	34,760	97,045	5.57	–	5.17	3.00	–	2.4%	–
Sharesave Scheme (3 year)	06.05.2014	–	96,757	5.56	4.46	1.28	3.25	22.9%	2.4%	1.4%
Sharesave Scheme (5 year)	06.05.2014	–	7,934	5.56	4.46	1.80	5.25	33.1%	2.4%	2.0%
2015										
LTIP – EPS	03.08.2015	80,645	70,028	5.55	–	5.16	3.00	–	2.5%	–
LTIP – EPS	10.09.2015	–	7,120	5.53	–	5.13	3.00	–	2.5%	–
LTIP – TSR (FTSE 250)	03.08.2015	13,441	11,671	5.55	–	1.22	2.28	19.5%	2.5%	0.8%
LTIP – TSR (FTSE 250)	10.09.2015	–	1,187	5.53	–	1.36	2.18	19.6%	2.5%	0.7%
LTIP – TSR (hotels)	03.08.2015	13,441	11,671	5.55	–	2.28	2.28	17.7% to 49.8%	2.5%	0.8%
LTIP – TSR (hotels)	10.09.2015	–	1,187	5.53	–	2.83	2.18	17.6% to 52.5%	2.5%	0.7%
LTIP – NAV	03.08.2015	26,882	23,343	5.55	–	5.16	3.00	–	2.5%	–
LTIP – NAV	10.09.2015	–	2,373	5.53	–	5.13	3.00	–	2.5%	–
Sharesave Scheme (3 year)	14.04.2015	–	68,243	5.75	4.69	1.21	3.55	21.7%	2.4%	0.8%
Sharesave Scheme (5 year)	14.04.2015	–	6,649	5.75	4.69	1.45	5.55	25.2%	2.4%	1.1%

17 EQUITY COMPENSATION BENEFITS (CONT'D)

(iv) *Millennium & Copthorne Hotel plc Annual Bonus Plan*

Date of award	Balance at beginning of year	Awards made during the year – Non-directors	Awards vested during the year	Awards forfeited during the year	Balance at end of year	Share price prevailing on date of grant £	Fair value £	Vesting date
2015								
08.09.2015	–	78,442	–	(1,574)	76,868	5.55	5.55	08.09.2018
06.11.2015	–	4,325	–	–	4,325	4.76	4.76	06.11.2018
	–	82,767	–	(1,574)	81,193			

The fair values for the Annual Bonus Plan (ABP) deferred share awards were determined using the market price of the shares at the date of award.

The weighted average share price for ABP deferred share awards granted in 2015 was £5.51.

18 INTEREST-BEARING BORROWINGS

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Term loans	19	**3,726,713**	3,919,116	**1,536,872**	1,437,962
Finance lease creditors		**1,076**	73	**–**	–
Bonds and notes	20	**2,115,153**	2,501,763	**1,317,395**	1,666,326
Bank loans	21	**639,733**	271,075	**454,970**	150,784
Bank overdrafts	14	**26**	7,121	**–**	–
		6,482,701	6,699,148	**3,309,237**	3,255,072
Repayable:					
- Within 1 year		**1,910,732**	2,232,926	**793,258**	859,124
- After 1 year but within 5 years		**4,078,349**	3,922,951	**2,027,071**	1,907,182
- After 5 years		**493,620**	543,271	**488,908**	488,766
		6,482,701	6,699,148	**3,309,237**	3,255,072

19 TERM LOANS

	Note	Group		Company	
		2015 $'000	2014 $'000	2015 $'000	2014 $'000
Secured		**1,021,713**	1,035,514	**–**	–
Unsecured		**2,705,000**	2,883,602	**1,536,872**	1,437,962
	18	**3,726,713**	3,919,116	**1,536,872**	1,437,962
Repayable:					
- Within 1 year		**921,527**	1,185,716	**218,508**	148,684
- After 1 year but within 5 years		**2,800,474**	2,728,838	**1,318,364**	1,289,278
- After 5 years		**4,712**	4,562	**–**	–
		3,726,713	3,919,116	**1,536,872**	1,437,962

The term loans are obtained from banks and financial institutions.

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Secured term loans				
Repayable:				
- Within 1 year	**398,533**	143,763	**–**	–
- After 1 year but within 5 years	**618,468**	887,189	**–**	–
- After 5 years	**4,712**	4,562	**–**	–
	1,021,713	1,035,514	**–**	–

The secured term loans are generally secured by:

- mortgages on the borrowing subsidiaries' hotels, investment and development properties (see notes 3, 4 and 10);
- assignment of all rights and benefits to sale, lease and insurance proceeds in respect of hotels, investment and development properties;
- pledge on cash deposits of $121.3 million (2014: $165.7 million) (see note 14); and
- pledge of shares in a wholly-owned subsidiary.

The Group's secured term loans bear interest at rates ranging from 1.00% to 7.20% (2014: 0.92% to 7.38%) per annum during the year.

19 TERM LOANS (CONT'D)

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Unsecured term loans				
Repayable:				
- Within 1 year	**522,994**	1,041,953	**218,508**	148,684
- After 1 year but within 5 years	**2,182,006**	1,841,649	**1,318,364**	1,289,278
	2,705,000	2,883,602	**1,536,872**	1,437,962

The Group's unsecured term loans bear interest at rates ranging from 0.33% to 10.88% (2014: 0.32% to 5.09%) per annum during the year. The Company's unsecured term loans bear interest at rates ranging from 0.70% to 6.19% (2014: 0.77% to 4.42%) per annum during the year.

20 BONDS AND NOTES

		Group		Company	
	Note	2015	2014	2015	2014
		$'000	$'000	$'000	$'000
Secured		**158,049**	99,981	**–**	–
Unsecured		**1,957,104**	2,401,782	**1,317,395**	1,666,326
	18	**2,115,153**	2,501,763	**1,317,395**	1,666,326
Repayable:					
- Within 1 year		**348,860**	768,976	**119,780**	559,656
- After 1 year but within 5 years		**1,277,385**	1,194,078	**708,707**	617,904
- After 5 years		**488,908**	538,709	**488,908**	488,766
		2,115,153	2,501,763	**1,317,395**	1,666,326

20 BONDS AND NOTES (CONT'D)

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Secured bonds and notes				
Repayable:				
- Within 1 year	**–**	99,981	**–**	–
- After 1 year but within 5 years	**158,049**	–	**–**	–
	158,049	99,981	**–**	–

Secured bonds and notes comprise the following:

(i) In 2014, $100 million medium term notes (MTNs) comprised 1 series of notes issued by a subsidiary as part of a $700 million secured MTN programme established in 2001 was outstanding. The MTNs bore interest at a rate of 3.02% per annum and were secured by a mortgage over the commercial building and land jointly owned by two subsidiaries, as well as rental and insurance proceeds to be derived from the said properties. Unless previously redeemed or purchased and cancelled, the MTNs were redeemable at their principal amounts on their maturity dates in June 2015. The MTNs were redeemed on 22 June 2015;

(ii) $36 million bond was issued by an indirectly owned subsidiary of CDLHT in 2015. The bond bears interest at a rate of 0.66% per annum. CDLHT's interest in 2 Japan hotels is held through a Tokutei Mokutei Kaisha (TMK) structure, and such TMK structures are required to issue bond to fund the acquisition of assets.

The bondholders have a statutory preferred right, under Article 128 of the Japan Asset Liquidation Law, to receive payment of all obligations under the bond prior to other creditors out of the assets of the TMK. Such right shall be junior to the priority of the general statutory lien under the Japan Civil Code. While the assets of the TMK are subject to a statutory preferred right, it is not considered a mortgage under Japan laws.

Unless previously redeemed or purchased and cancelled, the bond is redeemable at its principal amount on its maturity date in September 2020; and

(iii) $123 million bonds comprise 2 tranches issued by a subsidiary, which holds a Japan hotel through a TMK structure, in 2015. The bonds bear interests at rates ranging from 0.27% to 0.58% per annum.

The bondholders, under Article 128 of the Japan Asset Liquidation Law, are under a statutory lien to receive payment of their claims under the bonds prior to other creditors out of the assets of the TMK. The order of priority of such statutory lien shall be immediately after the general statutory liens under the Japan Civil Code.

Unless previously redeemed or purchased and cancelled, the bond is redeemable at its principal amount on its maturity date in March 2020.

20 BONDS AND NOTES (CONT'D)

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Unsecured bonds and notes				
Repayable:				
- Within 1 year	**348,860**	668,995	**119,780**	559,656
- After 1 year but within 5 years	**1,119,336**	1,194,078	**708,707**	617,904
- After 5 years	**488,908**	538,709	**488,908**	488,766
	1,957,104	2,401,782	**1,317,395**	1,666,326

Unsecured bonds and notes comprise the following:

(i) $1,320 million (2014: $1,670 million) MTNs which comprise 11 series (2014: 11 series) of notes issued by the Company at various interest rates as part of a $5.0 billion unsecured MTN programme established in 1999. The MTNs bear interest at rates ranging from 1.74% to 3.90% (2014: 1.74% to 3.90%) per annum. Unless previously redeemed or purchased and cancelled, the MTNs are redeemable at their principal amounts on their respective maturity dates from December 2016 to October 2024 (2014: April 2015 to October 2024);

(ii) $212 million (2014: $258 million) MTNs which comprise 2 series (2014: 3 series) of notes issued by a subsidiary as part of a $1.0 billion unsecured MTN programme established in 2002 bearing interest at rates ranging from 1.19% to 1.53% (2014: 1.16% to 1.25%) per annum. Unless previously redeemed or purchased and cancelled, the MTNs are redeemable at their principal amounts on their respective maturity dates from March 2016 to July 2019 (2014: April 2015 to July 2019);

(iii) $225 million (2014: $275 million) Islamic Trust Certificates (Certificates) which comprise 4 series (2014: 5 series) of certificates issued by a subsidiary (Issuer) under the Shariah financing principle of Ijarah as part of a $1.0 billion unsecured Islamic Trust Certificate Programme established in 2008. Ijarah financing is a scheme of financing using the leasing concept. The Issuer purchases investment properties and development properties from certain Group entities and provides these assets on leases. The Group has accounted for the transactions as a financing arrangement. The Group's properties under Ijarah financing continue to be accounted for as investment properties and development properties. The amounts paid and payable to the Certificate holders have been recorded as finance costs in profit or loss.

The Certificates bear coupon rates ranging from 1.57% to 3.25% (2014: 1.57% to 3.25%) per annum. Unless previously redeemed or purchased and cancelled, the Certificates are redeemable at their principal amounts on their respective maturity dates from December 2016 to April 2020 (2014: January 2015 to April 2020); and

(iv) $204 million (2014: $204 million) MTNs which comprise 2 series (2014: 2 series) of notes issued by a subsidiary as part of a $1.0 billion unsecured MTN programme established in 2010 bearing interest at rates ranging from 1.27% to 2.50% (2014: 1.27% to 2.50%) per annum. Unless previously redeemed or purchased and cancelled, the MTNs are redeemable at their principal amounts on their respective maturity dates from August 2016 to June 2018 (2014: August 2016 to June 2018).

21 BANK LOANS

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Bank loans repayable within 1 year					
- unsecured	18	**639,733**	271,075	**454,970**	150,784

The Group's and the Company's unsecured bank loans bear interest at rates ranging from 0.51% to 6.00% (2014: 0.52% to 3.80%) per annum during the year.

22 EMPLOYEE BENEFITS

	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Net liability for:				
- defined benefit obligations	**28,500**	31,059	**–**	–
- short-term accumulating compensated absences	**21,989**	19,445	**1,684**	2,971
- long service leave	**577**	591	**–**	–
	51,066	51,095	**1,684**	2,971
Repayable:				
- Within 1 year	**22,566**	20,024	**1,684**	2,971
- After 1 year	**28,500**	31,071	**–**	–
	51,066	51,095	**1,684**	2,971

	Group 2015 $'000	Group 2014 $'000
Net liability for defined benefit obligations		
Present value of unfunded obligations	**16,656**	24,932
Present value of funded obligations	**142,193**	129,468
Fair value of plan assets	**(130,349)**	(123,341)
Liability for defined benefit obligations	**28,500**	31,059
Changes in the present value of defined benefit obligations		
Defined benefit obligations at 1 January	**154,400**	144,388
Acquisition of a subsidiary	**128**	–
Remeasurements		
- Experience adjustment	**(352)**	(3,071)
- Actuarial gains from changes in demographic assumptions	**(1,655)**	(1,393)
- Actuarial losses from changes in financial assumptions	**2,291**	12,140
Benefits paid	**(5,994)**	(4,786)
Contributions paid by employer	**(1,723)**	(708)
Interest cost	**5,412**	5,966
Current service costs	**3,172**	3,208
Past service costs	**52**	17
Translation differences on consolidation	**3,118**	(1,361)
Defined benefit obligations at 31 December	**158,849**	154,400

22 EMPLOYEE BENEFITS (CONT'D)

	Group	
	2015	2014
	$'000	$'000
Changes in the fair value of plan assets		
Fair value of plan assets at 1 January	**123,341**	107,134
Return on plan assets, excluding interest income	**(2,687)**	12,110
Contributions by employees	**1,655**	367
Contributions by employer	**8,716**	6,291
Benefits paid	**(7,730)**	(5,573)
Interest income	**4,508**	4,621
Translation differences on consolidation	**2,546**	(1,609)
Fair value of plan assets at 31 December	**130,349**	123,341

The fair values of plan assets in each category are as follows:

	Group	
	2015	2014
	$'000	$'000
Equity	**16,458**	43,163
Bonds	**2,952**	3,080
Cash	**110,939**	77,098
Fair value of plan assets	**130,349**	123,341

Expenses recognised in the income statement		
Current service costs	**3,172**	3,208
Net interest on net defined benefit liability	**904**	1,345
Past service costs	**52**	17
Defined benefit obligation expenses	**4,128**	4,570

The expenses are recognised in the following line items in profit or loss:

		Group	
	Note	2015	2014
		$'000	$'000
Cost of sales		**1,405**	1,488
Administrative expenses		**2,438**	2,640
Other operating expenses		**285**	442
Defined benefit obligation expenses	28	**4,128**	4,570

22 EMPLOYEE BENEFITS (CONT'D)

The life expectancies underlying the value of the accrued liabilities for the UK Plan, based on retirement age of 65, are as follows:

	2015 Years	**2014 Years**
Males	**24**	25
Females	**27**	27

The weighted average duration of the defined benefit obligations as at 31 December 2015 was 26 years (2014: 26 years).

The Group expects £0.8 million (approximately $1.7 million) contributions to be paid to the defined benefit plans in 2016.

The Group operates various funded pension schemes which are established in accordance with local conditions and practices within the countries concerned. The most significant funds are described below:

United Kingdom (UK)

The Group makes contributions to a pension scheme for its UK employees, which was set up in 1993. The plan operates a funded defined benefit arrangement together with a defined contribution plan, both with different categories of membership. The defined benefit section of the plan was closed to new entrants in 2001 and at the same time, rights to a guaranteed minimum pension (GMP) under the defined contribution scheme also ceased. The plan entitles a retired employee to receive an annual pension payment.

The contributions required are determined by a qualified actuary on the basis of triennial valuations using the projected unit credit method. The last full actuarial valuation of this scheme was carried out by a qualified independent actuary as at 5 April 2014 and this has been updated on an approximate basis to 31 December 2015. The contributions of the Group during the year were 24% (2014: 24%) of pensionable salary.

As the defined benefit section is closed to new entrants, the current service cost, as a percentage of pensionable payroll is likely to increase as the membership ages, although it will be applied to a decreasing pensionable payroll. The assumptions which have the most significant effect on the results of the valuation are those relating to the discount rate and the rates of increase in salaries and pensions.

South Korea

The Group makes contributions to a defined benefit pension plan for its employees in South Korea. The contributions required are determined by an external qualified actuary using the projected unit credit method. The most recent valuation was carried out on 31 December 2015. The assumptions which have the most significant effect on the results of the valuations are those relating to the discount rate and the rate of increase in salaries.

22 EMPLOYEE BENEFITS (CONT'D)

Taiwan

The Group makes contributions to a defined benefit pension plan for its employees in Taiwan. The contributions required are determined by an external qualified actuary using the projected unit credit method. The most recent valuation was carried out on 31 December 2015. The contributions of the Group were 6.0% (2014: 6.0%) of the employees' earnings. The assumptions which have the most significant effect on the results of the valuations are those relating to the discount rate and the rate of increase in salaries.

The defined benefit plans are administered by pension funds that are legally separated from the Group. The boards of the pension funds are required by law to act in the best interests of the plan participants.

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market investment risk.

The above plans are substantially funded by the Group's subsidiaries. The funding requirements are based on pension funds' actuarial measurement framework set out in the funding policies of the plans.

The assets of each scheme have been taken at market value and the liabilities have been calculated using the following principal assumptions:

	2015 UK	2015 South Korea	2015 Taiwan	2014 UK	2014 South Korea	2014 Taiwan
Inflation rate	**3.2%**	**3.0%**	**–**	3.2%	3.0%	–
Discount rate	**3.6%**	**2.8%**	**1.6%**	3.7%	2.8%	2.0%
Rate of salary increase	**3.7%**	**4.0%**	**3.0%**	3.7%	5.0%	3.0%
Rate of pension increases	**3.2%**	**–**	**–**	3.2%	–	–
Rate of revaluation	**2.2%**	**–**	**–**	2.2%	–	–
Annual expected return on plan assets	**3.6%**	**2.8%**	**1.6%**	3.7%	2.8%	2.0%

The assumptions used by the actuaries are the best estimates chosen from a range of possible actuarial assumptions, which due to the timescale covered, may not be necessarily borne out in practice. The present values of the schemes' liabilities are derived from cash flow projections over long periods and are inherently uncertain. The expected annual return on UK defined benefit plan assets for 2015 was 3.6% (2014: 3.7%).

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of the reporting period would have increased/(decreased) as a result of a change in one of the relevant actuarial assumptions by one percent, holding other assumptions consistent.

22 EMPLOYEE BENEFITS (CONT'D)

Sensitivity analysis (cont'd)

	Defined benefit obligation 1 percent increase $'000	Defined benefit obligation 1 percent decrease $'000
Group		
2015		
Discount rate	(22,903)	30,179
Rate of salary increase	4,794	(4,130)
2014		
Discount rate	(23,427)	27,848
Rate of salary increase	5,552	(4,990)

23 OTHER LIABILITIES

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Miscellaneous (principally deposits received and payables)		**16,318**	14,631	**–**	–
Rental deposits		**63,146**	62,870	**8,227**	6,697
Non-current retention sums payable		**44,524**	37,818	**11,892**	7,621
Deferred income		**221,016**	21,203	**–**	–
Amount owing to a subsidiary	5	**–**	–	**150,000**	225,000
		345,004	136,522	**170,119**	239,318

Deferred income includes the following:

(i) $7,030,000 (2014: $15,253,000) relating to the deferred gain on the sale of cash flows as disclosed in note 34 (III)(a); and

(ii) $208,610,000 (2014: $Nil) relating to the deferred gain on the sale of leasehold interests in certain investment properties to associates.

24 PROVISIONS

	Beijing indemnity $'000	Capital expenditure $'000	Legal $'000	Dilapidation $'000	Rental guarantee $'000	Cash flows support (note 34) $'000	Bond interest support $'000	Total $'000
Group								
At 1 January 2015	15,878	3,893	11,314	926	500	24,912	–	57,423
Provisions (written back)/made	–	(124)	(7,555)	(889)	–	–	45,176	36,608
Provisions utilised	–	–	–	–	(511)	(4,642)	–	(5,153)
Unwind of discount	–	–	–	–	–	157	–	157
Translation differences on consolidation	1,054	(129)	192	(37)	11	–	–	1,091
At 31 December 2015	16,932	3,640	3,951	–	–	20,427	45,176	90,126
Current								37,042
Non-current								53,084
								90,126

The provision for Beijing indemnity relates to tax indemnity provided to the former shareholders of Grand Millennium Beijing in which the Group acquired an additional 40% interest in 2010.

The provision for capital expenditure relates to the Group's obligations to incur capital expenditure under the terms of certain hotel operating agreements.

The provision for legal fees relates to provision made in relation to disputes in several hotels.

The provision for dilapidation costs relates to the expected costs to be incurred on termination of a leasehold asset.

The provision for rental guarantee relates to the rental guarantee provided to the buyer of a former subsidiary over a period of 3 years from May 2013 under the equity transfer agreement.

The provision for cash flows support relates to the Group's obligation to Sunbright to fund any shortfall for interest payments and/or annual/daily operational costs.

The bond interest support relates to the Group's obligation to fund the 5% interest payment on the fixed rate bonds subscribed by a third party investor through In-V which provided funding to Golden Crest Group to finance its acquisition of certain investment properties from the Group (footnote [@@] of note 41).

25 DEFERRED TAX LIABILITIES

Movements in deferred tax assets and liabilities of the Group (prior to offsetting of balances) during the year are as follows:

	At 1 January 2014 $'000	Recognised in profit or loss (note 29) $'000	Recognised in the statement of comprehensive income (note 29) $'000	Recognised directly in equity $'000	Acquisition of subsidiaries (note 34) $'000	Translation differences on consolidation $'000	At 31 December 2014 $'000
Group							
Deferred tax liabilities							
Property, plant and equipment	288,081	(22,614)	–	–	–	7,091	272,558
Investment properties	46,849	(210)	–	–	–	(53)	46,586
Development properties	42,650	5,409	–	–	–	–	48,059
Others	1,888	3,460	–	–	–	1	5,349
	379,468	(13,955)	–	–	–	7,039	372,552
Deferred tax assets							
Property, plant and equipment	(606)	(198)	–	–	–	(33)	(837)
Tax losses	(36,967)	(1,000)	–	–	(198)	(1,121)	(39,286)
Employee benefits	(13,565)	–	904	440	–	97	(12,124)
Others	(3,594)	(6,833)	–	–	–	(367)	(10,794)
	(54,732)	(8,031)	904	440	(198)	(1,424)	(63,041)
Total	324,736	(21,986)	904	440	(198)	5,615	309,511

25 DEFERRED TAX LIABILITIES (CONT'D)

	At 1 January 2015 $'000	Recognised in profit or loss (note 29) $'000	Recognised in the statement of comprehensive income (note 29) $'000	Recognised directly in equity $'000	Acquisition of subsidiaries (note 34) $'000	Translation differences on consolidation $'000	At 31 December 2015 $'000
Group							
Deferred tax liabilities							
Property, plant and equipment	272,558	(20,643)	–	–	384	15,681	267,980
Investment properties	46,586	(7,492)	–	–	–	(4,058)	35,036
Development properties	48,059	(7,487)	–	–	–	–	40,572
Others	5,349	(1,633)	–	–	343	11	4,070
	372,552	(37,255)	–	–	727	11,634	347,658
Deferred tax assets							
Property, plant and equipment	(837)	(29,594)	–	–	–	(39)	(30,470)
Tax losses	(39,286)	(11,720)	–	–	–	(2,114)	(53,120)
Employee benefits	(12,124)	–	1,624	(253)	–	(492)	(11,245)
Others	(10,794)	261	–	–	–	(126)	(10,659)
	(63,041)	(41,053)	1,624	(253)	–	(2,771)	(105,494)
Total	309,511	(78,308)	1,624	(253)	727	8,863	242,164

	At 1 January 2014 $'000	Recognised in profit or loss $'000	At 31 December 2014 $'000
Company			
Deferred tax liabilities			
Property, plant and equipment	431	(178)	253
Investment properties	13,900	(302)	13,598
Development properties	33,644	2,817	36,461
	47,975	2,337	50,312
Deferred tax asset			
Others	(563)	(1,999)	(2,562)
Total	47,412	338	47,750

25 DEFERRED TAX LIABILITIES (CONT'D)

	At 1 January 2015 $'000	Recognised in profit or loss $'000	At 31 December 2015 $'000
Company			
Deferred tax liabilities			
Property, plant and equipment	253	470	723
Investment properties	13,598	(1,562)	12,036
Development properties	36,461	(1,146)	35,315
	50,312	(2,238)	48,074
Deferred tax asset			
Others	(2,562)	(1,357)	(3,919)
Total	47,750	(3,595)	44,155

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. The amounts, determined after appropriate offsetting, are as follows:

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Deferred tax assets	9	**32,834**	7,344	**–**	–
Deferred tax liabilities		**(274,998)**	(316,855)	**(44,155)**	(47,750)
		(242,164)	(309,511)	**(44,155)**	(47,750)

Deferred tax assets have not been recognised in respect of the following items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom:

	Group 2015 $'000	Group 2014 $'000
Deductible temporary differences	**256,323**	149,243
Tax losses	**263,383**	214,026
	519,706	363,269

The deductible temporary differences do not expire under current tax legislation. The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate.

25 DEFERRED TAX LIABILITIES (CONT'D)

The tax losses with expiry dates are as follows:

	Group	
	2015	**2014**
	$'000	**$'000**
Expiry dates		
- Within 1 to 5 years	**84,711**	58,643
- After 5 years	**9,042**	–
	93,753	58,643

At 31 December 2015, a deferred tax liability of $23,378,000 (2014: $24,178,000) in respect of temporary differences of $133,922,000 (2014: $134,855,000) related to the withholding tax on the distributable profit of the Group's subsidiaries was not recognised because the Group controls whether the liability will be incurred and it is satisfied that it will not be incurred in the foreseeable future.

26 TRADE AND OTHER PAYABLES

		Group		Company	
	Note	**2015**	**2014**	**2015**	**2014**
		$'000	**$'000**	**$'000**	**$'000**
Trade payables		**201,927**	146,395	**8,042**	10,686
Accruals		**544,963**	584,337	**143,539**	157,616
Deferred income		**502,612**	290,350	**24**	33
Other payables		**99,346**	193,857	**954**	859
Rental and other deposits		**51,326**	48,732	**7,666**	10,279
Retention sums payable		**32,557**	42,149	**8,457**	14,199
Derivative financial liabilities		**–**	581	**–**	–
Amounts owing to:					
- subsidiaries	5	**–**	–	**2,038,715**	1,554,316
- an associate	6	**3**	–	**3**	–
- joint ventures	7	**22,733**	25,226	**22,727**	22,727
- fellow subsidiaries	13	**146,822**	138,344	**11**	12
		1,602,289	1,469,971	**2,230,138**	1,770,727

27 REVENUE

Revenue of the Group includes property development income, income from owning and operating hotels, gross rental income, income from provision of information technology and procurement services, dividend income, project management and consultancy fees, property management fees, club income, income from laundry services and net results from sale of investments but excludes intra-group transactions.

Property development income consists mainly of sale proceeds of commercial and completed residential properties and properties under development.

	Group	
	2015	**2014**
	$'000	**$'000**
Dividends from investments:		
- fellow subsidiaries		
- quoted	**1,088**	1,555
- unquoted	**3,375**	3,375
- others		
- quoted equity investments	**1,587**	1,742
- unquoted equity investments	**2,111**	–
Hotel operations	**1,698,128**	1,678,343
Property development (recognised on a percentage of completion basis)	**946,045**	1,062,231
Property development (recognised on completion)	**91,050**	518,927
Profit on sale of investments	**–**	5
Rental and car park income from investment properties	**405,453**	384,655
Others	**155,271**	113,105
	3,304,108	3,763,938

28 PROFIT FOR THE YEAR

The following items have been included in arriving at profit for the year:

		Group	
	Note	**2015**	**2014**
		$'000	**$'000**
Other operating income			
Gain on dilution of investment in an associate		**–**	6,843
Gain on loss of control in a subsidiary	34	**–**	330,896
Gain on liquidation of a subsidiary		**483**	–
Insurance proceeds received		**–**	510
Management fees and miscellaneous income		**869**	7,516
Profit on realisation of investments in relation to financial assets with related parties		**9,278**	9,552
Profit on sale of property, plant and equipment and investment properties		**313,996**	198
		324,626	355,515

28 PROFIT FOR THE YEAR (CONT'D)

	Note	Group 2015 $'000	Group 2014 $'000
Staff costs			
Contributions to defined contribution plans		**40,720**	37,033
Equity settled share-based transactions		**4,410**	637
Increase in liability for defined benefit plans	22	**4,128**	4,570
Increase in liability for short-term accumulating compensated absences		**83**	1,981
Increase/(Decrease) in liability for long service leave		**1**	(266)
Wages and salaries		**792,776**	725,662
		842,118	769,617
Less:			
Staff costs capitalised in:			
- development properties		**(5,704)**	(6,520)
- property, plant and equipment		**(405)**	(316)
		836,009	762,781
Other expenses			
Amortisation of intangible assets		**1,210**	652
Amortisation of lease premium prepayment		**3,946**	3,683
Audit fees paid to:			
- auditors of the Company		**3,149**	2,680
- other auditors of the subsidiaries		**3,890**	3,580
Non-audit fees:			
- auditors of the Company		**3,508**	10,143
- other auditors of the subsidiaries		**1,543**	2,736
(Write-back)/Charge of impairment losses on:			
- amounts owing by joint ventures	7	**(2,707)**	2,491
- intangible assets		**–**	4
- lease premium prepayment		**165**	–
- property, plant and equipment (net)	3	**73,423**	–
- trade and other receivables	11	**2,512**	1,084
Depreciation of:			
- investment properties	4	**76,210**	72,858
- property, plant and equipment	3	**133,302**	122,809
Direct operating expenses arising from investment properties which are not leased		**438**	172
Direct operating expenses arising from rental of investment properties (excluding depreciation)		**102,980**	96,409
Exchange loss (net)		**10,463**	398
Loss on sale of investments		**5,292**	–
Operating lease expenses		**18,603**	21,670
Property, plant and equipment and investment properties written off		**3,716**	309
Allowance made for foreseeable losses on development properties (net)	10	**9,678**	24,229

28 PROFIT FOR THE YEAR (CONT'D)

	Note	Group 2015 $'000	Group 2014 $'000
Finance income			
Interest income			
- fellow subsidiaries		**81**	57
- financial institutions		**38,664**	24,678
- joint ventures		**15,584**	11,849
- others		**404**	723
Mark-to-market gain on financial assets held for trading (net)		**–**	4,136
		54,733	41,443
Finance income capitalised in development properties		**(1,308)**	(895)
Total finance income		**53,425**	40,548
Finance costs			
Amortisation of transaction costs capitalised		**10,001**	9,842
Impairment loss on available-for-sale financial asset		**–**	8,742
Interest expense			
- banks		**90,631**	70,840
- bonds and notes		**58,725**	61,434
- fellow subsidiaries		**2,995**	2,689
- others		**79**	8,234
Mark-to-market loss on financial assets held for trading (net)		**4,908**	91
Unwind of discount on non-current provision	24	**157**	–
		167,496	161,872
Finance costs capitalised in:			
- development properties		**(40,645)**	(29,010)
- investment properties		**–**	(689)
- property, plant and equipment		**(1,229)**	(1,140)
Total finance costs		**125,622**	131,033
Net finance costs		**72,197**	90,485
The above finance income and finance costs (including amounts capitalised) include the following interest income and expenses in respect of assets and liabilities not at fair value through profit or loss:			
- Total interest income on financial assets		**53,135**	35,701
- Total finance costs on financial liabilities		**110,550**	114,108

Included in the mark-to-market loss on financial assets held for trading is a loss of $3,108,000 (2014: $155,000) recognised on shares of listed subsidiaries which are held by the Group for trading purposes. As these shares are held for trading purposes, and not as part of the controlling block of shares held in the subsidiaries, the relevant portion of equity represented is not consolidated.

Net finance costs of the Group and the Company have been capitalised at rates ranging from 0.07% to 4.85% (2014: 0.03% to 6.12%) and 0.12% to 1.20% (2014: 0.05% to 0.63%) per annum for development properties, investment properties and property, plant and equipment respectively.

29 TAX EXPENSE

	Note	Group 2015 $'000	Group 2014 $'000
Current tax expense			
Current year		**210,882**	124,021
Over provision in respect of prior years		**(13,791)**	(6,373)
		197,091	117,648
Deferred tax expense			
Movements in temporary differences		**(75,464)**	650
Effect of changes in tax rates and legislation		**(1,515)**	3,436
Over provision in respect of prior years		**(1,329)**	(26,072)
	25	**(78,308)**	(21,986)
Land appreciation tax			
Current year		**572**	(565)
Total tax expense		**119,355**	95,097

Tax recognised in other comprehensive income

	2015 Before tax $'000	2015 Tax expense (note 25) $'000	2015 Net of tax $'000	2014 Before tax $'000	2014 Tax expense (note 25) $'000	2014 Net of tax $'000
Group						
Defined benefit plan remeasurements	**(2,971)**	**(1,624)**	**(4,595)**	4,434	(904)	3,530
Change in fair value of available-for-sale equity investments	**(3,881)**	**–**	**(3,881)**	(523)	–	(523)
Change in fair value of available-for-sale equity investments reclassified to profit or loss	**–**	**–**	**–**	8,742	–	8,742
Effective portion of changes in fair value of cash flow hedges	**581**	**–**	**581**	(213)	–	(213)
Exchange differences on hedges of net investment in foreign entities	**(15,678)**	**–**	**(15,678)**	12,276	–	12,276
Exchange differences on monetary items forming part of net investment in foreign entities	**4,722**	**–**	**4,722**	(14,354)	–	(14,354)
Exchange differences realised on liquidation/dilution of investment in an associate reclassified to profit or loss	**(123)**	**–**	**(123)**	(757)	–	(757)
Exchange differences realised on liquidation of a subsidiary reclassified to profit or loss	**(483)**	**–**	**(483)**	–	–	–
Share of other reserve movements of associates	**–**	**–**	**–**	(1,317)	–	(1,317)
Share of other reserve movements of an associate transferred to profit or loss upon dilution	**–**	**–**	**–**	1,528	–	1,528
Translation differences arising on consolidation of foreign entities	**57,265**	**–**	**57,265**	33,804	–	33,804
	39,432	**(1,624)**	**37,808**	43,620	(904)	42,716

29 TAX EXPENSE (CONT'D)

Reconciliation of effective tax rate

	Group	
	2015	2014
	$'000	$'000
Profit before tax	**985,375**	1,003,730
Tax using the Singapore tax rate of 17% (2014: 17%)	**167,514**	170,634
Income not subject to tax	**(95,765)**	(124,578)
Expenses not deductible for tax purposes		
- expenses	**62,767**	66,847
- write-back	**(10,684)**	(4,976)
Effect of changes in tax rates and legislation	**(1,515)**	3,436
Effect of different tax rates in other countries	**(5,190)**	8,733
Effect of share of results of associates and joint ventures	**5,616**	3,840
Land appreciation tax	**572**	(565)
Unrecognised deferred tax assets	**17,906**	10,973
Tax effect of losses not allowed to be set off against future taxable profits	**921**	232
Tax incentives	**(1,078)**	(685)
Utilisation of previously unrecognised deferred tax assets	**(6,589)**	(6,349)
Over provision in respect of prior years	**(15,120)**	(32,445)
	119,355	95,097

30 EARNINGS PER SHARE

Basic earnings per share is calculated based on:

	Group	
	2015	2014
	$'000	$'000
Profit attributable to owners of the Company	**773,367**	769,637
Less:		
Dividends on non-redeemable convertible non-cumulative preference shares	**(12,904)**	(12,904)
Profit attributable to ordinary shareholders after adjustment of non-redeemable convertible non-cumulative preference dividends	**760,463**	756,733

30 EARNINGS PER SHARE (CONT'D)

	Group	
	2015	**2014**
	Number of shares	**Number of shares**
Weighted average number of ordinary shares	**909,301,330**	909,301,330
Basic earnings per share	**83.6 cents**	83.2 cents

Diluted earnings per share is based on:

	2015	**2014**
	$'000	**$'000**
Profit attributable to ordinary shareholders after adjustment for non-redeemable convertible non-cumulative preference dividends	**760,463**	756,733
Add:		
Dividends on non-redeemable convertible non-cumulative preference shares	**12,904**	12,904
Net profit used for computing diluted earnings per share	**773,367**	769,637

For the purpose of calculating the diluted earnings per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from the conversion of the non-redeemable convertible non-cumulative preference shares, with the potential ordinary shares weighted for the period outstanding.

The effect of the potential ordinary shares on the weighted average number of ordinary shares in issue is as follows:

	Group	
	2015	**2014**
	Number of shares	**Number of shares**
Weighted average number of ordinary shares issued used in the calculation of basic earnings per share	**909,301,330**	909,301,330
Potential ordinary shares issuable under non-redeemable convertible non-cumulative preference shares	**44,998,898**	44,998,898
Weighted average number of ordinary shares issued and potential shares assuming full conversion	**954,300,228**	954,300,228
Diluted earnings per share	**81.0 cents**	80.6 cents

31 DIVIDENDS

	Company 2015 $'000	Company 2014 $'000
Final tax exempt (one-tier) ordinary dividend paid of 8.0 cents (2014: 8.0 cents) per ordinary share in respect of financial year ended 31 December 2014	**72,744**	72,744
Special final tax exempt (one-tier) ordinary dividend paid of 4.0 cents per ordinary share in respect of financial year ended 31 December 2014	**36,372**	–
Special interim tax exempt (one-tier) ordinary dividend paid of 4.0 cents (2014: 4.0 cents) per ordinary share in respect of financial year ended 31 December 2015	**36,372**	36,372
Non-cumulative tax exempt (one-tier) preference dividend paid of 1.93 cents (2014: 1.93 cents) per preference share	**6,399**	6,399
Non-cumulative tax exempt (one-tier) preference dividend paid of 1.97 cents (2014: 1.97 cents) per preference share	**6,505**	6,505
	158,392	122,020

After the reporting date, the directors proposed the following ordinary dividends, which have not been provided for:

	Company 2015 $'000	Company 2014 $'000
Final tax exempt (one-tier) ordinary dividend of 8.0 cents (2014: 8.0 cents) per ordinary share	**72,744**	72,744
Special final tax exempt (one-tier) ordinary dividend of 4.0 cents (2014: 4.0 cents) per ordinary share	**36,372**	36,372
	109,116	109,116

32 COMMITMENTS

The Group and the Company have the following commitments as at the reporting date:

	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Development expenditure contracted but not provided for in the financial statements	**1,071,586**	1,375,700	**167,632**	262,367
Capital expenditure contracted but not provided for in the financial statements	**94,831**	83,665	**–**	36
Commitments in respect of purchase of properties for which deposits have been paid	**–**	157,498	**–**	–
Commitments in respect of capital contribution to funds*	**34,137**	34,754	**–**	–
Commitments in respect of an investment in a joint venture	**32,640**	–	**–**	–

* Includes capital commitments of US$24,193,000 (approximately $34,137,000) (2014: US$26,267,000 (approximately $34,754,000)) in relation to investment in financial assets with related parties.

32 COMMITMENTS (CONT'D)

In addition, the Group and the Company have the following commitments:

(a) The Group has a number of office facilities and hotel properties under operating leases. The leases typically run for an initial period of 1 to 30 years. The commitments of the Group and the Company for future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Within 1 year	**29,542**	19,329	**7,044**	4,895
After 1 year but within 5 years	**76,493**	65,606	**4,763**	4,770
After 5 years	**301,047**	288,584	**–**	–
	407,082	373,519	**11,807**	9,665

Included in the non-cancellable operating lease rental payables above are commitments with an associate and a related entity controlled by a key management personnel amounting to $188,000 and $619,000 (2014: $114,000 and $203,000) respectively.

(b) The Group's indirect subsidiary, CDLHT, holds a leasehold interest in Meradhoo in Gaafu Alifu Atoll until the expiry of its land lease on 14 June 2056.

On 6 February 2014, the Maldivian government amended the laws and the lease extension fee was to be paid in eight quarterly instalments of US$187,500 starting from 2014. As at the reporting date, the future lease extension fee is approximately $265,000 (2014: $1,189,000).

(c) CDLHT's subsidiary, CDL HBT Cambridge City Hotel (UK) Ltd, holds a leasehold land, with a 125-year lease (Head Lease) granted by the Cambridge City Council (Head Lessor) commencing on 25 December 1990. In addition to the approximate 100 years left on the lease, the lease term may be extended for a further term of 50 years pursuant to the lessee's option to renew under the Head Lease. Lease payment under this lease is variable, being a percentage of gross revenue and subject to a minimum value that is itself a function of the aggregate rent paid over the previous three years. For the year ended 31 December 2015, the Group recorded lease payment of $121,800 (£58,000) (2014: $Nil).

(d) The Group and the Company lease out some of their investment properties and development properties. Non-cancellable operating lease rentals are receivable as follows:

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Within 1 year	**270,654**	293,595	**46,828**	53,134
After 1 year but within 5 years	**426,001**	482,960	**55,497**	34,332
After 5 years	**116,514**	157,248	**–**	–
	813,169	933,803	**102,325**	87,466

Contingent rents, generally determined based on a percentage of tenants' revenue, of $8,884,000 (2014: $10,982,000) and $1,113,000 (2014: $1,065,000) have been recognised as income by the Group and the Company, respectively, in profit or loss during the year.

32 COMMITMENTS (CONT'D)

Included in the non–cancellable operating lease rental receivables above are commitments with related parties which are set out below.

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Non-cancellable operating lease rental receivables from:				
- a joint venture	**154**	78	**–**	–
- a fellow subsidiary	**893**	3,773	**893**	236
- an associate	**183**	–	**–**	–
- an associate of the ultimate holding company	**635**	196	**–**	–
- subsidiaries	**–**	–	**5,078**	2,301
	1,865	4,047	**5,971**	2,537

33 RELATED PARTIES

Other than as disclosed elsewhere in the financial statements, the transactions with related parties based on terms agreed between the parties are as follows:

	Group	
	2015	2014
	$'000	$'000
Insurance premium paid and payable to an associate of the ultimate holding company	**1,244**	1,310
Management services fees received and receivable from:		
- fellow subsidiaries	**1,435**	1,420
- an associate	**2,149**	989
- joint ventures	**2,941**	3,276
- a related entity controlled by a key management personnel	**45**	202
	6,570	5,887
Maintenance services fees received and receivable from:		
- fellow subsidiaries	**300**	331
- an associate	**577**	43
- joint ventures	**2,910**	44
	3,787	418
Recovery of costs from joint ventures	**14**	17
Rental and rental-related income received and receivable from:		
- fellow subsidiaries	**1,083**	1,006
- an associate	**139**	12
- an associate of the ultimate holding company	**204**	202
- a joint venture	**195**	198
- related entities controlled by a close family member of a key management personnel of the ultimate holding company	**–**	201
	1,621	1,619

33 RELATED PARTIES (CONT'D)

	Group 2015 $'000	Group 2014 $'000
Management services fees paid and payable to a fellow subsidiary	**1,409**	1,111
Professional fees paid and payable to firms of which directors of the Company are members:		
- charged to profit or loss	**156**	3
- included as cost of development properties	**6**	1,409
	162	1,412
Rental and rental-related expenses paid and payable to:		
- an associate	**98**	8
- a joint venture	**160**	–
- a related entity controlled by a key management personnel	**187**	173
	445	181
Transactions between joint ventures with fellow subsidiaries/an associate of the ultimate holding company are as follows:		
- rental expense paid and payable to a fellow subsidiary	**112**	112
- management services fees paid and payable to fellow subsidiaries	**4,656**	6,159
- maintenance services fees paid and payable to a fellow subsidiary	**430**	476
- insurance premium paid and payable to an associate of the ultimate holding company	**236**	277
Compensation paid and payable to key management personnel:		
- short-term employee benefits	**42,704**	40,403
- other long-term benefits	**243**	154
- termination benefits	**238**	–
- share-based payment by a subsidiary	**4,410**	637
	47,595	41,194
Amounts owing to a key management personnel	**20**	386

In 2014, the Group acquired two hotels in Japan, as well as all the outstanding shares of capital stock of a company that operates them, from a related party. The total consideration was $65.7 million.

In 2015, a key management personnel had entered into a sale and purchase agreement with a subsidiary of the Group to purchase a Singapore residential property with sale value amounting to $1,790,000 (2014: $Nil). Revenue from the sale will be recognised by the Group progressively based on the percentage of completion of the residential project.

34 ACQUISITION OF AND LOSS OF CONTROL IN SUBSIDIARIES AND CHANGES IN INTERESTS IN SUBSIDIARIES WITHOUT LOSS OF CONTROL

(I) Acquisition of subsidiaries

2015

During the year, there were the following acquisitions of subsidiaries:

(a) On 1 January 2015, the Group's indirect wholly-owned subsidiary, Systematic Holdings Pte. Ltd. (SHPL), acquired 100% equity interest in Systematic Laundry & Healthcare Services Pte. Ltd. (SLHS) and Systematic Laundry & Uniform Services Pte. Ltd. (SLUS), as well as certain plant and equipment from one of the former shareholders of these two companies. In addition, 30% of the total number of issued shares in SHPL was allocated to the aforesaid former shareholder of SLHS and SLUS. Following the completion of these transactions, the Group owns an effective 70% equity interest in SLHS and SLUS. The total consideration for the 70% equity interest acquired amounted to $7,588,000.

The principal activities of SLHS and SLUS are those of laundry and dry cleaning services, washing and other cleaning preparations.

From 1 January 2015 to 31 December 2015, SLHS and SLUS contributed revenue of $16,826,000 and profit before tax of $588,000 to the Group's 2015 results.

(b) On 4 August 2015, the Group, through its indirect wholly-owned subsidiary, CBM International Pte. Ltd., acquired an additional 19% equity interest in its joint venture, CBM Qatar LLC, being the entire shareholding interests of its joint venture partner, for a consideration of $280,000 (Qatari Riyals 750,000).

From 4 August 2015 to 31 December 2015, CBM Qatar contributed revenue of $1,916,000 and profit before tax of $96,000 to the Group's 2015 results. If the acquisition had occurred on 1 January 2015, management estimated that there would be no significant changes to the Group's revenue and profit for 2015.

(c) On 1 October 2015, the Group, through its indirect non wholly-owned subsidiary, CDLHT, acquired 100% equity interest in CDL HBT Cambridge City Hotel (UK) Ltd (CDL HBT) for a consideration of $136,083,000 (£63,074,000). CDL HBT owns the Cambridge City Hotel.

From 1 October 2015 to 31 December 2015, CDL HBT contributed revenue of $6,132,000 and profit before tax of $1,373,000 to the Group's 2015 results. If the acquisition had occurred on 1 January 2015, management estimated that there would be no significant changes to the Group's revenue and profit for 2015.

34 ACQUISITION OF AND LOSS OF CONTROL IN SUBSIDIARIES AND CHANGES IN INTERESTS IN SUBSIDIARIES WITHOUT LOSS OF CONTROL (CONT'D)

(I) Acquisition of subsidiaries (cont'd)

2015 (cont'd)

The following summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition dates:

	Note	2015 $'000
Property, plant and equipment	3	140,664
Intangible assets		3,225
Consumable stocks		136
Trade and other receivables		9,574
Cash and cash equivalents		5,465
Trade and other payables		(9,386)
Employee benefits		(198)
Provision for taxation		(30)
Interest-bearing borrowings		(1,713)
Deferred tax liabilities	25	(727)
Net identifiable assets acquired		147,010
Non-controlling interests (based on share of net assets)		(3,059)
Total consideration		143,951
Deferred payment		(253)
Cash consideration paid, satisfied in cash		143,698
Cash acquired		(5,465)
Total net cash outflow		138,233

The transaction costs incurred for the above acquisitions amounted to $2,609,000 and had been included in "other operating expenses" in the Group's profit or loss.

2014

In 2014, there were the following acquisitions of subsidiaries:

(a) On 19 September 2014, the Group through its indirect wholly-owned subsidiary, Merit City Global Limited, acquired 100% equity interest in Anting Investments Limited (AIL) and assignment of a shareholder's loan due from AIL to its previous shareholder for a cash consideration of US$22.6 million (approximately $28.6 million). AIL is the sole legal and beneficial owner of Shanghai Anting Waratah Real Estate Development Co., Ltd. (Shanghai Anting), a wholly foreign-owned enterprise incorporated in the People's Republic of China.

34 ACQUISITION OF AND LOSS OF CONTROL IN SUBSIDIARIES AND CHANGES IN INTERESTS IN SUBSIDIARIES WITHOUT LOSS OF CONTROL (CONT'D)

(I) Acquisition of subsidiaries (cont'd)

2014 (cont'd)

(b) On 10 December 2014, the Group through its indirect wholly-owned subsidiary, Shanghai Victory Star Investment Consulting Ltd, acquired 100% equity interest in Shanghai Puman Investment Management Limited (Puman). Puman has a wholly-owned subsidiary, Shanghai Xinshun Investment Management Limited, which in turn holds all the interest in Shanghai Jingwen Zhaoxiang Real Estate Limited (Jingwen) (collectively Puman and its subsidiaries), all of which are incorporated in the People's Republic of China. The total consideration comprising the share acquisition of Puman and its subsidiaries and assignment of loans was approximately RMB799.4 million (approximately $160.5 million).

The above acquisitions were accounted for as acquisition of assets and were out of scope of FRS 103 *Business Combinations*.

The following summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition dates:

	Note	2014 $'000
Property, plant and equipment	3	163
Deferred tax assets	25	198
Development properties		228,837
Trade and other receivables		5,656
Cash and cash equivalents		36,901
Trade and other payables		(122,209)
Provision for taxation		(2,363)
Interest-bearing borrowings		(16,105)
Net assets acquired		131,078
Shareholder's loan assumed		58,083
Total consideration		189,161
Deferred payment		(605)
Cash consideration paid, satisfied in cash		188,556
Cash acquired		(36,901)
Total net cash outflow		151,655

34 ACQUISITION OF AND LOSS OF CONTROL IN SUBSIDIARIES AND CHANGES IN INTERESTS IN SUBSIDIARIES WITHOUT LOSS OF CONTROL (CONT'D)

(II) Changes in interests in subsidiaries without loss of control

There were the following changes in interests in subsidiaries without loss of control:

(a) The Group acquired additional interest in a subsidiary, Millennium and Copthorne Hotels plc (M&C), for $167.0 million (2014: $75.2 million) in cash, increasing its ownership from 61% to 65% (2014: from 59% to 61%) during the year.

(b) A subsidiary of M&C, M&C REIT Management Limited (M&C REIT), being a REIT manager for CDL Hospitality Trusts (CDLHT), received 6,851,910 units (2014: 6,143,720 units) in CDLHT in lieu of management fee income during the year. In 2014, M&C REIT disposed of 550,000 units in CDLHT for cash consideration of about $1.0 million. Accordingly, the Group's effective interest in CDLHT changed from 22% to 24% (2014: from 21% to 22%).

(c) On 27 February 2015, M&C's indirect non wholly-owned subsidiary, Millennium & Copthorne Hotels New Zealand Limited, acquired the remaining 39% interest in KIN Holdings Limited for a cash consideration of NZ$31.0 million (approximately $31.7 million), increasing its ownership from 61% to 100% and the Group's effective interest from 28% to 46%.

(d) On 1 October 2015, M&C's indirect non wholly-owned subsidiary, Hong Leong International Hotel Singapore Pte. Ltd., acquired additional 2% interest in Hong Leong Hotel Development Limited for a cash consideration of $2.0 million in cash, increasing its ownership from 84% to 86% and the Group's effective interest from 53% to 54%.

(e) On 28 November 2014, M&C's indirect non wholly-owned subsidiary, Millennium & Copthorne Hotels New Zealand Limited, acquired the remaining 30% interest in Quantum Limited (Quantum) for a cash consideration of NZ$14,250,000 (approximately $14.6 million), increasing its ownership from 70% to 100% and the Group's effective interest from 32% to 46%.

The following summarises the effect of changes in the Group's ownership interest in the above subsidiaries:

	2015 $'000	**2014 $'000**
Consideration paid for acquisition of non-controlling interests	**(200,749)**	(89,773)
Proceeds from disposal of units in CDLHT	**–**	996
Net decrease in equity attributable to non-controlling interests	**183,540**	87,522
Net decrease in equity attributable to owners of the Company	**(17,209)**	(1,255)
Represented by:		
(Decrease)/Increase in capital reserve	**(19,248)**	3,704
Increase/(Decrease) in hedging reserve	**18**	(2)
Increase in other reserve	**11**	5,323
Increase in share option reserve	**87**	57
Increase in foreign currency translation reserve	**1,267**	5,031
Increase/(Decrease) in accumulated profits	**656**	(15,368)
Net decrease in equity attributable to owners of the Company	**(17,209)**	(1,255)

34 ACQUISITION OF AND LOSS OF CONTROL IN SUBSIDIARIES AND CHANGES IN INTERESTS IN SUBSIDIARIES WITHOUT LOSS OF CONTROL (CONT'D)

(III) Loss of control in subsidiaries

(a) Sale of cash flows

In 2014, the Group lost control in its wholly-owned subsidiary, Cityview Place Holdings Pte. Ltd. (Cityview), as a result of the sale of the present and future cash flows of the dividends and other shareholders' distribution (the Dividends) in Cityview to Sunbright. The Group retained a 37.5% interest in Sunbright and therefore, Sunbright is an associate of the Group.

i. Sale and purchase agreement

On 15 December 2014, Baynes Investment Pte. Ltd. (Baynes), a wholly-owned subsidiary of the Group, entered into a conditional sales and purchase agreement (the SPA) with Sunbright, a special purpose vehicle established in the Cayman Islands, to sell the Dividends in its wholly-owned subsidiary, Cityview, for a consideration of $800.0 million. The consideration was arrived at, taking into account expected future cash flows from the Dividends and discounting them to net present value.

The completion of the transaction is conditional upon certain conditions having been fulfilled including the following conditions:

(1) the successful drawdown of certain loans under two separate senior loan facilities (the Senior Loans) from two financial institutions, with an aggregate of $750.0 million to two wholly-owned subsidiaries of Sunbright; and

(2) Sunbright raising funds amounting to not less than $750.0 million from its investors (see (ii) below).

The conditions precedent were fulfilled by 22 December 2014 and the transaction was completed on that date (the Completion).

ii. Profit participation securities

On 22 December 2014, the Group through its wholly-owned subsidiary, Astoria Holdings Limited (Astoria), had subscribed for 37.5% interest in a capital instrument called profit participation securities (PPS) issued by Sunbright. The PPS has a tenor of 5 years and will expire upon final payment of the cash flows arising from the Dividends. The PPS carries a fixed payout amount (the Fixed Payout) at the rate of 5% per annum, which is payable on a semi-annual basis or, at the election of the PPS holders, payable upfront in one lump sum on the date of issue of the PPS.

Astoria, together with other investors (the Third Party Investors), (collectively, the PPS Holders), had elected to receive the Fixed Payout upfront and the total Fixed Payout of $187.5 million was offset against the consideration payable by the PPS holders for the subscription of the PPS.

The Group will receive from Sunbright the cash flows purchased from Baynes (after satisfying certain senior ranking liabilities, including capital contributions from the Third Party Investors) in accordance with a pre-agreed order of priority as set out in the terms of the PPS.

iii. Investment Committees

On 22 December 2014, the Group entered into an Investors' Agreement with the Third Party Investors and Sunbright. Under the Investors' Agreement, the management of the affairs of Sunbright and its subsidiaries are delegated to the Investment Committees where the Group has the right to appoint 5 out of 12 members. Taken as a whole, the Group does not have power over the relevant activities of Cityview.

The Group has also determined that it has significant influence over Sunbright because of its representation on the Investment Committees. Accordingly, Sunbright is considered an associate of the Group.

34 ACQUISITION OF AND LOSS OF CONTROL IN SUBSIDIARIES AND CHANGES IN INTERESTS IN SUBSIDIARIES WITHOUT LOSS OF CONTROL (CONT'D)

(III) Loss of control in subsidiaries (cont'd)

(a) Sale of cash flows (cont'd)

iv. Repayment of shareholder's loan

As part of the transaction, the subsidiaries of Sunbright had drawn down on the Senior Loans and subsequently extended loans amounting to $700.0 million to Cityview. The loans were used by Cityview to repay an existing shareholder's loan of $700.0 million to the Group on 22 December 2014.

The net assets of the subsidiary (excluding the above shareholder's loan) disposed and the cash flows arising from loss of control in Cityview are as follows:

	Note	2014 $'000
Properties		712,125
Consumable stocks		292
Trade and other receivables		4,904
Cash and cash equivalents		8,217
Trade and other payables		(13,408)
Net identified assets on disposal		712,130
Consideration from Sunbright		800,000
Repayment of shareholder's loan		700,000
Total consideration		1,500,000
Less:		
Interests retained as investment in associate		(211,000)
Transaction costs*		(205,809)
Cash and cash equivalent disposed of		(8,217)
Net cash inflow		1,074,974
Total consideration		1,500,000
Less:		
Net identified assets on disposal		(712,130)
Provision for cash flows support	24	(24,912)
Transaction costs*		(205,809)
Fixed payout received by the Group		70,333
Gain arising from loss of control		627,482
Unrealised gain on interest retained**		(296,586)
Recognised in profit or loss	28	330,896

* Included in transaction costs are an inducement payment deducted against the consideration payable by Sunbright and professional and legal fees.

** This amount is netted off against the cost of investment in Sunbright.

The gain arising from loss of control in Cityview was recognised in "other operating income" in the consolidated statement of profit or loss.

35 FINANCIAL INSTRUMENTS BY CATEGORY

An analysis of the Group's financial instruments is set out as follows:

	Note	Loans and receivables $'000	Available-for-sale financial assets $'000	Financial assets at fair value through profit or loss $'000	Liabilities at amortised cost $'000	Total $'000
Group						
2015						
Assets						
Financial assets	8	132,500	66,004	31,416	–	229,920
Other non-current assets excluding deferred tax assets, intangible assets and prepayment		7,219	–	–	–	7,219
Trade and other receivables excluding prepayments and tax recoverable		1,696,974	–	–	–	1,696,974
Cash and cash equivalents	14	3,564,885	–	–	–	3,564,885
		5,401,578	66,004	31,416	–	5,498,998
Liabilities						
Interest-bearing borrowings	18	–	–	–	6,482,701	6,482,701
Trade and other payables excluding deferred income	26	–	–	–	1,099,677	1,099,677
Other liabilities excluding deferred income	23	–	–	–	123,988	123,988
		–	–	–	7,706,366	7,706,366

35 FINANCIAL INSTRUMENTS BY CATEGORY (CONT'D)

	Note	Loans and receivables $'000	Available-for-sale financial assets $'000	Financial assets at fair value through profit or loss $'000	Fair value – hedging instruments $'000	Liabilities at amortised cost $'000	Total $'000
Group							
2014							
Assets							
Financial assets	8	–	76,460	35,232	–	–	111,692
Other non-current assets excluding deferred tax assets, intangible assets and prepayment		7,502	–	–	–	–	7,502
Trade and other receivables excluding prepayments and tax recoverable		1,513,783	–	–	–	–	1,513,783
Cash and cash equivalents	14	3,897,574	–	–	–	–	3,897,574
		5,418,859	76,460	35,232	–	–	5,530,551
Liabilities							
Interest-bearing borrowings	18	–	–	–	–	6,699,148	6,699,148
Trade and other payables excluding deferred income	26	–	–	–	581	1,179,040	1,179,621
Other liabilities excluding deferred income	23	–	–	–	–	115,319	115,319
		–	–	–	581	7,993,507	7,994,088

35 FINANCIAL INSTRUMENTS BY CATEGORY (CONT'D)

	Note	Loans and receivables $'000	Available-for-sale financial assets $'000	Liabilities at amortised cost $'000	Total $'000
Company					
2015					
Assets					
Financial assets	8	–	25,857	–	25,857
Trade and other receivables excluding prepayments		5,614,323	–	–	5,614,323
Cash and cash equivalents	14	2,152,392	–	–	2,152,392
		7,766,715	25,857	–	7,792,572
Liabilities					
Interest-bearing borrowings	18	–	–	3,309,237	3,309,237
Trade and other payables excluding deferred income	26	–	–	2,230,114	2,230,114
Other liabilities	23	–	–	170,119	170,119
		–	–	5,709,470	5,709,470
2014					
Assets					
Financial assets	8	–	28,419	–	28,419
Trade and other receivables excluding prepayments		5,475,746	–	–	5,475,746
Cash and cash equivalents	14	2,118,494	–	–	2,118,494
		7,594,240	28,419	–	7,622,659
Liabilities					
Interest-bearing borrowings	18	–	–	3,255,072	3,255,072
Trade and other payables excluding deferred income	26	–	–	1,770,694	1,770,694
Other liabilities	23	–	–	239,318	239,318
		–	–	5,265,084	5,265,084

36 FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

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

The Group has a system of controls in place to maintain 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.

The Audit & Risk Committee provides independent oversight of the effectiveness of the financial risk management process. 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 its 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.

The Group establishes an allowance for impairment that represents its estimate of the specific loss component in respect of trade and other receivables. The allowance account in respect of trade receivables and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

At the reporting date, there is no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset at the reporting date.

Liquidity risk

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

36 FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity risk (cont'd)

The following are the expected contractual undiscounted cash outflows of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Group					
2015					
Term loans	3,726,713	3,950,194	1,000,323	2,944,518	5,353
Bonds and notes	2,115,153	2,350,963	388,716	1,416,877	545,370
Bank loans	639,733	641,611	641,611	–	–
Trade and other payables*	1,099,677	1,102,774	1,102,774	–	–
Bank overdrafts	26	26	26	–	–
Finance lease creditors	1,076	1,078	587	491	–
Other liabilities*	123,988	123,988	–	106,320	17,668
	7,706,366	8,170,634	3,134,037	4,468,206	568,391
2014					
Term loans	3,919,116	4,073,205	1,243,575	2,824,242	5,388
Bonds and notes	2,501,763	2,760,389	814,497	1,331,622	614,270
Bank loans	271,075	271,622	271,622	–	–
Trade and other payables*	1,179,621	1,182,544	1,182,544	–	–
Bank overdrafts	7,121	7,731	7,731	–	–
Finance lease creditors	73	77	41	36	–
Other liabilities*	115,319	115,319	–	95,933	19,386
	7,994,088	8,410,887	3,520,010	4,251,833	639,044
Company					
2015					
Term loans	1,536,872	1,651,246	253,369	1,397,877	–
Bonds and notes	1,317,395	1,516,266	147,775	823,121	545,370
Bank loans	454,970	455,537	455,537	–	–
Trade and other payables*	2,230,114	2,231,619	2,231,619	–	–
Other liabilities	170,119	185,247	3,521	181,726	–
	5,709,470	6,039,915	3,091,821	2,402,724	545,370

* Excluding deferred income.

36 FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity risk (cont'd)

	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Company					
2014					
Term loans	1,437,962	1,498,929	167,844	1,331,085	–
Bonds and notes	1,666,326	1,878,750	591,663	723,505	563,582
Bank loans	150,784	150,809	150,809	–	–
Trade and other payables*	1,770,694	1,770,726	1,770,726	–	–
Other liabilities	239,318	245,187	5,869	239,318	–
	5,265,084	5,544,401	2,686,911	2,293,908	563,582

* Excluding deferred income.

It is not expected that the cash flows in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Market risk

Market risk is the risk that changes in market prices such as interest rates, foreign exchange rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return on risk.

Interest rate risk

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

Interest rate derivatives are used to manage interest rate risk, to the extent that the perceived cost is considered to outweigh the benefit from the flexibility of variable rate borrowings, and the Group actively monitors the need and timing for such derivatives.

Where used, interest rate derivatives are classified as cash flow hedges and stated at fair value within the Group's statement of financial position.

36 FINANCIAL RISK MANAGEMENT (CONT'D)

Interest rate risk (cont'd)

Interest rates analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, their nominal interest rates at the reporting date and carrying amounts are as follows:

	Note	Interest rates per annum Floating rate %	Interest rates per annum Fixed rate %	Carrying amount Floating rate $'000	Carrying amount Fixed rate $'000	Total $'000
Group						
2015						
Financial assets						
Cash and cash equivalents		–	0.08 to 6.70	–	2,811,499	2,811,499
Amounts owing by joint ventures*		–	1.50 to 4.50	–	504,628	504,628
Unquoted debt instruments	8	–	5.00	–	132,500	132,500
				–	3,448,627	3,448,627
Financial liabilities						
Bank overdrafts (secured)	18	3.10	–	(26)	–	(26)
Finance lease creditors		–	1.50 to 10.39	–	(1,076)	(1,076)
Term loans	19					
- secured		1.00 to 5.10	4.21	(1,016,171)	(5,542)	(1,021,713)
- unsecured		0.33 to 5.94	1.06 to 4.01	(2,106,731)	(598,269)	(2,705,000)
Bonds and notes	20					
- secured		0.30	0.60 to 0.70	(32,627)	(125,422)	(158,049)
- unsecured		1.30 to 2.20	1.30 to 3.90	(294,832)	(1,662,272)	(1,957,104)
Bank loans (unsecured)	21	0.51 to 4.80	2.73 to 3.37	(632,778)	(6,955)	(639,733)
Amounts owing to fellow subsidiaries	13	–	2.00 to 2.50	–	(146,811)	(146,811)
				(4,083,165)	(2,546,347)	(6,629,512)
Total				(4,083,165)	902,280	(3,180,885)
2014						
Financial assets						
Cash and cash equivalents		–	0.06 to 6.70	–	3,116,432	3,116,432
Amounts owing by joint ventures*		–	1.50 to 4.75	–	804,706	804,706
				–	3,921,138	3,921,138
Financial liabilities						
Bank overdrafts (secured)	18	4.20 to 5.10	–	(7,121)	–	(7,121)
Finance lease creditors		–	2.42 to 10.39	–	(73)	(73)
Term loans	19					
- secured		1.08 to 7.38	4.21	(1,030,204)	(5,310)	(1,035,514)
- unsecured		0.33 to 5.09	0.60 to 4.70	(2,684,723)	(198,879)	(2,883,602)
Bonds and notes	20					
- secured		–	3.02	–	(99,981)	(99,981)
- unsecured		1.16 to 1.45	1.54 to 3.90	(340,743)	(2,061,039)	(2,401,782)
Bank loans (unsecured)	21	0.58 to 3.31	1.73 to 2.55	(259,702)	(11,373)	(271,075)
Amounts owing to fellow subsidiaries	13	–	2.00 to 2.50	–	(138,332)	(138,332)
				(4,322,493)	(2,514,987)	(6,837,480)
Total				(4,322,493)	1,406,151	(2,916,342)

* Carrying amount is net of impairment loss.

36 FINANCIAL RISK MANAGEMENT (CONT'D)

Interest rate risk (cont'd)

	Note	Interest rates per annum Floating rate %	Fixed rate %	Carrying amount Floating rate $'000	Fixed rate $'000	Total $'000
Company						
2015						
Financial assets						
Cash and cash equivalents		–	0.31 to 1.82	–	1,847,162	1,847,162
Amounts owing by:						
- subsidiaries*		0.51 to 6.12	1.00 to 1.75	1,688,809	2,098,700	3,787,509
- joint ventures*		–	1.50 to 2.00	–	202,348	202,348
				1,688,809	4,148,210	5,837,019
Financial liabilities						
Amounts owing to subsidiaries	5	–	1.00 to 3.25	–	(631,145)	(631,145)
Term loans (unsecured)	19	1.12 to 5.94	2.78	(1,338,428)	(198,444)	(1,536,872)
Bonds and notes (unsecured)	20	–	1.74 to 3.90	–	(1,317,395)	(1,317,395)
Bank loans (unsecured)	21	0.51 to 4.80	–	(454,970)	–	(454,970)
				(1,793,398)	(2,146,984)	(3,940,382)
Total				(104,589)	2,001,226	1,896,637
2014						
Financial assets						
Cash and cash equivalents		–	0.17 to 1.10	–	1,944,008	1,944,008
Amounts owing by:						
- subsidiaries*		0.60 to 4.52	1.00 to 1.75	1,513,228	1,673,772	3,187,000
- joint ventures*		–	1.50 to 2.00	–	268,088	268,088
				1,513,228	3,885,868	5,399,096
Financial liabilities						
Amounts owing to subsidiaries	5	–	1.00 to 3.25	–	(680,643)	(680,643)
Term loans (unsecured)	19	0.77 to 4.42	–	(1,437,962)	–	(1,437,962)
Bonds and notes (unsecured)	20	–	1.74 to 3.90	–	(1,666,326)	(1,666,326)
Bank loans (unsecured)	21	0.69 to 0.79	–	(150,784)	–	(150,784)
				(1,588,746)	(2,346,969)	(3,935,715)
Total				(75,518)	1,538,899	1,463,381

* Carrying amount is net of impairment loss.

Sensitivity analysis

For the variable rate financial assets and liabilities, a 100 basis points (bp) increase at the reporting date would have the impact as shown below. A decrease in 100 bp in interest rate would have an equal but opposite effect. This analysis, which is based on reporting date of each interest-bearing financial asset and liability, assumes that all other variables, in particular foreign currency rates, remain constant and does not take into account the effect of qualifying borrowing costs allowed for capitalisation and tax effect.

	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
100 bp increase				
Reduction in profit before tax	**(40,958)**	(43,364)	**(724)**	(432)

There is no impact on other components of equity.

The sensitivity analysis above excludes the financial effect of transaction costs recognised against the financial liabilities.

36 FINANCIAL RISK MANAGEMENT (CONT'D)

Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in currencies other than the respective functional currencies of the Group's entities. The currencies giving rise to this risk are primarily the United States Dollar, Singapore Dollar, Thai Baht, Hong Kong Dollar, Australian Dollar, Sterling Pound, Renminbi, Japanese Yen, New Zealand Dollar and Euro.

The Group has a decentralised approach to the management of foreign exchange risk. The Group manages its foreign exchange exposure by adopting a policy of matching receipts and payments, and asset purchases and borrowings, in the currency of the relevant entity, where possible. Entities in the Group may have different approaches to the identification and management of this risk. Entities in the Group may borrow in currencies other than their functional currencies to fund investments that are denominated in their borrowing currencies. Forward foreign exchange contracts are used purely as a hedging tool, where an active market for the relevant currency exists, to minimise the Group's exposure to movements in exchange rates on firm commitments and specific transactions.

Hedging of transaction exposure is undertaken with approved counterparties and within designated limits, using spot or short-term forward contracts to buy or sell the currency concerned, once the timing and the underlying amount of exposure have been determined. Foreign exchange derivatives may also be used to hedge specific transaction exposure where appropriate.

36 FINANCIAL RISK MANAGEMENT (CONT'D)

Foreign currency risk (cont'd)

The Group's and the Company's exposure to foreign currencies are as follows:

	United States Dollar $'000	Singapore Dollar $'000	Thai Baht $'000	Hong Kong Dollar $'000
Group				
2015				
Financial assets	15,217	–	–	208
Other non-current assets*	–	–	–	–
Trade and other receivables**	1,220	760	1,193	7
Cash and cash equivalents (net of cash pool overdrafts)	43,169	3,870	450	33,425
Amount owing (to)/by subsidiaries (net)	(314,842)	(384,189)	202,671	185,287
Interest-bearing borrowings	(277,967)	–	–	(73,850)
Trade and other payables***	(314)	(724)	–	(97)
	(533,517)	(380,283)	204,314	144,980
2014				
Financial assets	7,572	–	–	101
Other non-current assets*	–	–	–	–
Trade and other receivables**	227	988	1,225	–
Cash and cash equivalents (net of cash pool overdrafts)	116,366	6,748	28	2,065
Amount owing (to)/by subsidiaries (net)	(654,718)	(375,359)	293,614	167,348
Interest-bearing borrowings	(100,659)	–	–	(69,972)
Trade and other payables***	(938)	(1,174)	–	(53)
	(632,150)	(368,797)	294,867	99,489

* Excluding deferred tax assets, intangible assets and prepayment.
** Excluding prepayments and tax recoverable.
*** Excluding deferred income.

Australian Dollar $'000	Sterling Pound $'000	Renminbi $'000	Japanese Yen $'000	New Zealand Dollar $'000	Euro $'000	Others $'000
–	11,165	–	–	–	–	432
–	–	–	–	–	–	2,067
–	58	5,779	–	–	–	2,360
8,698	4,844	150,270	(41,073)	7,157	(11,354)	6
43,043	1,030,876	192,613	118,777	114,244	(95,374)	(6)
–	(663,911)	(189,873)	(116,142)	–	(83,616)	–
–	(472)	(1,027)	(45)	–	–	(7)
51,741	382,560	157,762	(38,483)	121,401	(190,344)	4,852
–	14,083	–	–	–	–	554
–	–	–	–	–	–	2,816
–	9	4,883	–	–	–	1,613
6,302	11,511	124,221	–	4,299	(24,699)	51
46,785	429,892	72,332	155,485	119,308	(80,373)	3,466
–	(280,169)	(54,303)	(127,981)	–	–	–
–	(128)	(627)	(64)	–	–	(9)
53,087	175,198	146,506	27,440	123,607	(105,072)	8,491

36 FINANCIAL RISK MANAGEMENT (CONT'D)

Foreign currency risk (cont'd)

	United States Dollar $'000	Hong Kong Dollar $'000	Japanese Yen $'000	Sterling Pound $'000	Renminbi $'000	Others $'000
Company						
2015						
Trade and other receivables*	–	7	–	2	–	53
Cash and cash equivalents	532	32,826	–	4,717	–	6
Amounts owing (to)/by subsidiaries (net)	(224)	(14,014)	80,441	666,370	123,999	(5)
Interest-bearing borrowings	–	(73,850)	(116,142)	(663,911)	(189,873)	–
Trade and other payables**	–	(38)	(45)	(472)	(806)	(8)
	308	(55,069)	(35,746)	6,706	(66,680)	46
2014						
Trade and other receivables*	–	–	–	–	–	11
Cash and cash equivalents	497	49	–	–	–	16
Amounts owing by/(to) subsidiaries (net)	15,372	(12,316)	92,748	280,716	–	(6)
Interest-bearing borrowings	(100,659)	(69,972)	(127,981)	(280,169)	(54,303)	–
Trade and other payables**	(43)	(36)	(64)	(128)	(337)	(9)
	(84,833)	(82,275)	(35,297)	419	(54,640)	12

* Excluding prepayments.
** Excluding deferred income.

Sensitivity analysis

A 10% strengthening of the following major currencies against the functional currency of each of the Group's entities at the reporting date held by the Group and the Company would (decrease)/increase profit and other components of equity before any tax effect by the amounts shown below. Similarly, a 10% weakening would have the equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit before tax $'000	Equity $'000
Group		
2015		
United States Dollar	(16,535)	(41,979)
Singapore Dollar	371	–
Thai Baht	789	–
Hong Kong Dollar	(5,327)	–
Australian Dollar	883	(9,566)
Sterling Pound	38,257	–
Renminbi	15,776	–
Japanese Yen	(12,201)	(3,832)
New Zealand Dollar	796	–
Euro	(9,535)	(9,500)

36 FINANCIAL RISK MANAGEMENT (CONT'D)

Foreign currency risk (cont'd)

Sensitivity analysis (cont'd)

	Profit before tax $'000	Equity $'000
Group		
2014		
United States Dollar	1,981	(74,586)
Singapore Dollar	(22,235)	–
Thai Baht	10,584	–
Hong Kong Dollar	(7,914)	–
Australian Dollar	1,197	(10,031)
Sterling Pound	17,518	–
Renminbi	5,725	–
Japanese Yen	(14,801)	–
New Zealand Dollar	652	–
Euro	(622)	(9,885)
Company		
2015		
United States Dollar	31	–
Hong Kong Dollar	(5,507)	–
Japanese Yen	(3,575)	–
Sterling Pound	671	–
Renminbi	(6,668)	–
2014		
United States Dollar	(8,483)	–
Hong Kong Dollar	(8,228)	–
Japanese Yen	(3,530)	–
Sterling Pound	42	–
Renminbi	(5,464)	–

The sensitivity analysis above exclude the financial effect of foreign denominated amounts owing to/(from) subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future.

36 FINANCIAL RISK MANAGEMENT (CONT'D)

Equity price risk

The Group and the Company are exposed to equity price changes arising from quoted equity investments available for sale and held for trading, and unquoted investments held for trading. An increase in the underlying equity prices of the above investments at the reporting date by 10% (2014: 10%) and 5% (2014: 5%) for the Group and the Company, respectively, would increase profit and other components of equity before any tax effect by the amounts shown below. This analysis assumes that all other variables remain constant.

	Group $'000	Company $'000
2015		
Quoted equity investments available for sale and held for trading		
Equity	3,525	1,061
Profit before tax	2,861	–
Unquoted investments held for trading		
Profit before tax	254	–
2014		
Quoted equity investments available for sale and held for trading		
Equity	3,913	1,189
Profit before tax	3,161	–
Unquoted investments held for trading		
Profit before tax	334	–

36 FINANCIAL RISK MANAGEMENT (CONT'D)

Equity price risk (cont'd)

Similarly, a decrease in the underlying equity prices by 10% (2014: 10%) and 5% (2014: 5%) for the Group and the Company respectively would decrease profit and other components of equity before any tax effect by the amounts shown below. This analysis assumes that all other variables remain constant.

	Group $'000	Company $'000
2015		
Quoted equity investments available for sale and held for trading		
Equity	(2,691)	(1,061)
Profit before tax	(3,695)	–
Unquoted investments held for trading		
Profit before tax	(254)	–
2014		
Quoted equity investments available for sale and held for trading		
Equity	(3,913)	(1,189)
Profit before tax	(3,161)	–
Unquoted investments held for trading		
Profit before tax	(334)	–

Financial guarantee

Two wholly-owned subsidiaries of the Group entered into deeds of guarantee in favour of Sunbright (the Deeds of Guarantee) on 15 December 2014. The maximum exposure of the Group under the Deeds of Guarantee at the end of the reporting period is approximately $80.0 million (2014: $87.0 million). At the end of the reporting date, the Group does not consider it probable that the claim will be made against the Group under the financial guarantee.

37 FAIR VALUE OF ASSETS AND LIABILITIES

Fair values versus carrying amounts

The carrying amounts of the financial instruments of the Group and the Company carried at cost or amortised cost are not materially different from their fair values as at the reporting date except as follows:

	2015 Carrying amount $'000	2015 Fair value $'000	2014 Carrying amount $'000	2014 Fair value $'000
Group				
Liabilities carried at amortised cost				
Bonds and notes				
- secured	**(125,422)**	**(126,972)**	–	–
- unsecured	**(1,467,493)**	**(1,431,295)**	(1,451,531)	(1,442,820)
Term loans				
- secured	**(5,542)**	**(5,637)**	(5,310)	(5,403)
- unsecured	**(598,269)**	**(595,571)**	(198,879)	(197,452)
	(2,196,726)	**(2,159,475)**	(1,655,720)	(1,645,675)
Company				
Liabilities carried at amortised cost				
Amount owing to a subsidiary	**(150,000)**	**(144,980)**	(225,000)	(221,605)
Bonds and notes (unsecured)	**(1,197,615)**	**(1,166,001)**	(1,106,670)	(1,101,694)
Term loans (unsecured)	**(198,444)**	**(195,275)**	–	–
	(1,564,059)	**(1,506,256)**	(1,331,670)	(1,323,299)

Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

- Level 3: unobservable inputs for the asset or liability.

37 FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

Fair value hierarchy (cont'd)

Assets and liabilities not carried at fair value but for which fair values are disclosed*

The table below analyses assets and liabilities not carried at fair value, but for which fair values are disclosed.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
31 December 2015				
Investment properties	–	–	6,544,508	6,544,508
Bonds and notes				
- secured	–	(126,972)	–	(126,972)
- unsecured	–	(1,431,295)	–	(1,431,295)
Term loans				
- secured	–	(5,637)	–	(5,637)
- unsecured	–	(595,571)	–	(595,571)
	–	(2,159,475)	–	(2,159,475)
31 December 2014				
Investment properties	–	–	7,437,920	7,437,920
Bonds and notes (unsecured)	–	(1,442,820)	–	(1,442,820)
Term loans				
- secured	–	(5,403)	–	(5,403)
- unsecured	–	(197,452)	–	(197,452)
	–	(1,645,675)	–	(1,645,675)
Company				
31 December 2015				
Investment properties	–	–	1,090,711	1,090,711
Amount owing to a subsidiary	–	(144,980)	–	(144,980)
Bonds and notes (unsecured)	–	(1,166,001)	–	(1,166,001)
Term loans (unsecured)	–	(195,275)	–	(195,275)
	–	(1,506,256)	–	(1,506,256)
31 December 2014				
Investment properties	–	–	1,314,815	1,314,815
Amount owing to a subsidiary	–	(221,605)	–	(221,605)
Bonds and notes (unsecured)	–	(1,101,694)	–	(1,101,694)
	–	(1,323,299)	–	(1,323,299)

* Excludes financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair values due to their short-term nature and where the effect of discounting is immaterial.

37 FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

Fair value hierarchy (cont'd)

Financial assets and financial liabilities carried at fair value

The table below analyses assets and liabilities carried at fair value, by valuation method.

	Note	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group					
2015					
Available-for-sale financial assets		35,342	–	–	35,342
Financial assets at fair value through profit or loss	8	28,879	–	2,537	31,416
		64,221	–	2,537	66,758
2014					
Available-for-sale financial assets		39,217	–	–	39,217
Financial assets at fair value through profit or loss	8	31,894	–	3,338	35,232
		71,111	–	3,338	74,449
Derivative financial liabilities	26	–	(581)	–	(581)
Company					
2015					
Available-for-sale financial assets	8	21,227	–	–	21,227
2014					
Available-for-sale financial assets	8	23,789	–	–	23,789

37 FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

Fair value hierarchy (cont'd)

Financial assets and financial liabilities carried at fair value (cont'd)

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

	Financial assets at fair value through profit or loss $'000
Group	
At 1 January 2015	3,338
Total loss recognised in profit or loss	
- finance expense	(997)
Translation differences on consolidation	196
At 31 December 2015	2,537
Total loss for the year included in profit or loss for assets held at the end of the reporting period	(997)
At 1 January 2014	2,048
Total gain recognised in profit or loss	
- finance income	1,151
Translation differences on consolidation	139
At 31 December 2014	3,338
Total gain for the year included in profit or loss for assets held at the end of the reporting period	1,151

The fair value of the financial assets at fair value through profit or loss is determined based on the net asset value of the fund, which had underlying unlisted investments categorised as Level 3 in the fair value hierarchy. The fair value of such underlying investments is determined based on inputs such as contractual agreements, current and projected operating performance, rounds of financing and third-party transactions, discounted cash flow analysis and market-based information, including comparable company transactions, trading multiples and changes in market outlook, among other factors.

Although the Group believes that its estimate of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value.

There is no sensitivity analysis prepared as the Group's exposure to the effect on fair value changes for 2014 and 2015 is insignificant.

37 FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

Determination of fair value

Fair values have been determined for measurement and disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Investment properties

For investment properties located in Singapore, the fair values are substantially based on in-house valuations conducted by a licensed appraiser who is also an officer of the Company. The licensed appraiser has appropriate recognised professional qualifications and has recent experience in the location and category of the investment properties being valued. The fair value is based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction. The valuation is based on the income method which takes into consideration the estimated net rent (using the current and projected average rental rates and occupancy), and a capitalisation rate applicable to the nature and type of asset in question. As a check, a comparison is made against relevant market transactions.

The fair values of investment properties located overseas and certain investment properties in Singapore are determined by independent licensed appraisers who have appropriate recognised professional qualifications and recent experience in the location and category of the investment properties being valued. Fair values are determined having regard to recent market transactions for similar properties in the same locations.

Investments in equity investments

The fair values of quoted investments that are classified as available for sale and held for trading are their quoted bid prices at the reporting date.

The fair values of unquoted equity investments held for trading are estimated using the applicable price to earnings ratios for similar listed companies adjusted for the specific circumstances of the issuer.

The fair values of unquoted equity investments available for sale (except as described below) are estimated using valuation techniques that incorporate assumptions that are not evidenced by prices from observable current market transactions. Instead, they are based on unobservable inputs reflecting assumptions about the way assets would be priced.

The fair values of certain unquoted available-for-sale equity investments which are stated at cost, have not been determined as the fair value cannot be determined reliably given that the variability in the range of fair value estimates derived from valuation techniques is expected to be significant.

Investments in debt instruments

The fair value of debt instruments is calculated based on the present value of future principal and interest cash flow, discounted at the market rate of interest at the reporting date.

Amounts owing by and to subsidiaries, associates and joint ventures

The fair values of amounts owing by and to subsidiaries, associates and joint ventures are estimated as the present value of future cash flows, discounted at market interest rates.

37 FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

Determination of fair value (cont'd)

Non-derivative financial assets and liabilities

The fair values of borrowings which reprice after six months and other non-derivative financial assets and liabilities, determined for disclosure purposes, are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar agreements.

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables, and interest-bearing borrowings) or those which reprice within six months are assumed to approximate their fair values because of the short period to maturity or repricing. All other financial assets and liabilities are discounted to determine their fair values.

Derivatives

Forward exchange contracts are either marked to market using listed market prices or by discounting the contractual forward price and deducting the current spot rate. For interest rate swaps, bank valuations are used.

38 OPERATING SEGMENTS

Information reported to the Board of Directors for the purposes of resource allocation and assessment of segment performances is specifically focused on the functionality of services provided. The following summary describes the operations in each of the Group's reportable segments:

- Property development – *develops and purchases properties for sale*
- Hotel operations – *owns and manages hotels*
- Rental properties – *develops and purchases investment properties for lease*
- Others – *comprises club operator and owner, investment in shares, property management, project management and consultancy services, provider of information technology and procurement services and provision of laundry services. None of these segments meet any of the quantitative thresholds for determining reportable segments in 2015 and 2014.*

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

38 OPERATING SEGMENTS (CONT'D)

Information about reportable segments

	Property development $'000	Hotel operations $'000	Rental properties $'000	Others $'000	Total $'000
2015					
Total revenue (including inter-segment revenue)	1,037,095	1,710,963	491,817	239,842	3,479,717
Inter-segment revenue	–	(12,835)	(86,364)	(76,410)	(175,609)
External revenue	1,037,095	1,698,128*	405,453	163,432	3,304,108

The hotel operations are in the following geographical segments and their revenue are set out as follows:

	2015 $'000
United States	541,420
Europe	424,125
Singapore	256,807
Rest of Asia	392,680
New Zealand	83,096
	1,698,128

	Property development $'000	Hotel operations $'000	Rental properties $'000	Others $'000	Total $'000
2015					
Profit from operating activities	253,960	199,594	491,092	6,041	950,687
Share of after-tax profit/(loss) of associates and joint ventures	109,084	(8,193)	(536)	6,530	106,885
Finance income	40,108	7,472	3,224	2,621	53,425
Finance costs	(47,304)	(27,937)	(33,578)	(16,803)	(125,622)
Net finance costs	(7,196)	(20,465)	(30,354)	(14,182)	(72,197)
Reportable segment profit/(loss) before tax	355,848	170,936*	460,202	(1,611)	985,375

* Hotel operations for 2015 comprise revenue and Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) attributable to hotel rooms owned by the Group amounting to $1,146.4 million (2014: $1,075.2 million) and $297.9 million (2014: $412.3 million) respectively.

38 OPERATING SEGMENTS (CONT'D)

Information about reportable segments (cont'd)

	Property development $'000	Hotel operations $'000	Rental properties $'000	Others $'000	Total $'000
2015					
Depreciation and amortisation	949	112,423	96,656	4,640	214,668
Other material non-cash items					
Impairment losses on property, plant and equipment (net)	–	(73,423)	–	–	(73,423)
Write-back of impairment losses on amounts owing by joint ventures	–	2,173	–	534	2,707
Allowance for foreseeable losses on development properties	(9,678)	–	–	–	(9,678)
Investments in associates and joint ventures	657,256	320,094	218,315	110,930	1,306,595
Other segment assets	9,332,607	5,090,849	4,136,954	418,200	18,978,610
Reportable segment assets	9,989,863	5,410,943	4,355,269	529,130	20,285,205
Tax recoverable					491
Deferred tax assets					32,834
Total assets					20,318,530
Reportable segment liabilities	4,864,447	1,432,891	2,080,501	193,347	8,571,186
Deferred tax liabilities					274,998
Provision for taxation					259,331
Total liabilities					9,105,515
Additions to non-current assets*	14,769	240,458	70,013	6,436	331,676

* Non-current assets include property, plant and equipment, investment properties, lease premium prepayment, investments in associates and joint ventures, and intangible assets.

38 OPERATING SEGMENTS (CONT'D)

Information about reportable segments (cont'd)

	Property development $'000	Hotel operations $'000	Rental properties $'000	Others $'000	Total $'000
2014					
Total revenue (including inter-segment revenue)	1,581,158	1,691,830	477,731	226,345	3,977,064
Inter-segment revenue	–	(13,487)	(93,076)	(106,563)	(213,126)
External revenue	1,581,158	1,678,343	384,655	119,782	3,763,938

The hotel operations are in the following geographical segments and their revenue are set out as follows:

	2014 $'000
United States	482,674
Europe	409,425
Singapore	320,098
Rest of Asia	378,983
New Zealand	87,163
	1,678,343

	Property development $'000	Hotel operations $'000	Rental properties $'000	Others $'000	Total $'000
2014					
Profit from operating activities	511,774	342,024	180,722	4,900	1,039,420
Share of after-tax profit/(loss) of associates and joint ventures	44,197	15,788	(3,522)	(1,668)	54,795
Finance income	25,078	7,148	1,716	6,606	40,548
Finance costs	(49,429)	(32,169)	(32,998)	(16,437)	(131,033)
Net finance costs	(24,351)	(25,021)	(31,282)	(9,831)	(90,485)
Reportable segment profit/(loss) before tax	531,620	332,791	145,918	(6,599)	1,003,730
Depreciation and amortisation	818	105,653	91,108	2,423	200,002
Other material non-cash items					
Impairment losses on amounts owing by joint ventures	–	(1,460)	–	(1,031)	(2,491)
Allowance for foreseeable losses on development properties	(24,229)	–	–	–	(24,229)
Investments in associates and joint ventures	455,449	349,816	243,877	79,336	1,128,478
Other segment assets	8,436,196	5,088,992	4,470,085	568,083	18,563,356
Reportable segment assets	8,891,645	5,438,808	4,713,962	647,419	19,691,834
Tax recoverable					1,342
Deferred tax assets					7,344
Total assets					19,700,520

38 OPERATING SEGMENTS (CONT'D)

Information about reportable segments (cont'd)

	Property development $'000	Hotel operations $'000	Rental properties $'000	Others $'000	Total $'000
2014					
Reportable segment liabilities	4,746,562	1,679,555	1,803,487	184,555	8,414,159
Deferred tax liabilities					316,855
Provision for taxation					193,905
Total liabilities					8,924,919
Additions to non-current assets*	2,340	899,709	121,455	3,167	1,026,671

* Non-current assets include property, plant and equipment, investment properties, lease premium prepayment, investments in associates and joint ventures, and intangible assets.

Geographical segments

The property development, hotel operations and rental properties segments are managed on a worldwide basis.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	Singapore $'000	United States $'000	United Kingdom $'000	Other countries $'000	Total $'000
2015					
Revenue	1,639,965	558,029	408,036	698,078	3,304,108
Non-current assets*	3,437,667	1,595,639	1,230,078	2,928,131	9,191,515
Reportable segment assets	11,198,898	1,761,844	2,194,020	5,130,443	20,285,205
2014					
Revenue	2,228,463	497,557	357,389	680,529	3,763,938
Non-current assets*	3,755,335	1,517,516	1,071,696	2,934,901	9,279,448
Reportable segment assets	11,477,627	1,681,817	1,431,591	5,100,799	19,691,834

* Include property, plant and equipment, investment properties, lease premium prepayment, investments in associates and joint ventures, and intangible assets.

39 NEW STANDARDS AND INTERPRETATIONS NOT ADOPTED

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these financial statements. The Group is currently assessing the potential impact of adopting these new standards and interpretations, on the financial statements of the Group and the Company.

These new standards include, among others, FRS 115 *Revenue from Contracts with Customers* and FRS 109 *Financial Instruments* which are mandatory for adoption by the Group on 1 January 2018.

- FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 *Revenue*, FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*.

- FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements.

As FRS 115 and FRS 109, when effective, will change the existing accounting standards and guidance applied by the Group and the Company in accounting for revenue and financial instruments, these standards are expected to be relevant to the Group and the Company. The Group does not plan to adopt these standards early.

The Accounting Standards Council (ASC) announced on 29 May 2014 that Singapore-incorporated companies listed on the Singapore Exchange (SGX) will apply a new financial reporting framework identical to the International Financial Reporting Standards (IFRS) for financial year ending 31 December 2018 onwards. Singapore-incorporated companies listed on SGX will have to assess the impact of *IFRS 1: First-time adoption of IFRS* when transitioning to the new reporting framework. The Group is currently assessing the impact of transitioning to the new reporting framework on its financial statements.

40 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES

The following are the Group's significant investments in subsidiaries:

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2015 %	Ownership interest 2014 %
	Direct/Indirect Subsidiaries of the Company				
*	Allinvest Holding Pte Ltd	Property owner and investment holding	Singapore	**100**	100
*	Aston Properties Pte Ltd	Property owner, developer and investment holding	Singapore	**100**	100
^	Adelais Properties Limited	Property owner	Jersey	**100**	100
^	Beaumont Properties Limited	Property owner	Jersey	**100**	100
*	Bloomsville Investments Pte Ltd	Property owner, developer and investment holding	Singapore	**100**	100
*	Canvey Developments Pte. Ltd.	Property owner and developer	Singapore	**70**	70
*	CBM Pte. Ltd.	Provision of building maintenance, security, cleaning and related services to commercial and residential buildings	Singapore	**100**	100
*	CBM Parking Pte. Ltd.	Provision of car park operation, management, civil, construction and electrical works related to parking systems and related services	Singapore	**100**	100
*	CBM International Pte. Ltd.	Investment holding and provision of building maintenance, security, cleaning and related services to commercial and residential buildings	Singapore	**100**	100
**	CBM Qatar LLC	Provision of facilities management services	State of Qatar	**49#**	30
*	CBM Security Pte. Ltd.	Provision of security services, consultancy services related to security matters, supply of equipment, security escort services and facilities management services	Singapore	**100**	100
*	CBM Solutions Pte. Ltd.	Advisors, consultants and service providers	Singapore	**100**	100
**	CBM (Taiwan) Co., Ltd.	Carpark management services	Taiwan	**100**	100
**	CDL China (Shanghai) Consulting Co., Ltd.	Provision of consultancy services	People's Republic of China	**100**	100
*	CDL Land Pte Ltd	Property owner and developer	Singapore	**100**	100

40 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2015 %	Ownership interest 2014 %
	Direct/Indirect Subsidiaries of the Company (cont'd)				
*	CDL Management Services Pte. Ltd.	Provision of project and property management and consultancy services	Singapore	**100**	100
*	CDL Properties Ltd	Property owner and investment holding	Singapore	**100**	100
*	Central Mall Pte Ltd	Property owner	Singapore	**100**	100
*	Cideco Pte. Ltd.	Property owner	Singapore	**100**	100
*	City Condominiums Pte Ltd	Property owner, developer and investment holding	Singapore	**100**	100
*	City Developments Realty Limited	Investment in shares and investment holding	Singapore	**100**	100
*	City e-Solutions Limited	Investment holding and provision of consultancy services	Hong Kong/ Cayman Islands	**53**	53
*	City Serviced Offices Pte. Ltd.	Operating serviced offices	Singapore	**100**	100
*	City Sunshine Holdings Pte. Ltd.	Property owner and developer	Singapore	**100**	100
*	Citydev Investments Pte. Ltd.	Investment in shares and investment holding	Singapore	**100**	100
*	Citydev Nahdah Pte. Ltd.	To issue Islamic trust certificates and to act as trustee for the certificate holders	Singapore	**100**	100
*	Citydev Real Estate (Singapore) Pte Ltd	Property owner	Singapore	**100**	100
**	Chongqing Eling Property Development Co., Ltd.	Property owner and developer	People's Republic of China	**100**	100
**	Chongqing Huang Huayuan Property Development Co., Ltd.	Property owner and developer	People's Republic of China	**100**	100
*	Crescent View Developments Pte. Ltd.	Property owner and developer	Singapore	**60**	60
^	Darien Properties Investment Limited	Property owner	Jersey	**100**	100
**	Educado Company Limited	Investment holding and share dealing	Hong Kong	**100**	100
*	Elishan Investments Pte Ltd	Property owner	Singapore	**100**	100
*	Ellinois Management Services Pte. Ltd.	Asset/portfolio management	Singapore	**100**	100

40 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2015 %	Ownership interest 2014 %
	Direct/Indirect Subsidiaries of the Company (cont'd)				
*	Empire City Consultant Pte Ltd	Management of properties	Singapore	**100**	100
^	eMpire Investments Limited	Investment holding	Bermuda	**100**	100
*	Fairsteps Properties Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
^	Finite Properties Investment Limited	Property owner	Jersey	**100**	100
*	Glades Properties Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
*	Grange 100 Pte. Ltd.	Property investment and owner	Singapore	**100**	100
*	Guan Realty (Private) Limited	Property owner and developer	Singapore	**100**	100
*	Hong Leong Properties Pte. Limited	Property owner	Singapore	**100**	100
^	Hayden Properties Investment Limited	Property owner	Jersey	**100**	100
*	Impac Holdings Pte. Ltd.	Property ownership and sales	Singapore	**100**	100
*	Ingensys Pte. Ltd.	Systems integration activities	Singapore	**70**	70
*	Island Glades Developments Pte. Ltd.	Property owner and developer	Singapore	**70**	70
^	Jayland Properties Limited	Property owner	Jersey	**100**	100
*	Land Equity Development Pte Ltd	Property owner	Singapore	**100**	100
**	Lingo Enterprises Limited	Property holding and property investment	Singapore/ Hong Kong	**100**	100
**	Millennium & Copthorne Hotels plc	Investment holding	England and Wales	**65**	61
*	New Vista Realty Pte. Ltd.	Property owner and developer	Singapore	**100**	100
*	Novel Developments Pte. Ltd.	Property owner and developer	Singapore	**100**	100
**	Pacific Height Enterprises Company Limited	Property investment	Japan/ Hong Kong	**100**	100
**	Palmerston Holdings Sdn. Bhd.	Property owner and developer	Malaysia	**51**	51
**	Phuket Square Company Limited	Retail and hotel business	Thailand	**49#**	49#
^	Pinenorth Properties Limited	Property owner	Jersey	**100**	100

40 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2015 %	Ownership interest 2014 %
	Direct/Indirect Subsidiaries of the Company (cont'd)				
^	Reach Across International Limited	Investment holding	British Virgin Islands	**100**	100
*	Redvale Investments Pte. Ltd.	Asset/portfolio management	Singapore	**100**	100
^	Reselton Properties Limited	Property owner	Jersey	**100**	100
*	Republic Plaza City Club (Singapore) Pte Ltd	Owner and operator of clubs	Singapore	**100**	100
***	Shanghai Jingwen Zhaoxiang Real Estate Limited	Property developer	People's Republic of China	**100**	100
*	Singapura Developments (Private) Limited	Property owner, developer and investment holding	Singapore	**100**	100
*	Sparkland Holdings Pte. Ltd.	Property developer	Singapore	**70**	70
*	Sunshine Plaza Pte Ltd	Property owner, developer and investment holding	Singapore	**100**	100
**	Suzhou Global City Genway Properties Co., Ltd.	Property owner and developer	People's Republic of China	**70**	70
*	Systematic Laundry & Healthcare Services Pte. Ltd.	Laundry and dry cleaning services, washing and other cleaning preparations	Singapore	**70**	–
*	Systematic Laundry & Uniform Services Pte. Ltd.	Laundry and dry cleaning services	Singapore	**70**	–
**	Tempus Platinum Investments Tokutei Mokuteki Kaisha	Property owner and developer	Japan	**95**	95
*	Verspring Properties Pte. Ltd.	Property owner and developer	Singapore	**100**	100
*	White Haven Properties Pte. Ltd.	Property owner and developer	Singapore	**100**	100
^	Wideachieve Holdings Limited	Investment holding	British Virgin Islands	**100**	100

40 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2015 %	Ownership interest 2014 %
	Direct/Indirect Subsidiaries of Millennium & Copthorne Hotels plc				
**	Anchorage-Lakefront Limited Partnership	Hotel owner	USA	**65**	61
**	Beijing Fortune Hotel Co., Ltd.	Hotel owner and operator	People's Republic of China	**46**	43
**	Bostonian Hotel Limited Partnership	Hotel owner	USA	**65**	61
*	CDL Hospitality Trusts	See Note (1)	Singapore	**24**	22
**	CDL (New York) LLC	Hotel owner	USA	**65**	61
**	CDL Hotels (Chelsea) Limited	Hotel owner and operator	England and Wales	**65**	61
**	CDL Hotels (Korea) Ltd.	Hotel owner and operator	Republic of Korea	**65**	61
**	CDL Hotels (Malaysia) Sdn. Bhd.	Hotel owner and operator	Malaysia	**65**	61
**	CDL Hotels (UK) Limited	Hotel owner and operator	England and Wales	**65**	61
**	CDL Hotels USA, Inc.	Hotel investment holding company	USA	**65**	61
**	CDL Investments New Zealand Limited	Investment and property management company	New Zealand	**33**	31
**	CDL West 45th Street LLC	Hotel owner	USA	**65**	61
**	Chicago Hotel Holdings, Inc.	Hotel owner and operator	USA	**65**	61
*	City Hotels Pte. Ltd.	Hotel operator and investment holding company	Singapore	**65**	61
**	Copthorne Hotel (Birmingham) Limited	Hotel owner and operator	England and Wales	**65**	61
**	Copthorne Hotel (Gatwick) Limited	Hotel owner and operator	England and Wales	**65**	61
**	Copthorne Hotel (Manchester) Limited	Hotel owner and operator	England and Wales	**65**	61
**	Copthorne Hotel (Newcastle) Limited	Hotel owner and operator	England and Wales	**62**	59

40 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2015 %	Ownership interest 2014 %
	Direct/Indirect Subsidiaries of Millennium & Copthorne Hotels plc (cont'd)				
**	Copthorne Hotel (Slough) Limited	Hotel owner and operator	England and Wales	**65**	61
**	Copthorne Hotel Holdings Limited	Hotels investment holding company	England and Wales	**65**	61
**	Copthorne Hotels Limited	Hotels investment holding company	England and Wales	**65**	61
*	Copthorne Orchid Hotel Singapore Pte Ltd	Property owner and developer	Singapore	**65**	61
**	Gateway Regal Holdings LLC	Hotel owner and operator	USA	**65**	61
**	Grand Plaza Hotel Corporation	Hotel owner and operator and investment holding company	Philippines	**43**	40
*	Harbour View Hotel Pte Ltd	Hotel operator	Singapore	**65**	61
**	Hong Leong Ginza TMK	Property owner	Japan	**76**	73
**	Hong Leong Hotel Development Limited	Hotel owner and operator	Taiwan	**54**	50
^	Hong Leong Hotels Pte Ltd.	Investment holding company	Cayman Islands	**65**	61
*	Hospitality Holdings Pte. Ltd.	Investment holding company	Singapore	**65**	61
*	King's Tanglin Shopping Pte. Ltd.	Property owner	Singapore	**65**	61
**	KIN Holdings Limited	Holding company	New Zealand	**49**	46
**	London Britannia Hotel Limited	Hotel owner and operator	England and Wales	**65**	61
**	London Tara Hotel Limited	Hotel owner and operator	England and Wales	**65**	61
**	M&C Crescent Interests, LLC	Property owner	USA	**65**	61
**	M&C Hotel Interests, Inc.	Hotel management services company	USA	**65**	61
**	M&C Hotels France SAS	Hotel owner	France	**65**	61
**	M&C New York (Times Square) EAT II LLC	Hotel owner	USA	**65**	61

40 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2015 %	Ownership interest 2014 %
	Direct/Indirect Subsidiaries of Millennium & Copthorne Hotels plc (cont'd)				
*	M&C REIT Management Limited	REIT investment management services	Singapore	**65**	61
**	Millennium & Copthorne Hotels New Zealand Limited	Hotel investment holding company	New Zealand	**49**	46
*	Millennium & Copthorne International Limited	Hotels and resorts management	Singapore	**65**	61
**	Millennium & Copthorne Middle East Holdings Limited	Hotel management service company	Hong Kong	**33**	31
**	Millennium Hotels (West London) Limited	Hotel owner	England and Wales	**65**	61
**	Millennium Hotels (West London) Management Limited	Hotel operator	England and Wales	**65**	61
**	Millennium Hotels Hotel Palace Holdings s.r.l	Hotel owner and operator	Italy	**65**	61
**	Quantum Limited	Holding company	New Zealand	**49**	46
*	Republic Hotels & Resorts Limited	Hotel operator and investment holding company	Singapore	**65**	61
*	Republic Iconic Hotel Pte. Ltd.	Hotel operator	Singapore	**65**	61
**	RHM-88, LLC	Hotel owner and operator	USA	**65**	61
**	WHB Biltmore LLC	Hotel owner and operator	USA	**65**	61
	Direct/Indirect Subsidiaries of City e-Solutions Limited				
^	CES Capital Limited	Investment holding	British Virgin Islands	**53**	53
**	Richfield Hospitality, Inc.	Investment holding and provision of hospitality related services	USA	**54**	54
**	Sceptre Hospitality Resources, LLC	Provision of connectivity and revenue management services for hotels	USA	**28**	27
^	SWAN Holdings Limited	Investment holding	Bermuda	**54**	54
**	SWAN USA, Inc.	Holding company	USA	**54**	54
**	SWAN Carolina Investor, LLC	Special purpose entity holding title to hotel real estate as a tenant in common with capital partner	USA	**54**	54

40 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

* Audited by KPMG LLP Singapore

** Audited by other member firms of KPMG International

*** Audited by Shanghai Xuan Cheng Certified Public Accountants

^ Not subject to audit by law of country of incorporation

[#] The company is considered a subsidiary of the Group as the Group is exposed to variable returns from the company and has the ability to affect those returns through the management control over the financial and operating policies of the company.

Note (1) CDL Hospitality Trusts (CDLHT) is a stapled group comprising CDL Hospitality Real Estate Investment Trust (H-REIT), a real estate investment trust, and CDL Hospitality Business Trust (HBT), a business trust. H-REIT has an investment strategy of investing directly or indirectly, in a diversified portfolio of income-producing real estate which is primarily used for hospitality and/or hospitality-related purposes, whether wholly or partially, and real-estate related assets in relation to the foregoing.

HBT is a business trust which was activated as master lessee. In addition to its function as a master lessee, HBT may also undertake certain hospitality and hospitality-related development projects, acquisition and investments which may not be suitable for H-REIT.

Although the Group owns less than half of the voting power of the investee, management has determined that the Group has control over the investee. This is because a subsidiary of the Group, M&C REIT Management Limited acts as REIT Manager with its fees having a performance-based element, and therefore the Group has exposure to variable returns from its involvement with the investee.

41 ASSOCIATES AND JOINT VENTURES

The following are the Group's significant investments in associates and joint ventures:

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2015 %	Ownership interest 2014 %
	Associates **Associates of the Company**				
*	Cityview Place Holdings Pte. Ltd.	Property owner and developer	Singapore	**42@**	37.5@
*	Centro Property Holding Pte. Ltd.	Property owner	Singapore	**80@@**	–
*	T-Grande Property Holding Pte. Ltd.	Property owner	Singapore	**80@@**	–
*	Victorian Property Holding Pte. Ltd.	Property owner	Singapore	**80@@**	–
	Associate of Millennium & Copthorne Hotels plc				
*	First Sponsor Group Limited	Investment holding company	British Virgin Islands	**23**	22
	Associates of City e-Solutions Limited				
**	Cosmic Hospitality China Limited	Provision of hospitality related services	People's Republic of China	**27**	27
**	S-R Burlington Partners, LLC	Provision of hospitality related services	USA	**17**	17
	Joint Ventures **Joint Ventures of the Company**				
*	Aster Land Development Pte Ltd	Property development and investment dealing	Singapore	**30**	30
*	Bartley Development Pte. Ltd.	Property developer	Singapore	**30**	30
*	Branbury Investments Ltd	Property owner	Singapore	**43**	43
*	Camborne Developments Pte Ltd	Property owner and developer	Singapore	**50**	50
***	CBM Primetech Facilities Management Private Limited	Facilities management company	India	**50**	50
**	CBM Qatar LLC	Provision of facilities management services	State of Qatar	**#**	30
**	CBM Facilities Management (Thailand) Co., Ltd.	Provision of integrated facilities management services in Thailand	Thailand	**49**	49
**	Exchange Tower Ltd.	Property owner and investment holding	Thailand	**39**	39
*	Freshview Developments Pte. Ltd.	Property owner and developer	Singapore	**50**	50
*	Granmil Holdings Pte Ltd	Property owner and developer	Singapore	**40**	40
**	Krungthep Rimnam Limited	Hotel business	Thailand	**49**	49

41 ASSOCIATES AND JOINT VENTURES

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2015 %	Ownership interest 2014 %
	Joint Ventures				
	Joint Ventures of the Company (cont'd)				
*	Mount V Development Pte. Ltd.	Real estate developer	Singapore	**30**	30
****	OOO "Soft-Project"	Hotel and property owner and developer	Russia	**50**	50
*	Richmond Hotel Pte Ltd	Property owner, developer and investment holding	Singapore	**33**	33
*	Serangoon Green Pte. Ltd.	Property owner and developer	Singapore	**50**	–
*	South Beach Consortium Pte. Ltd.	Property owner, developer and investment holding	Singapore	**50.1**@@@	50.1@@@
*	Summervale Properties Pte. Ltd.	Property owner and developer	Singapore	**50**	50
*	Tomlinson Hotel Pte. Ltd.	Hotel owner	Singapore	**33**	33
*	Tripartite Developers Pte. Limited	Property developer	Singapore	**33**	33
*	Wealthall Development Pte. Ltd.	Property developer	Singapore	**30**	30
	Joint Ventures of Millennium & Copthorne Hotels plc				
^	New Unity Holdings Limited	Investment holding company	British Virgin Islands	**33**	31
**	Fena Estate Company Limited	Investment holding company	Thailand	**33**	31
	Joint Venture of City e-Solutions Limited				
**	RSF Syracuse Partners, LLC	Provision of hospitality related services	USA	**27**	27

* Audited by KPMG LLP Singapore

** Audited by other member firms of KPMG International

*** Audited by Anil De Souza & Associates

**** Audited by BDO Unicorn Inc

^ Not subject to audit by law of country of incorporation

In FY2015, the Group increased its equity interests in the company to 49%. However, it is considered a subsidiary of the Group as the Group is exposed to variable returns from the company and has the ability to affect those returns through the management control over the financial and operating policies of the company.

@ Although the Group is the legal owner of the entire equity interests in Cityview Place Holdings Pte. Ltd. (Cityview), management has determined that it does not have control over Cityview upon the sale of cash flows in Cityview (see note 34 (III)(a)). The Group has significant influence in Cityview through Sunbright Holdings Limited. Accordingly, Cityview is reclassified as an associate of the Group.

41 ASSOCIATES AND JOINT VENTURES (CONT'D)

@@ These companies are indirect wholly-owned subsidiaries of Golden Crest Holdings Pte. Ltd (Golden Crest). On 15 December 2015, the Group entered into an agreement with a third party investor to create a joint office investment platform through Golden Crest, a special purpose vehicle incorporated to enter into sales and purchase agreements for the acquisition of the leasehold interests in three investment properties (the Properties) from the Group. The transaction was completed on 22 December 2015. Golden Crest financed the acquisition of the Properties partly through the issuance of equity shares to the Group and the third party investor and partly through a five-year loan obtained from In-V Asset Holding Pte. Ltd. (In-V), a financing vehicle. In-V issued $332.5 million in aggregate value of junior fixed rate bonds, which carries a fixed rate of 5% per annum for a period of five years, to the Group and the third party investor. The Group and the third party investor co-financed the acquisition of the Properties in the ratio of 40:60. The remaining financing for the acquisition is funded through senior loan facilities of an aggregate value of $750.1 million from two financial institutions.

Further, under the Shareholders' Agreement, the payouts shall be in accordance with a distribution waterfall such that when the assets are divested, the first priority will be to repay the senior loans, followed by repaying the third party investor's $200.2 million capital, then a preferred return to the third party investor amounting to a total internal rate of return of up to 12.6% per annum (inclusive of the 5% annual coupon payment). The Group will then be repaid its $133.3 million capital investment. Thereafter, whatever cash flows remain will be split between the Group and third party investor in the proportion of 60:40 respectively.

Although the Group owns 80% of the ordinary shares in the share capital of Golden Crest, it does not have control over Golden Crest and its subsidiaries (collectively Golden Crest Group). The management of the affairs of Golden Crest Group is delegated to the board of directors of Golden Crest. In accordance with the Shareholders' Agreement entered among the Group, Golden Crest and the third party investor, the Group has the right to appoint 2 out of 5 directors. Accordingly, Golden Crest Group is classified as associates of the Group.

@@@ Although the Group holds more than 50% ownership interest in South Beach Consortium Pte. Ltd. (South Beach), pursuant to a contractual agreement between the Group and its joint venture partner in South Beach, joint control is exercised by both parties over the activities of South Beach. Accordingly, South Beach is classified as a joint venture of the Group.

The Group does not consider the above associates and joint ventures to be individually material to the Group under the context of FRS 112 *Disclosure of Interests in Other Entities*.

42 NON-CONTROLLING INTERESTS

The following subsidiary has material non-controlling interests.

Name	Principal places of business/Country of incorporation	Ownership interests held by non-controlling interests 2015 %	2014 %
Millennium & Copthorne Hotels plc (M&C)	England and Wales	**35**	39

The following summarises the consolidated financial results and financial position of M&C and its subsidiaries and its interests in associates and joint ventures, prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The financial information presented below represents the amounts before any inter-company eliminations with other companies in the Group.

	2015 $'000	2014 $'000
Revenue	**1,779,409**	1,724,823
Profit after tax	**208,113**	281,368
Other comprehensive income	**55,449**	(806)
Total comprehensive income	**263,562**	280,562
Attributable to non-controlling interests:		
- Profit	**107,846**	145,080
- Total comprehensive income	**159,510**	150,428
Non-current assets	**5,847,814**	5,680,219
Current assets	**845,176**	1,182,723
Non-current liabilities	**(1,663,617)**	(1,351,473)
Current liabilities	**(840,005)**	(1,311,102)
Net assets	**4,189,368**	4,200,367
Net assets attributable to non-controlling interests	**2,211,307**	2,298,907
Cash flows from operating activities	**371,789**	586,559
Cash flows used in investing activities	**(296,171)**	(981,078)
Cash flows (used in)/from financing activities[1]	**(365,487)**	459,228
Net (decrease)/increase in cash and cash equivalents	**(289,869)**	64,709

[1] Included in cash flows (used in)/from financing activities was dividend paid to non-controlling interests of $110,317,000 (2014: $135,354,000).

STATISTICS OF ORDINARY SHAREHOLDINGS

As at 1 March 2016

Class of Shares	:	Ordinary Shares
No. of Ordinary Shares issued	:	909,301,330
No. of Ordinary Shareholders	:	13,297
Voting Rights	:	1 vote for 1 ordinary share

There are no treasury shares held in the issued share capital of the Company.

Range of Ordinary Shareholdings	No. of Ordinary Shareholders	%	No. of Ordinary Shares	%
1 - 99	247	1.86	8,125	0.00
100 - 1,000	5,282	39.72	4,383,124	0.48
1,001 - 10,000	6,787	51.04	24,184,879	2.66
10,001 - 1,000,000	952	7.16	35,967,977	3.96
1,000,001 and above	29	0.22	844,757,225	92.90
	13,297	100.00	909,301,330	100.00

Based on information available to the Company as at 1 March 2016, approximately 33.61% of the issued ordinary shares of the Company is held by the public, and accordingly, Rule 723 of the Listing Manual of Singapore Exchange Securities Trading Limited has been complied with.

MAJOR ORDINARY SHAREHOLDERS LIST – Top 20 as at 1 March 2016

No.	Name	No. of Ordinary Shares Held	%*
1	Hong Leong Holdings Limited	148,787,477	16.36
2	Hong Leong Investment Holdings Pte. Ltd.	138,169,335	15.20
3	Citibank Nominees Singapore Pte Ltd	114,815,152	12.63
4	BNP Paribas Securities Services	65,549,654	7.21
5	DBS Nominees Pte Ltd	60,522,247	6.65
6	DBSN Services Pte Ltd	55,832,603	6.14
7	HSBC (Singapore) Nominees Pte Ltd	42,787,973	4.71
8	United Overseas Bank Nominees Pte Ltd	31,547,247	3.47
9	Hong Realty (Private) Limited	29,088,799	3.20
10	Euroform (S) Pte. Limited	19,603,045	2.16
11	Hong Leong Corporation Holdings Pte Ltd	18,584,760	2.04
12	Raffles Nominees (Pte) Ltd	18,167,857	2.00
13	NIN Investment Holdings Pte Ltd	15,161,490	1.67
14	Garden Estates (Pte.) Limited	14,152,365	1.56
15	SGI Investment Holdings Pte Ltd	13,752,414	1.51
16	Daiwa (Malaya) Private Limited	9,469,000	1.04
17	Gordon Properties Pte. Limited	9,304,616	1.02
18	UOB Nominees (2006) Pte Ltd	6,382,060	0.70
19	Interfab Private Limited	5,648,781	0.62
20	Hotel Holdings (Private) Ltd	5,123,000	0.56
	TOTAL	**822,449,875**	**90.45**

* The percentage of Ordinary Shares held is based on the total number of issued Ordinary Shares of the Company as at 1 March 2016.

STATISTICS OF ORDINARY SHAREHOLDINGS

As at 1 March 2016

SUBSTANTIAL SHAREHOLDERS

	No. of Ordinary Shares in which they have interest			
	Direct Interest	Deemed Interest	Total	%*
Hong Realty (Private) Limited	32,088,799	30,488,981[1]	62,577,780	6.882
Hong Leong Holdings Limited	148,787,477	19,546,445[2]	168,333,922	18.512
Hong Leong Investment Holdings Pte. Ltd.	140,169,335	300,146,809[3]	440,316,144	48.424
Davos Investment Holdings Private Limited	-	440,316,144[4]	440,316,144	48.424
Kwek Holdings Pte Ltd	-	440,316,144[4]	440,316,144	48.424
Aberdeen Asset Managers Limited	-	81,818,891[5]	81,818,891	8.998
Aberdeen Asset Management Asia Limited	-	108,574,871[6]	108,574,871	11.940
Aberdeen Asset Management PLC	-	161,949,930[7]	161,949,930	17.810

* The percentage of Ordinary Shares held is based on the total number of issued Ordinary Shares of the Company as at 1 March 2016.

Notes

(1) Hong Realty (Private) Limited ("HR") is deemed under Section 4 of the Securities and Futures Act, Chapter 289 of Singapore ("SFA") to have an interest in the 30,488,981 Ordinary Shares held directly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.

(2) Hong Leong Holdings Limited ("HLH") is deemed under Section 4 of the SFA to have an interest in the 19,546,445 Ordinary Shares held directly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.

(3) Hong Leong Investment Holdings Pte. Ltd. ("HLIH") is deemed under Section 4 of the SFA to have an interest in the 300,146,809 Ordinary Shares held directly and/or indirectly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof which includes (i) the 62,577,780 Ordinary Shares held directly and indirectly by HR; and (ii) the 168,333,922 Ordinary Shares held directly and indirectly by HLH, out of which 9,304,616 Ordinary Shares have been identified as Ordinary Shares in which HR is also deemed to have an interest in under note (1) above.

(4) Davos Investment Holdings Private Limited and Kwek Holdings Pte Ltd are deemed under Section 4 of the SFA to have an interest in the 440,316,144 Ordinary Shares held directly and/or indirectly by HLIH in which they are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.

(5) The deemed interest of Aberdeen Asset Managers Limited ("AAML") is based on the last notification to the Company on 29 February 2016 and relates to Ordinary Shares held by various accounts managed or advised by AAML.

(6) The deemed interest of Aberdeen Asset Management Asia Limited ("AAMAL") is based on the last notification to the Company on 2 March 2016 and relates to Ordinary Shares held by various accounts managed or advised by AAMAL.

(7) The deemed interest of Aberdeen Asset Management PLC ("Aberdeen") is based on the last notification to the Company on 2 March 2016 and relates to Ordinary Shares held by various accounts managed or advised by Aberdeen.

STATISTICS OF PREFERENCE SHAREHOLDINGS

As at 1 March 2016

Class of Shares	:	Non-Redeemable Convertible Non-Cumulative Preference Shares ("Preference Shares")
No. of Preference Shares issued	:	330,874,257
No. of Preference Shareholders	:	2,588
Voting Rights	:	Entitled to attend, speak and vote at any class meeting of the Holders of Preference Shares. 1 vote for each Preference Share.

Not entitled to attend and vote at any General Meeting of the Company except as provided below:

(a) If the Preference Dividend (or any part thereof) due and payable and accrued is in arrears and has remain unpaid for at least six months, such right to attend and vote shall continue until such Preference Dividend (or any part thereof) in arrears and unpaid has been paid in full;

(b) If the resolution in question varies the rights attached to the Preference Shares; or

(c) If the resolution in question is for the winding up of the Company.

Range of Preference Shareholdings	No. of Preference Shareholders	%	No. of Preference Shares	%
1 - 99	25	0.96	1,257	0.00
100 - 1,000	979	37.83	786,082	0.24
1,001 - 10,000	1,161	44.86	4,595,740	1.39
10,001 - 1,000,000	407	15.73	32,510,732	9.83
1,000,001 and above	16	0.62	292,980,446	88.54
	2,588	100.00	330,874,257	100.00

MAJOR PREFERENCE SHAREHOLDERS LIST – Top 20 as at 1 March 2016

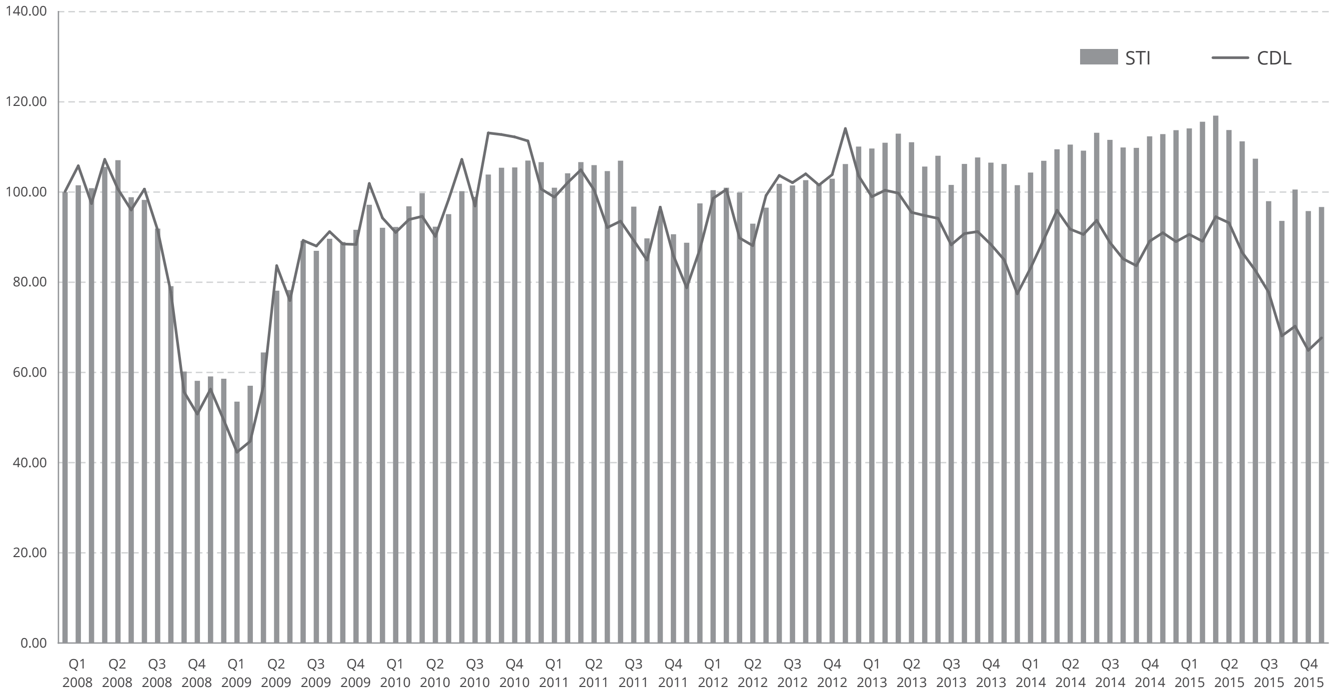
No.	Name	No. of Preference Shares Held	%*
1	Raffles Nominees (Pte) Ltd	102,745,981	31.05
2	Mandai Properties Pte Ltd	64,931,000	19.62
3	Citibank Nominees Singapore Pte Ltd	39,871,803	12.05
4	Aster Land Development Pte Ltd	26,913,086	8.13
5	DBS Nominees Pte Ltd	23,004,462	6.95
6	Fairmount Development Pte Ltd	7,000,000	2.12
7	HSBC (Singapore) Nominees Pte Ltd	6,451,217	1.95
8	Guan Hong Plantation Private Limited	5,000,000	1.51
9	Hong Leong Foundation	3,564,038	1.08
10	Upnorth Development Pte. Ltd.	3,000,000	0.91
11	Hong Leong Finance Nominees Pte Ltd	2,164,000	0.65
12	Interfab Private Limited	2,054,102	0.62
13	Lim & Tan Securities Pte Ltd	1,903,000	0.58
14	Maybank Kim Eng Securities Pte Ltd	1,757,476	0.53
15	Freddie Tan Poh Chye	1,370,000	0.41
16	United Overseas Bank Nominees Pte Ltd	1,250,281	0.38
17	Sun Yuan Overseas Pte Ltd	972,000	0.29
18	Morgan Stanley Asia (Singapore) Securities Pte Ltd	945,386	0.29
19	Wong Seow Choon George	920,000	0.28
20	Chu Fung @ Mary Chu	661,000	0.20
	TOTAL	**296,478,832**	**89.60**

* The percentage of Preference Shares held is based on the total number of issued Preference Shares of the Company as at 1 March 2016.

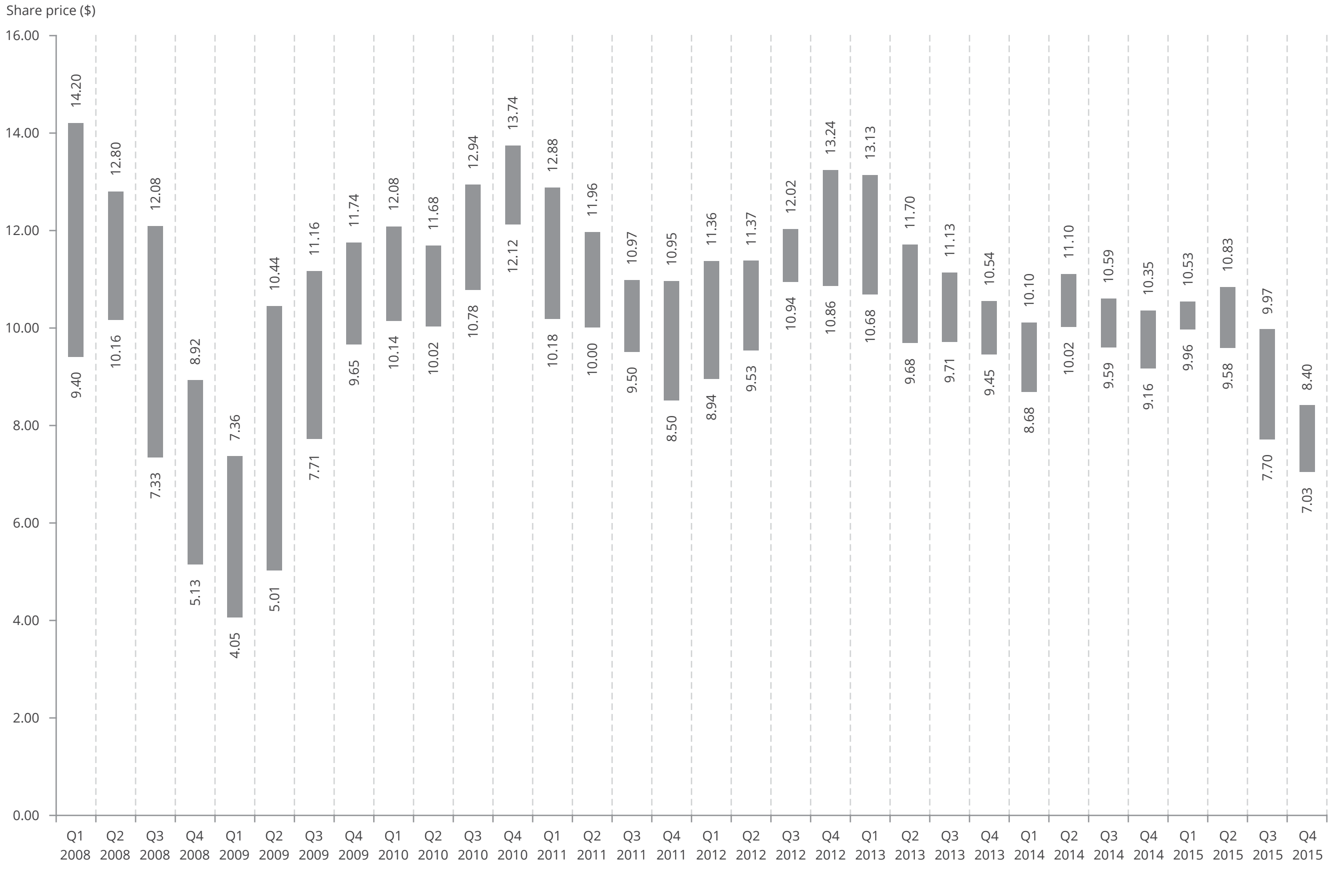
SHARE TRANSACTION STATISTICS

8-YEAR SHARE PRICE PERFORMANCE

NORMALISED VALUES



8-YEAR SHARE PRICE HIGH-LOW BY QUARTER



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty-Third Annual General Meeting (the "Meeting") of City Developments Limited (the "Company") will be held at M Hotel Singapore, Banquet Suite, Level 10, 81 Anson Road, Singapore 079908 on Wednesday, 20 April 2016 at 3.00 p.m. for the following purposes:

(A) ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 December ("FY") 2015 and the Auditors' Report thereon.

2. To declare a final one-tier tax-exempt ordinary dividend of 8.0 cents per ordinary share ("Final Ordinary Dividend") and a special final one-tier tax-exempt ordinary dividend of 4.0 cents per ordinary share ("Special Final Ordinary Dividend") for FY 2015.

3. To approve Directors' Fees of $601,958.00 for FY 2015 (FY 2014: $645,029.00) and Audit & Risk Committee ("ARC") Fees comprising $70,000.00 per annum payable to the ARC chairman and $55,000.00 per annum payable to each ARC member for the period from 1 July 2016 to 30 June 2017 (period from 1 July 2015 to 30 June 2016: $70,000.00 per annum for the ARC chairman and $55,000.00 per annum for each ARC member), with payment of the ARC Fees to be made quarterly in arrears at the end of each calendar quarter.

4. To re-elect the following Directors retiring in accordance with the Constitution of the Company and who, being eligible, offer themselves for re-election:

   (a) Mr Kwek Leng Peck
   (b) Mr Chan Soon Hee Eric

5. To appoint the following Directors who were appointed at the 2015 AGM to hold office until this Meeting pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore, which provision has since been repealed:

   (a) Mr Kwek Leng Beng
   (b) Mr Tang See Chim

6. To re-appoint KPMG LLP as Auditors and to authorise the Directors to fix their remuneration.

(B) SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without any modifications, the following resolutions, of which Resolutions 7, 8 and 9 will be proposed as Ordinary Resolutions and Resolution 10 will be proposed as a Special Resolution:

7. That authority be and is hereby given to the Directors to:

   (a) (i) issue ordinary shares of the Company whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require ordinary shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into ordinary shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

   (b) (notwithstanding the authority conferred by this Ordinary Resolution may have ceased to be in force) issue ordinary shares in pursuance of any Instrument made or granted by the Directors while this Ordinary Resolution was in force, provided that:

(1) the aggregate number of ordinary shares to be issued pursuant to this Ordinary Resolution (including ordinary shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution but excluding ordinary shares which may be issued pursuant to any adjustments effected under any relevant Instrument) does not exceed 50% of the total number of issued ordinary shares, excluding treasury shares, of the Company (as calculated in accordance with paragraph (2) of this Ordinary Resolution), of which the aggregate number of ordinary shares to be issued other than on a *pro rata* basis to shareholders of the Company (including ordinary shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution but excluding ordinary shares which may be issued pursuant to any adjustments effected under any relevant Instrument) does not exceed 10% of the total number of issued ordinary shares, excluding treasury shares, of the Company (as calculated in accordance with paragraph (2) of this Ordinary Resolution);

(2) (subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited ("SGX-ST")) for the purpose of determining the aggregate number of ordinary shares that may be issued under paragraph (1) of this Ordinary Resolution, the percentage of issued ordinary shares, excluding treasury shares, shall be based on the total number of issued ordinary shares, excluding treasury shares, of the Company at the time this Ordinary Resolution is passed, after adjusting for:

  (i) new ordinary shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Ordinary Resolution is passed; and

  (ii) any subsequent bonus issue, consolidation or subdivision of ordinary shares;

(3) in exercising the authority conferred by this Ordinary Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Ordinary Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company ("AGM") or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

8. That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "Companies Act"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares ("Ordinary Shares") and/or non-redeemable convertible non-cumulative preference shares ("Preference Shares") of the Company not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

  (i) market purchases (each a "Market Purchase") on SGX-ST; and/or

  (ii) off-market purchases (each an "Off-Market Purchase") effected otherwise than on SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they may, in their absolute discretion, deem fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and rules of SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally ("Share Purchase Mandate");

(b) the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution and expiring on the earliest of:

(i) the date on which the next AGM of the Company is held or required by law to be held;

(ii) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked in general meeting; or

(iii) the date on which the purchases or acquisitions of Ordinary Shares and/or Preference Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Ordinary Resolution:

"Prescribed Limit" means in relation to any purchase or acquisition of Ordinary Shares, the number of issued Ordinary Shares representing 10% of the total number of issued Ordinary Shares as at the date of the passing of this Ordinary Resolution (excluding any Ordinary Shares held as treasury shares as at that date), and in relation to any purchase or acquisition of Preference Shares, the number of issued Preference Shares representing 10% of the total number of issued Preference Shares as at the date of the passing of this Ordinary Resolution; and

"Maximum Price" in relation to an Ordinary Share or a Preference Share to be purchased or acquired (as the case may be) means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase, 105% of the Average Closing Price of the Ordinary Shares or Preference Shares (as the case may be); and

(ii) in the case of an Off-Market Purchase, 120% of the Highest Last Dealt Price of the Ordinary Shares or Preference Shares (as the case may be),

where:

"Average Closing Price" means the average of the Closing Market Prices of the Ordinary Shares or Preference Shares (as the case may be) over the last five (5) Market Days on SGX-ST, on which transactions in the Ordinary Shares or Preference Shares (as the case may be) were recorded, immediately preceding the day of the Market Purchase by the Company, and deemed to be adjusted for any corporate action that occurs after such 5-Market Day period;

"Closing Market Price" means the last dealt price for an Ordinary Share or a Preference Share (as the case may be) transacted on SGX-ST as shown in any publication of SGX-ST or other sources;

"Highest Last Dealt Price" means the highest price transacted for an Ordinary Share or a Preference Share (as the case may be) as recorded on SGX-ST on the Market Day on which there were trades in the Ordinary Shares or Preference Shares (as the case may be) immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase;

"day of the making of the offer" means the day on which the Company makes an offer for the Off-Market Purchase of Ordinary Shares or Preference Shares (as the case may be) from holders of Ordinary Shares or holders of Preference Shares (as the case may be), stating the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase, calculated on the foregoing basis) for each Ordinary Share or Preference Share (as the case may be), and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"Market Day" means a day on which SGX-ST is open for trading in securities; and

(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Ordinary Resolution.

9. (a) That approval be and is hereby given for the purpose of Chapter 9 of the Listing Manual of SGX-ST, for the Company, its subsidiaries and its associated companies that are not listed on SGX-ST, or an approved exchange, over which the Company, its subsidiaries and/or its interested person(s), have control, or any of them, to enter into any of the transactions falling within the category of Interested Person Transactions, particulars of which are set out in the Company's Circular to Shareholders dated 28 April 2003 (the "Circular") with any party who is of the class or classes of Interested Persons described in the Circular, provided that such transactions are entered into in accordance with the review procedures for Interested Person Transactions as set out in the Circular, and that such approval (the "IPT Mandate"), shall unless revoked or varied by the Company in General Meeting, continue in force until the next AGM of the Company; and

(b) That the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Ordinary Resolution.

10. That the new Constitution of the Company submitted to this Meeting and, for the purpose of identification, subscribed to by the Company Secretary, be approved and adopted as the new Constitution of the Company in substitution for, and to the exclusion of, the existing Constitution.

(C) TO TRANSACT ANY OTHER ORDINARY BUSINESS

By Order of the Board

Shufen Loh @ Catherine Shufen Loh
Enid Ling Peek Fong
Company Secretaries
Singapore
28 March 2016

Books Closure Date and Payment Date for Final Ordinary Dividend and Special Final Ordinary Dividend

Subject to the approval of the ordinary shareholders at the Meeting for the payment of the Final Ordinary Dividend and Special Final Ordinary Dividend, the Ordinary Shares Transfer Books and Register of Holders of ordinary shares of the Company will be closed on 6 May 2016. Duly completed registrable transfers received by the Company's Share Registrar, M & C Services Private Limited of 112 Robinson Road #05-01, Singapore 068902, up to 5.00 p.m. on 5 May 2016 will be registered to determine ordinary shareholders' entitlement to the Final Ordinary Dividend and Special Final Ordinary Dividend.

The Final Ordinary Dividend and Special Final Ordinary Dividend, if approved by the ordinary shareholders at the Meeting, will be paid on 20 May 2016.

Explanatory Notes:

1. With reference to item 3 of the Ordinary Business above, the Directors' Fees of $601,958.00 for FY 2015 excludes the Audit & Risk Committee ("ARC") Fees of $197,075.00 paid to the ARC chairman and ARC members for FY 2015 which had been approved by shareholders at the 2014 and 2015 AGMs of the Company. The structure of fees paid or payable to Directors for FY 2015 can be found on page 50 of the Annual Report.

2. With reference to item 4(a) of the Ordinary Business above, Mr Kwek Leng Peck will, upon re-election as a Director of the Company, remain as a member of the Board Committee ("BC").

   Key information on Mr Kwek Leng Peck is found on page 28 of the Annual Report. Mr Kwek Leng Peck is the cousin of Mr Kwek Leng Beng. Details of Mr Kwek Leng Peck's share interest in the Company and its related corporations can be found on pages 105 to 108 of the Annual Report. Mr Kwek Leng Peck is also a director and shareholder of Hong Realty (Private) Limited ("HR"), Hong Leong Holdings Limited ("HLH") and Hong Leong Investment Holdings Pte. Ltd. ("HLIH"), each of which holds more than 10% direct and/or deemed interest in the Company. Mr Kwek Leng Peck is not considered independent by the Board.

3. With reference to item 4(b) of the Ordinary Business above, Mr Chan Soon Hee Eric will, upon re-election as a Director of the Company, remain as Lead Independent Director, Chairman of the ARC, Remuneration Committee ("RC") and Corporate Social Responsibility & Corporate Governance Committee, and a member of the BC and Nominating Committee ("NC").

   Key information on Mr Chan Soon Hee Eric is found on page 30 of the Annual Report. Mr Chan has no shareholdings in the Company and its related corporations, and has no relationships with the Company, its 10% shareholders or its Directors. Mr Chan is considered independent by the Board.

4. With reference to item 5 of the Ordinary Business above, Mr Kwek Leng Beng and Mr Tang See Chim were re-appointed as Directors at the AGM held on 22 April 2015 ("2015 AGM") to hold office until the conclusion of the 2016 AGM under Section 153(6) of the Companies Act, Chapter 50, which provision has since been repealed.

   Mr Kwek Leng Beng will, upon appointment as a Director of the Company, remain as Chairman of the Board and a member of the BC and NC.

   Key information on Mr Kwek Leng Beng is found on page 28 of the Annual Report. Mr Kwek Leng Beng is the cousin of Mr Kwek Leng Peck. Details of Mr Kwek Leng Beng's share interest in the Company and its related corporations can be found on pages 105 to 108 of the Annual Report. Mr Kwek Leng Beng is also a director and shareholder of HR, HLH, HLIH and Kwek Holdings Pte. Ltd., each of which holds more than 10% direct and/or deemed interest in the Company. Mr Kwek Leng Beng is not considered independent by the Board.

   Mr Tang See Chim will, upon appointment as a Director of the Company, remain as a member of the BC, ARC and RC.

   Key information on Mr Tang See Chim is found on page 29 of the Annual Report. Details of Mr Tang's share interest in the Company and its related corporations can be found on pages 105 to 108 of the Annual Report. Mr Tang has no relationships with the Company, its 10% shareholders or its Directors. Mr Tang is considered independent by the Board.

5. The Ordinary Resolution set out in item 7 above, if passed, will empower the Directors of the Company from the date of the Meeting until the next AGM (unless such authority is previously revoked or varied at a general meeting), to issue ordinary shares and/or make or grant Instruments that might require new ordinary shares to be issued up to a number not exceeding 50% of the total number of issued ordinary shares, excluding treasury shares, of the Company, of which up to 10% may be issued other than on a *pro rata* basis to shareholders. The aggregate number of ordinary shares which may be issued under this Ordinary Resolution will be calculated based on the total number of issued ordinary shares, excluding treasury shares, of the Company at the time that this Ordinary Resolution is passed, after adjusting for new ordinary shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of ordinary shares.

6. The Ordinary Resolution set out in item 8 above, if passed, will empower the Directors of the Company to make purchases or otherwise acquire the Company's issued Ordinary Shares and/or Preference Shares (collectively, the "Shares") from time to time subject to and in accordance with the guidelines set out in Annexure I of the Appendix Accompanying this Notice. This authority will expire at the conclusion of the next AGM of the Company, unless previously revoked or varied at a general meeting or when such purchases or acquisitions are carried out to the full extent mandated.

   The Company intends to use internal resources and/or external borrowings to finance purchases or acquisitions of its Shares under the Share Purchase Mandate. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on whether the Shares are purchased or acquired out of capital or profits of the Company, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time and whether the Shares purchased or acquired are held in treasury or cancelled.

   Based on the existing number of issued Ordinary Shares and Preference Shares of the Company as at 29 February 2016 (the "Latest Practicable Date"), the exercise in full of the Share Purchase Mandate would result in the purchase of 90,930,133 Ordinary Shares (representing 10% of the total number of issued Ordinary Shares of the Company) and 33,087,425 Preference Shares (representing 10% of the total number of issued Preference Shares of the Company).

   Assuming that the Company purchases or acquires the 90,930,133 Ordinary Shares and 33,087,425 Preference Shares at the Maximum Price, the maximum amount of funds required is approximately:

   (a) (in the case of Market Purchases) S$716 million based on S$7.50 for one Ordinary Share (being the price equivalent to 5% above the Average Closing Price as at the Latest Practicable Date) and S$1.04 for one Preference Share (being the price equivalent to 5% above the Average Closing Price as at the Latest Practicable Date); and

   (b) (in the case of Off-Market Purchases) S$828 million based on S$8.68 for one Ordinary Share (being the price equivalent to 20% above the Highest Last Dealt Price as at the Latest Practicable Date) and S$1.18 for one Preference Share (being the price equivalent to 20% above the Highest Last Dealt Price as at the Latest Practicable Date).

   The financial effects of the purchase or acquisition of such Shares pursuant to the proposed Share Purchase Mandate on the audited financial statements of the Group and the Company for the financial year ended 31 December 2015 based on these assumptions are set out in paragraph 3.5 of Annexure I to the Appendix Accompanying this Notice.

7. The Ordinary Resolution set out in item 9 above, if passed, will renew the IPT Mandate first approved by Shareholders on 29 May 2003 to facilitate the Company, its subsidiaries and its associated companies to enter into Interested Person Transactions, the details of which are set out in Annexure II and Appendix A of the Appendix Accompanying this Notice. The IPT Mandate will continue in force until the conclusion of the next AGM of the Company, unless previously revoked or varied at a general meeting.

   <u>Voting restriction pursuant to Rule 921(7) of the Listing Manual of SGX-ST</u>

   Hong Leong Investment Holdings Pte. Ltd. and its subsidiaries, the Directors of the Company and their associates, who are also shareholders of the Company and being Interested Persons under the IPT Mandate, are required to abstain from voting at the Meeting in respect of the Ordinary Resolution 9 in relation to the proposed renewal of the IPT Mandate.

8. The Special Resolution set out in item 10 above is to adopt a new Constitution for the Company following the wide-ranging changes to the Companies Act introduced pursuant to the Companies (Amendment) Act 2014 (the "Amendment Act"). The new Constitution will consist of the memorandum and articles of association of the Company which were in force immediately before 3 January 2016, and incorporate amendments to, *inter alia*, take into account the changes to the Companies Act introduced pursuant to the Amendment Act. Please refer to Annexure III and Appendix B of the Appendix Accompanying this Notice for more details on the new Constitution.

Meeting Notes:

a. (i) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(ii) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

b. A proxy need not be a member of the Company.

c. The form of proxy must be deposited at the registered office of the Company at 36 Robinson Road, #04-01 City House, Singapore 068877 not less than 48 hours before the time appointed for holding the Meeting.

d. Completion and return of the form of proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under this form of proxy to the Meeting.

e. Pursuant to Rule 730(A)(2) of the Listing Manual of SGX-ST, all resolutions at this Meeting shall be voted on by way of a poll.

f. To allow for a more efficient voting system, polling will be done by way of an electronic poll voting system. With poll voting, members present in person or represented by proxy at the Meeting will be entitled to vote on a 'one-share, one-vote' basis. The detailed procedures for the electronic poll voting will be explained at the Meeting.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company:

(i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes");

(ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and

(iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

STATEMENT PURSUANT TO SECTION 64A OF THE COMPANIES ACT

Non-Redeemable Convertible Non-Cumulative Preference Shares ("Preference Shares")

Class Meetings: Holders of Preference Shares ("Preference Shareholders") shall be entitled to attend, speak and vote at any class meetings of the Preference Shareholders. Every Preference Shareholder who is present in person (or by proxy) at such class meetings shall have on a show of hands one vote and on a poll one vote for every Preference Share of which he is the holder.

General Meetings: Preference Shareholders shall be entitled to attend (in person or by proxy) any General Meeting of the Company and shall have, on a show of hands, one vote and on a poll one vote in respect of each Preference Share of which he is the holder if (i) dividends with respect to the Preference Shares (or any part thereof) due and payable and accrued is in arrears and has remained unpaid for at least six months; (ii) the resolution in question varies the rights attached to the Preference Shares; or (iii) the resolution in question is for the winding up of the Company.

Except as provided above, Preference Shareholders shall not be entitled to attend or vote at General Meetings of the Company.

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

PROXY FORM

53rd Annual General Meeting

IMPORTANT:
1. Relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore) may appoint more than two proxies to attend, speak and vote at the AGM.
2. This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF/SRS investors who hold ordinary shares through their CPF/SRS funds and/or holders of City Developments Limited's Preference shares. CPF/SRS investors should contact their respective Agent Banks/SRS operators if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 28 March 2016.

* I/We, ______________________________

with NRIC/Passport/Company Registration Number: ______________________________

of ______________________________ (Address)
being a *member/members of City Developments Limited (the "Company"), hereby appoint:

Name	Address	NRIC/ Passport number	Proportion of Shareholdings	
			No. of ordinary shares	%

*and/or

as *my/our *proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the Fifty-Third Annual General Meeting of the Company ("AGM") to be held at M Hotel Singapore, Banquet Suite, Level 10, 81 Anson Road, Singapore 079908 on Wednesday, 20 April 2016 at 3.00 p.m., and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolutions to be proposed at the AGM (of which Resolution Nos. 1 to 9 will be proposed as Ordinary Resolutions and Resolution No. 10 will be proposed as a Special Resolution) as indicated with an "x" in the spaces provided hereunder. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/their discretion, as *he/they will on any other matter arising at the AGM.

No.	Resolutions		For	Against
	ORDINARY BUSINESS:			
1.	Adoption of the Directors' Statement and Audited Financial Statements together with the Auditors' Report thereon.			
2.	Declaration of a Final Ordinary Dividend and a Special Final Ordinary Dividend			
3.	Approval of Directors' Fees and Audit & Risk Committee Fees			
4.	Re-election of Directors:	(a) Mr Kwek Leng Peck		
		(b) Mr Chan Soon Hee Eric		
5.	Appointment of Directors:	(a) Mr Kwek Leng Beng		
		(b) Mr Tang See Chim		
6.	Re-appointment of KPMG LLP as Auditors			
	SPECIAL BUSINESS:			
7.	Authority for Directors to issue ordinary shares and/or make or grant offers, agreements or options pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and the listing rules of Singapore Exchange Securities Trading Limited			
8.	Renewal of Share Purchase Mandate			
9.	Renewal of IPT Mandate for Interested Person Transactions			
10.	Adoption of the new Constitution			

Note: Voting will be conducted by poll.

Dated this ____________ day of ____________ 2016.

No. of ordinary shares held

____
Signature(s) or Common Seal of Member(s)

*Delete accordingly

IMPORTANT: PLEASE READ NOTES ON THE REVERSE

Notes:

1. If the member has ordinary shares entered against his/her name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she should insert that number of ordinary shares. If he/she has ordinary shares registered in his/her name in the Register of Members, he/she should insert that number of ordinary shares. If he/she has ordinary shares entered against his/her name in the Depository Register and ordinary shares registered in his/her name in the Register of Members, he/she should insert the aggregate number of ordinary shares. If no number is inserted, this form of proxy shall be deemed to relate to all the ordinary shares held by him/her.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.
3. A proxy need not be a member of the Company.
4. Completion and return of this form of proxy shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under this form of proxy to the AGM.
5. This form of proxy must be deposited at the registered office of the Company at 36 Robinson Road, #04-01 City House, Singapore 068877 not less than 48 hours before the time appointed for the AGM.
6. This form of proxy must be signed by the appointor or his attorney duly authorised in writing. Where the form of proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney duly authorised or a duly authorised officer. Where a form of proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must be lodged with the form of proxy, failing which the form of proxy may be treated as invalid.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM in accordance with its Constitution and Section 179 of the Companies Act, Chapter 50 of Singapore.
8. The Company shall be entitled to reject the form of proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the form of proxy (including any related attachment). In addition, in the case of ordinary shares entered in the Depository Register, the Company may reject any form of proxy lodged if the member, being the appointor, is not shown to have ordinary shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

1st fold here

2nd fold here

53rd AGM
Proxy Form

Affix
Stamp
Here

The Company Secretary
CITY DEVELOPMENTS LIMITED
36 Robinson Road
#04-01 City House
Singapore 068877

3rd fold and glue all sides firmly overleaf. Do not staple.

RECYCLED
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FSC™ C074416

Produced by
Corporate Communications Department, City Developments Limited &
Group Corporate Affairs, Hong Leong Group Singapore

CITY DEVELOPMENTS LIMITED

Conserving the Environment. Caring for the Community.

36 Robinson Road, #20-01 City House, Singapore 068877
Tel: (65) 6877 8228 Fax: (65) 6223 2746
www.cdl.com.sg

Co. Reg. No. 196300316Z

CITY DEVELOPMENTS LIMITED

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

APPENDIX ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING DATED 28 MARCH 2016

IN RELATION TO

(1) THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE;

(2) THE PROPOSED RENEWAL OF THE IPT MANDATE FOR INTERESTED PERSON TRANSACTIONS; AND

(3) THE PROPOSED ADOPTION OF THE NEW CONSTITUTION

CONTENTS

CITY DEVELOPMENTS LIMITED

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

Board of Directors:		**Registered Office:**
Kwek Leng Beng	(Executive Chairman)	36 Robinson Road
Kwek Leng Peck	(Non-executive Director)	#04-01 City House
Tang See Chim	(Non-executive Independent Director)	Singapore 068877
Yeo Liat Kok Philip	(Non-executive Independent Director)	
Tan Poay Seng	(Non-executive Independent Director)	
Chan Soon Hee Eric	(Lead Independent Director)	
Tan Yee Peng	(Non-executive Independent Director)	

28 March 2016

To: The Shareholders of City Developments Limited ("**Shareholders**")

Dear Sir/Madam

(I) PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE
(II) PROPOSED RENEWAL OF THE IPT MANDATE FOR INTERESTED PERSON TRANSACTIONS
(III) PROPOSED ADOPTION OF THE NEW CONSTITUTION

1. INTRODUCTION

We refer to the Notice of the Fifty-Third Annual General Meeting of City Developments Limited ("**CDL**" or the "**Company**") ("**53rd AGM**") issued by the Company on 28 March 2016 (the "**Notice**").

Item 8 of the Notice is an Ordinary Resolution ("**Resolution 8**") to be proposed at the 53rd AGM for the renewal of the Company's Share Purchase Mandate which will empower the Directors to make purchases or otherwise acquire issued ordinary shares of the Company ("**Ordinary Shares**") and/or issued non-redeemable convertible non-cumulative preference shares of the Company ("**Preference Shares**") from time to time subject to certain restrictions set out in the listing manual of the Singapore Exchange Securities Trading Limited ("**Listing Manual**"). Information relating to Resolution 8 is set out in Annexure I.

Item 9 of the Notice is an Ordinary Resolution ("**Resolution 9**") to be proposed at the 53rd AGM for the renewal of the Company's IPT Mandate for interested person transactions which will facilitate the Company, its subsidiaries and its associated companies, to enter into transactions with its interested persons, the details of which are set out in Annexure II and Appendix A.

Item 10 of the Notice is a Special Resolution ("**Resolution 10**") to be proposed at the 53rd AGM for the adoption of the new constitution of the Company, the details of which are set out in Annexure III and Appendix B.

The purpose of this letter is to provide Shareholders with the reasons for, and information relating to Resolutions 8, 9 and 10.

2. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors in issued Ordinary Shares and Preference Shares, and the interests of the Substantial Shareholders in issued Ordinary Shares as at 29 February 2016 (the "**Latest Practicable Date**"), were as follows:

Directors	**Class of Shares**	**Number of Shares held**	**%** [(1)]
Kwek Leng Beng	Ordinary	397,226	0.044
	Preference	144,445	0.044
Kwek Leng Peck	Ordinary	43,758	0.005
Tang See Chim	Ordinary	11,000	0.001
	Preference	4,000	0.001

	Number of Ordinary Shares			
Substantial Shareholders	**Direct Interest**	**Deemed Interest**	**Total**	**%** [(1)]
Hong Realty (Private) Limited ("**HR**")	32,088,799	30,488,981[(2)]	62,577,780	6.882
Hong Leong Holdings Limited ("**HLH**")	148,787,477	19,546,445[(3)]	168,333,922	18.512
Hong Leong Investment Holdings Pte. Ltd. ("**HLIH**")	140,169,335	300,146,809[(4)]	440,316,144	48.424
Davos Investment Holdings Private Limited ("**Davos**")	–	440,316,144[(5)]	440,316,144	48.424
Kwek Holdings Pte Ltd ("**KH**")	–	440,316,144[(5)]	440,316,144	48.424
Aberdeen Asset Managers Limited ("**AAML**")	–	81,818,891[(6)]	81,818,891	8.998
Aberdeen Asset Management Asia Limited ("**AAMAL**")	–	115,080,271[(7)]	115,080,271	12.656
Aberdeen Asset Management PLC ("**Aberdeen**")	–	172,552,130[(8)]	172,552,130	18.976

Notes:

(1) Based on 909,301,330 issued Ordinary Shares as at the Latest Practicable Date (none of which were held as treasury shares) and 330,874,257 issued Preference Shares as at that date.

(2) HR is deemed under Section 4 of the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**") to have an interest in the 30,488,981 Ordinary Shares held directly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.

(3) HLH is deemed under Section 4 of the SFA to have an interest in the 19,546,445 Ordinary Shares held directly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.

(4) HLIH is deemed under Section 4 of the SFA to have an interest in the 300,146,809 Ordinary Shares held directly and/or indirectly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof which includes (i) the 62,577,780 Ordinary Shares held directly and indirectly by HR; and (ii) the 168,333,922 Ordinary Shares held directly and indirectly by HLH, out of which 9,304,616 Ordinary Shares have been identified as Ordinary Shares in which HR is also deemed to have an interest in under note [(2)] above.

(5) Davos and KH are deemed under Section 4 of the SFA to have an interest in the 440,316,144 Ordinary Shares held directly and/or indirectly by HLIH in which they are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.

(6) The deemed interest of AAML is based on the last notification to the Company on 29 February 2016 and relates to Ordinary Shares held by various accounts managed or advised by AAML.

(7) The deemed interest of AAMAL is based on the last notification to the Company on 29 September 2015 and relates to Ordinary Shares held by various accounts managed or advised by AAMAL.

(8) The deemed interest of Aberdeen is based on the last notification to the Company on 11 December 2015 and relates to Ordinary Shares held by various accounts managed or advised by Aberdeen.

Directors of the Company will abstain from voting their shareholdings in the Company, if any, and have undertaken to ensure that their associates will abstain from voting their respective shareholdings in the Company, if any, on Resolution 9 relating to the proposed renewal of the IPT Mandate at the 53rd AGM.

The relevant companies within the Hong Leong Investment Holdings Pte. Ltd. ("**HLIH**") group (which includes HLIH, a controlling shareholder of the Company and their associates), being Interested Persons under the IPT Mandate, will abstain from voting their respective shareholdings in the Company on Resolution 9 at the 53rd AGM.

3. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at 36 Robinson Road, #04-01 City House, Singapore 068877, during normal business hours from the date of this Appendix Accompanying Notice of Annual General Meeting up to the date of the 53rd AGM:

(a) the Existing Constitution (as defined in Annexure III); and

(b) the proposed New Constitution (as defined in Annexure III).

4. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this letter (including the Annexures and Appendices) and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this letter constitutes full and true disclosure of all material facts about the renewal of the Share Purchase Mandate and of the IPT Mandate and the adoption of the new constitution of the Company (collectively, the "**Proposals**"), and the Company and its subsidiaries which are relevant to the Proposals, and the Directors are not aware of any facts the omission of which would make any statement in this letter misleading.

Where information contained in this letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this letter in its proper form and context.

Shareholders who are in any doubt as to the action they should take, should consult their stockbrokers or other professional advisers immediately.

Yours faithfully
CITY DEVELOPMENTS LIMITED

KWEK LENG BENG
Executive Chairman

Note: **Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Letter to Shareholders.**

PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

1. BACKGROUND

At the Annual General Meeting of the Company held on 22 April 2015 (the "**2015 AGM**"), Ordinary Shareholders had approved, *inter alia*, the renewal of the Share Purchase Mandate to enable the Company to purchase or otherwise acquire its issued Shares. The rationale for, authority and limitations on, and the financial effects of, the Share Purchase Mandate were set out in the Company's Appendix Accompanying Notice of Annual General Meeting dated 30 March 2015 and Ordinary Resolution 8 set out in the Notice of 2015 AGM.

The Share Purchase Mandate was expressed to take effect from the passing of the Ordinary Resolution at the 2015 AGM and will expire on the date of the forthcoming Fifty-Third Annual General Meeting to be held on 20 April 2016 (the "**53rd AGM**"). Accordingly, Ordinary Shareholders' approval will be sought for the renewal of the Share Purchase Mandate at the 53rd AGM.

Since the renewal of the Share Purchase Mandate at the 2015 AGM, the Company has not purchased or acquired any Shares under the Share Purchase Mandate.

2. DEFINITIONS

In this Annexure I, the following definitions shall apply throughout unless otherwise stated:

"CDP"	:	The Central Depository (Pte) Limited
"Company"	:	City Developments Limited
"Companies Act"	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
"Constitution"	:	The Constitution of the Company, as amended or modified from time to time
"EPS"	:	Earnings per Ordinary Share
"Group"	:	The Company and its subsidiaries
"HLIH"	:	Hong Leong Investment Holdings Pte. Ltd.
"HLIH Group"	:	HLIH and its subsidiaries
"Income Tax Act"	:	Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time
"Latest Practicable Date"	:	29 February 2016, being the latest practicable date prior to the printing of this Appendix
"Listing Manual"	:	The Listing Manual of SGX-ST, as amended or modified from time to time
"Market Day"	:	A day on which SGX-ST is open for trading in securities

"Market Purchase"	:	An on-market purchase of Shares by the Company effected on SGX-ST, through one or more duly licensed stockbrokers appointed by the Company for the purpose
"NAV"	:	Net Asset Value
"Off-Market Purchase"	:	An off-market purchase of Shares by the Company effected in accordance with an equal access scheme
"Ordinary Shareholders"	:	Registered holders of Ordinary Shares, except where the registered holder is CDP, the term "**Ordinary Shareholders**" shall in relation to such Ordinary Shares, mean the Depositors whose securities accounts maintained with CDP are credited with the Ordinary Shares
"Ordinary Shares"	:	Ordinary shares of the Company
"Preference Shares"	:	Non-redeemable convertible non-cumulative preference shares of the Company
"SFA"	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Share Purchase Mandate"	:	The mandate to enable the Company to purchase or otherwise acquire its issued Shares
"Shareholders"	:	Registered holders of Shares, except where the registered holder is CDP, the term "**Shareholders**" shall in relation to such Shares, mean the Depositors whose securities accounts maintained with CDP are credited with the Shares
"Shares"	:	Ordinary Shares and Preference Shares
"SIC"	:	Securities Industry Council of Singapore
"Take-over Code"	:	The Singapore Code on Take-overs and Mergers

The terms "**Depositor**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Annexure I to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Income Tax Act, the SFA, the Listing Manual or Take-over Code or any statutory modification thereof and not otherwise defined in this Annexure I shall have the same meaning assigned to it under the Companies Act, the Income Tax Act, the SFA, the Listing Manual or Take-over Code or any statutory modification thereof, as the case may be.

Any discrepancies in the tables in this Annexure I between the listed amounts and the totals thereof are due to rounding.

3. RENEWAL OF THE SHARE PURCHASE MANDATE

3.1 Rationale for the Share Purchase Mandate.

The Share Purchase Mandate will give the Directors the flexibility to purchase or acquire its Shares, if and when circumstances permit, with a view to enhancing the EPS and/or the NAV per Ordinary Share. The Directors believe that share purchases also provide the Company and its Directors with an alternative to facilitate the return of surplus cash over and above its ordinary capital requirements and exercise greater control over the Company's share capital structure.

The Directors further believe that share purchases or acquisitions may bolster confidence of Ordinary Shareholders and/or holders of Preference Shares. With the Share Purchase Mandate, the Directors will have the ability to purchase Shares on SGX-ST, where appropriate, to stabilise the demand for the Shares and to buffer against short-term share price volatility due to market speculation.

Purchases of Shares by the Company will be made only in circumstances where it is considered to be in the best interests of the Company. Further, the Directors do not propose to carry out share purchases to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Company or the Group, or result in the Company being delisted from SGX-ST.

3.2 Authority and Limits of the Share Purchase Mandate.

The authority and limitations placed on the purchase or acquisition of issued Shares by the Company under the Share Purchase Mandate are summarised below:

3.2.1 Maximum Number of Shares

Only Shares which are issued and fully paid may be purchased or acquired by the Company under the Share Purchase Mandate.

Subject to the Companies Act, the Share Purchase Mandate will authorise the Company, from time to time, to purchase such number of Shares which represents up to:

(i) in the case of Ordinary Shares, a maximum of 10% of the total number of issued Ordinary Shares (excluding any Ordinary Shares which are held as treasury shares); and

(ii) in the case of Preference Shares, a maximum of 10% of the total number of issued Preference Shares,

as at the date of the 53rd AGM at which the renewal of the Share Purchase Mandate is approved.

As at the Latest Practicable Date, no Ordinary Shares were held as treasury shares.

3.2.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, by the Company from the date of the 53rd AGM up to the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;

(ii) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked in general meeting; or

(iii) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated.

3.2.3 **Manner of Purchase**

Purchases or acquisitions of Shares may be made by way of Market Purchases and/or Off-Market Purchases.

Market Purchases refer to purchases or acquisitions of Shares by the Company effected on SGX-ST, through one or more duly licensed stockbrokers appointed by the Company for the purpose.

Off-Market Purchases refer to purchases or acquisitions of Shares by the Company made under an equal access scheme. The Directors may impose such terms and conditions, which are not inconsistent with the Share Purchase Mandate, the Listing Manual, the Companies Act or the Constitution, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes. Under the Companies Act, an equal access scheme must satisfy all the following conditions:

(i) the offers for the purchase or acquisition of shares under the scheme are to be made to every person who holds shares to purchase or acquire the same percentage of their shares;

(ii) all of those persons have a reasonable opportunity to accept the offers made to them; and

(iii) the terms of all the offers are the same except that there shall be disregarded:

(aa) differences in consideration attributable to the fact that the offers relate to shares with different accrued dividend entitlements;

(bb) differences in consideration attributable to the fact that the offers relate to shares with different amounts remaining unpaid; and

(cc) differences in the offers introduced solely to ensure that each person is left with a whole number of shares.

In addition, the Listing Manual provides that in making an Off-Market Purchase, a listed company must issue an offer document to all shareholders containing, *inter alia*:

(1) the terms and conditions of the offer;

(2) the period and procedures for acceptances;

(3) the reasons for the proposed share purchases;

(4) the consequences, if any, of share purchases by the listed company that will arise under the Take-over Code or other applicable take-over rules;

(5) whether the share purchases, if made, could affect the listing of the listed company's shares on SGX-ST;

(6) details of any share purchases made by the listed company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and

(7) whether the shares purchased by the listed company will be cancelled or kept as treasury shares.

3.2.4 **Maximum Purchase Price**

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. However, the purchase price must not exceed:

(i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below); and

(ii) in the case of an Off-Market Purchase, 120% of the Highest Last Dealt Price (as defined below),

(the "**Maximum Price**").

For the above purposes:

"**Average Closing Price**" means the average of the Closing Market Prices of the Ordinary Shares or Preference Shares (as the case may be) over the last five Market Days on SGX-ST, on which transactions in the Ordinary Shares or Preference Shares (as the case may be) were recorded, immediately preceding the day of the Market Purchase by the Company, and deemed to be adjusted for any corporate action that occurs after such 5-Market Day period;

"**Closing Market Price**" means the last dealt price for an Ordinary Share or a Preference Share (as the case may be) transacted on SGX-ST as shown in any publication of SGX-ST or other sources;

"**Highest Last Dealt Price**" means the highest price transacted for an Ordinary Share or a Preference Share (as the case may be) as recorded on SGX-ST on the Market Day on which there were trades in the Ordinary Shares or Preference Shares (as the case may be) immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

"**day of the making of the offer**" means the day on which the Company makes an offer for the Off-Market Purchase of Ordinary Shares or Preference Shares (as the case may be) from Ordinary Shareholders or holders of Preference Shares (as the case may be), stating the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase, calculated on the foregoing basis) for each Ordinary Share or Preference Share (as the case may be) and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

3.3 **Source of Funds.**

In purchasing or acquiring Shares, the Company may only apply funds legally available for such purchase or acquisition in accordance with the Constitution and applicable laws in Singapore. Payment may be made by the Company in consideration of the purchase or acquisition of its own Shares out of the Company's capital as well as from its profits.

The Company intends to use internal resources and/or external borrowings to finance purchases or acquisitions of its Shares under the Share Purchase Mandate. The Directors do not intend to exercise the Share Purchase Mandate to such extent as would have a material adverse effect on the working capital requirements or the gearing levels of the Group. In determining whether to undertake any purchases or acquisitions of Shares under the Share Purchase Mandate, the Directors will take into account, *inter alia*, the prevailing market conditions, the financial position of the Group and other relevant factors.

3.4 **Status of Purchased or Acquired Shares.**

Under the Companies Act, Preference Shares which are purchased or acquired by the Company will be deemed cancelled immediately on purchase or acquisition. Ordinary Shares purchased or acquired by the Company may be held or dealt with as treasury shares or cancelled. As such, Shares cancelled upon purchase or acquisition by the Company will be automatically delisted by SGX-ST, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as practicable following settlement of any such purchase or acquisition.

Some of the provisions on treasury shares under the Companies Act are summarised below:

3.4.1 **Maximum Holdings**

The number of Ordinary Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Ordinary Shares.

3.4.2 **Voting and Other Rights**

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote in respect of treasury shares and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

3.4.3 **Disposal and Cancellation**

Where Ordinary Shares are held as treasury shares, the Company may at any time but subject always to the Take-over Code:

(i) sell the treasury shares for cash;

(ii) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;

(iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(iv) cancel the treasury shares; or

(v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "**usage**"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares of the usage, the number of treasury shares before and after the usage, and the percentage of the number of treasury shares of the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on SGX-ST before and after the usage and the value of the treasury shares of the usage.

3.5 **Financial Effects.**

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of capital or profits of the Company, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effects on the Company and the Group based on the audited financial statements of the Group for the financial year ended 31 December 2015 are based on the assumptions set out below:

3.5.1 **Purchase or Acquisition out of Capital or Profits**

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

The purchases or acquisitions of Shares by the Company will reduce the cash reserves and/or increase the borrowings of the Company and the Group, thereby reducing the working capital and shareholders' funds of the Company and the Group. As a result of this, the gearing ratio of the Company and the Group will increase and the current ratios will decrease on the assumption that the additional external borrowings obtained, if any, are classified as current liabilities.

3.5.2 **Maximum Price Paid for Shares Purchased or Acquired**

As at the Latest Practicable Date, the Company has 909,301,330 issued Ordinary Shares (none of which are held as treasury shares) and 330,874,257 Preference Shares.

Based on the existing number of issued Ordinary Shares and Preference Shares of the Company as at the Latest Practicable Date, the exercise in full of the Share Purchase Mandate would result in the purchase of 90,930,133 Ordinary Shares (representing 10% of the total number of issued Ordinary Shares of the Company) and 33,087,425 Preference Shares (representing 10% of the total number of issued Preference Shares of the Company).

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 90,930,133 Ordinary Shares at the Maximum Price of $7.50 for one Ordinary Share (being the price equivalent to 5% above the Average Closing Price as at the Latest Practicable Date) and 33,087,425 Preference Shares at the Maximum Price of $1.04 for one Preference Share (being the price equivalent to 5% above the Average Closing Price as at the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 90,930,133 Ordinary Shares and 33,087,425 Preference Shares is approximately $716 million.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 90,930,133 Ordinary Shares at the Maximum Price of $8.68 for one Ordinary Share (being the price equivalent to 20% above the Highest Last Dealt Price as at the Latest Practicable Date) and 33,087,425 Preference Shares at the Maximum Price of $1.18 for one Preference Share (being the price equivalent to 20% above the Highest Last Dealt Price as at the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 90,930,133 Ordinary Shares and 33,087,425 Preference Shares is approximately $828 million.

3.5.3 **Whether the underlying Shares are cancelled or held in treasury**

The financial effects on the Group arising from purchases or acquisitions of Shares will also depend on whether the Shares purchased or acquired are cancelled or held in treasury.

For illustrative purposes only, on the basis that the Company purchases or acquires 90,930,133 Ordinary Shares and 33,087,425 Preference Shares by way of Market Purchases made out of profits and/or capital and held in treasury for Ordinary Shares purchased or acquired and cancelled for Preference Shares purchased or acquired, and that the Share Purchase Mandate had been effective on 1 January 2015, the financial effects on the audited financial statements of the Group and the Company for the financial year ended 31 December 2015 would have been as follows:

	GROUP		**COMPANY**	
	Before Purchase of Ordinary Shares and Preference Shares	**After Purchase of Ordinary Shares and Preference Shares[(1),(8)]**	**Before Purchase of Ordinary Shares and Preference Shares**	**After Purchase of Ordinary Shares and Preference Shares[(1),(8)]**
As at 31 December 2015	**$'000**	**$'000**	**$'000**	**$'000**
Share Capital and Reserves[(1)]	8,995,792	8,962,672	6,066,417	6,033,297
Treasury Shares	–	(681,976)	–	(681,976)
NAV	8,995,792	8,280,696	6,066,417	5,351,321
Total Equity	11,213,015	10,497,919	6,066,417	5,351,321
Current Assets[(2)]	10,888,046	10,172,950	8,120,057	7,404,961
Current Liabilities[(2)]	3,831,960	3,831,960	3,064,358	3,064,358
Working Capital	7,056,086	6,340,990	5,055,699	4,340,603
Net Borrowings[(2),(3)]	2,937,819	3,652,915	1,164,642	1,879,738
Number of Ordinary Shares[(7)]	909,301,330	818,371,197	909,301,330	818,371,197
Financial Ratios				
NAV per Ordinary Share ($)	9.89	10.12	6.67	6.54
Basic EPS (Ordinary) (cents)[(4)]	83.63	93.08	38.85	43.32
Net Gearing (times)[(5)]	0.26	0.35	0.19	0.35
Current Ratio (times)[(6)]	2.84	2.65	2.65	2.42

Notes:

(1) Assuming no Preference Shares are converted.

(2) Assuming the purchases or acquisitions of Ordinary Shares and Preference Shares are funded using all available cash and cash equivalents (excluding amounts held under project accounts which withdrawals are restricted to payment for expenditure incurred on development projects) of the Company and the balance, if any, via short term bank borrowings. For the purpose of this calculation, we have not taken into account any interest foregone on the utilised cash and cash equivalents, or any interest payable on the additional borrowings.

(3) Net borrowings refer to the aggregate borrowings from banks and financial institutions, and finance lease creditors, after deducting cash and cash equivalents. Unamortised balance of transaction costs have not been deducted from the gross borrowings.

(4) Basic EPS is based on the net profit attributable to Ordinary Shareholders after adjustment of non-redeemable convertible non-cumulative preference dividends and the number of Ordinary Shares.

(5) Net gearing is computed based on the ratio of net borrowings to total equity.

(6) Current ratio is computed based on the ratio of current assets to current liabilities.

(7) Number of Ordinary Shares refers to number of issued and paid-up Ordinary Shares as at the Latest Practicable Date as well as the weighted average number of Ordinary Shares outstanding during the year.

(8) The funds used for effecting the number of Shares purchased or acquired are taken from capital (50%) and out of accumulated profits (50%).

Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are for illustration purposes only.

In particular, it is important to note that the above analysis is based on the latest audited financial statements of the Group for the financial year ended 31 December 2015, and is not necessarily representative of the future financial performance of the Group or the Company. In addition, the actual impact will depend on the actual number and price of Shares that may be acquired or purchased by the Company as well as how the purchase or acquisition is funded, and the Company may not carry out the Share Purchase Mandate to the full 10% mandated and may cancel or hold in treasury all or part of the Ordinary Shares purchased or acquired.

3.6 **Taxation.**

Purchase or Acquisition of Ordinary Shares

The proceeds received by the shareholder from the buyback will be treated as proceeds from the disposal of Ordinary Shares. Whether or not such proceeds are taxable in the hands of such shareholder will depend on whether such proceeds are receipt of an income or capital nature.

Any gains from the disposal of the Ordinary Shares considered to be capital in nature will not be taxable in Singapore. However, any gains derived by any person from the disposal of the Ordinary Shares which are considered as revenue income from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable in Singapore.

Holders of the Ordinary Shares who apply or are required to apply Singapore Financial Reporting Standard 39 - Financial Instruments: Recognition and Measurement ("**FRS 39**"), may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Ordinary Shares, irrespective of disposal, in accordance with FRS 39.

Holders of the Ordinary Shares should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Ordinary Shares.

Purchase or Acquisition of Preference Shares

The tax consequences of the purchase or acquisition of Preference Shares are as per those stated under "Purchase or Acquisition of Ordinary Shares".

Holders of the Preference Shares should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Preference Shares.

Shareholders should note that the foregoing does not constitute, and should not be regarded as constituting, advice on the tax position of any Shareholder. Shareholders who are in doubt as to their respective tax positions or any tax implications, including those who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

3.7 **Listing Manual.**

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to SGX-ST, in such reporting format as prescribed by SGX-ST or the Listing Manual, not later than 9.00 a.m. (a) in the case of a Market Purchase, on the Market Day following the day of purchase of any of its shares; and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. The Listing Manual restricts a listed company from purchasing shares by way of a Market Purchase at a price which is more than 5% above the Average Closing Market Price (as defined in Section 3.2.4 of this Annexure I). Hence, the Maximum Price for the purchase or acquisition of Shares by the Company by way of a Market Purchase complies with this requirement.

Although the Listing Manual does not prescribe a maximum price in relation to purchase or acquisition of shares by way of an Off-Market Purchase, the Company has set a cap of 20% above the Highest Last Dealt Price of an Ordinary Share or a Preference Share (as the case may be) as the Maximum Price for an Ordinary Share or a Preference Share to be purchased or acquired by way of an Off-Market Purchase.

While the Listing Manual does not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time or times, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after any matter or development of a price sensitive nature has occurred or has been the subject of a decision until such price sensitive information has been publicly announced. In particular, in line with the Company's Internal Code On Securities Trading, the Company will not purchase or acquire any Shares during the period of two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year, and one month before the announcement of the Company's financial statements for the full financial year (as the case may be).

The Listing Manual requires a listed company to ensure that at least 10% of the total number of issued shares excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by public shareholders. Under the Listing Manual, "**public**" is defined as persons other than the directors, substantial shareholders, chief executive officer or controlling shareholders of the company and its subsidiaries, as well as the associates of such persons.

Based on information available to the Company as at the Latest Practicable Date, approximately 32.44% of the issued Ordinary Shares were held by public Ordinary Shareholders. In the event that the Company purchases the maximum of 10% of its issued Ordinary Shares from such public Ordinary Shareholders, the resultant percentage of the issued Ordinary Shares held by public Ordinary Shareholders would be reduced to approximately 24.94%. Accordingly, the Directors are of the view that there is, at present, a sufficient number of Ordinary Shares in issue held by public Ordinary Shareholders that would permit the Company to potentially undertake purchases or acquisitions of the Ordinary Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without affecting adversely the listing status of the Ordinary Shares on SGX-ST, and that the number of Ordinary Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect orderly trading of the Ordinary Shares.

3.8 **Obligation to Make a Take-Over Offer.**

(i) As the Preference Shares do not carry general voting rights, there will be no Take-over Code implications arising from the purchase or acquisition by the Company of Preference Shares pursuant to the Share Purchase Mandate.

(ii) If, as a result of any purchase or acquisition of Ordinary Shares made by the Company under the Share Purchase Mandate, an Ordinary Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 14 of the Take-over Code. Consequently, an Ordinary Shareholder or group of Ordinary Shareholders acting in concert could obtain or consolidate effective control of the Company and become obliged to make a take-over offer for the Company under Rule 14.

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert: (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts); (b) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with each other, and (c) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second-mentioned company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company.

The circumstances under which Ordinary Shareholders, including Directors, and persons acting in concert with them, respectively, will incur an obligation to make a take-over offer after a purchase or acquisition of Ordinary Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code.

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that unless exempted (or if exempted, such exemption is subsequently revoked), Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code if, as a result of a purchase or acquisition of Ordinary Shares by the Company:

(aa) the percentage of voting rights held by such Directors and their concert parties in the Company increase to 30% or more; or

(bb) if the Directors and their concert parties hold 30% or more but less than 50% of the Company's voting rights, and their voting rights increase by more than 1% in any period of six months.

In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, an Ordinary Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing its Ordinary Shares, the voting rights of such Ordinary Shareholder would increase to 30% or more, or, if such Ordinary Shareholder holds 30% or more but less than 50% of the Company's voting rights, the voting rights of such Ordinary Shareholder would increase by more than 1% in any period of six months. Such Ordinary Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Shareholders who are in doubt as to whether they would incur any obligation to make a takeover offer under the Take-over Code as a result of any purchase or acquisition of Ordinary Shares by the Company pursuant to the Share Purchase Mandate are advised to consult their professional advisers and/or the SIC at the earliest opportunity.

3.9 **Certain General Take-Over Code Implications Arising from the Share Purchase Mandate.**

Based on information available to the Company as at the Latest Practicable Date, HLIH and its concert parties ("**HLIH Concert Parties**") hold approximately 49.10% of the total number of issued Ordinary Shares.

Assuming that there is no change in the said shareholding interests of the HLIH Concert Parties in the Company, the purchase or acquisition by the Company of the maximum 90,930,133 Ordinary Shares (being 10% of the total number of issued Ordinary Shares of the Company as at the Latest Practicable Date) from Ordinary Shareholders other than the HLIH Concert Parties, will result in their collective shareholding interests increasing from 49.10% to 54.56%. In addition, if the Company were to exercise its right to convert the Preference Shares into Ordinary Shares, the percentage shareholding of the HLIH Concert Parties may also increase (depending on whether and the extent to which, the Company converts the Preference Shares into Ordinary Shares).

Based on the above information as at the Latest Practicable Date, the percentage of voting rights held by the HLIH Concert Parties in the Company may be increased by more than 1% in any 6-month period as a result of acquisition of Ordinary Shares by the Company pursuant to the Share Purchase Mandate and/or the conversion of the Preference Shares.

The HLIH Concert Parties has made an application to SIC and it has been confirmed by SIC, *inter alia*, that:

(i) the HLIH Concert Parties will not be obliged under the Take-over Code to make a take-over offer for the Ordinary Shares even if their aggregate shareholdings were to so increase by more than 1% in any 6-month period, provided that their collective shareholdings amount to more than 49% for at least six months prior to such increase. As at the Latest Practicable Date, the HLIH Concert Parties have collectively held more than 49% of the Company for more than six months; and

(ii) no take-over obligation will arise even if any individual member or sub-group within the HLIH Concert Parties group increases its holding to 30% or more, or if already holding between 30% and 50%, acquires further voting rights in the Company sufficient to increase its holding by more than 1% in any 6-month period.

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any substantial Shareholder (together with persons acting in concert with it) who would become obliged to make a mandatory take-over offer for the Company under the Take-over Code in the event that the Company purchases the maximum 90,930,133 Ordinary Shares pursuant to the Share Purchase Mandate.

4. RECOMMENDATION

For the reasons set out in Section 3 of Annexure I, the Directors recommend that Ordinary Shareholders vote in favour of the Ordinary Resolution 8 for the renewal of the Share Purchase Mandate at the forthcoming 53rd AGM.

PROPOSED RENEWAL OF THE IPT MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. BACKGROUND

On 29 May 2003, the Company obtained shareholders' approval at an Extraordinary General Meeting of the Company ("**2003 EGM**") for the Company, its subsidiaries and its associated companies not listed on Singapore Exchange Securities Trading Limited ("**SGX-ST**") or an approved exchange, over which the Company, its subsidiaries and/or interested persons have control (collectively "**CDL EAR Group**"), to enter into transactions within the categories of Interested Person Transactions set out in the Company's circular to shareholders dated 28 April 2003, with such persons within the class or classes of Interested Persons as described in the said circular, provided that such transactions are entered into in accordance with the review procedures set out in the said circular (the "**IPT Mandate**"). The IPT Mandate was renewed at each of the Company's Annual General Meetings since 2004, including the last 52nd Annual General Meeting. Given that such Interested Person Transactions are expected to occur with some degree of frequency and may arise at any time, and to allow the Group to undertake such transactions in an expeditious manner, shareholders' approval will be sought at the forthcoming 53rd AGM of the Company for the renewal of the IPT Mandate.

2. RENEWAL OF THE IPT MANDATE

Under Chapter 9 of the Listing Manual, a general mandate for transactions with interested persons is subject to annual renewal. The IPT Mandate approved at the 52nd AGM was expressed, unless revoked or varied by the Company in general meeting, to continue in force until the next Annual General Meeting of the Company, being the 53rd AGM, which is to be held on 20 April 2016. Accordingly, it is proposed that the IPT Mandate be renewed at the 53rd AGM, to take effect until the conclusion of the next Annual General Meeting of the Company to be held in 2017.

The nature of the Interested Person Transactions and the classes of Interested Persons in respect of which the IPT Mandate is sought to be renewed remain unchanged.

Particulars of the IPT Mandate, including the rationale for, the benefits to be derived by the Company, as well as the review procedures for determining transaction prices with the specified classes of Interested Persons and other general information relating to Chapter 9 of the Listing Manual, are set out in Appendix A.

3. INTERESTED PERSON TRANSACTION CONDUCTED IN THE YEAR ENDED 31 DECEMBER 2015

Interested Person Transactions conducted by the CDL EAR Group under the IPT Mandate during the year ended 31 December 2015 ("**FY2015**") were as follows:

Interested Persons	Aggregate value of all interested person transactions conducted in FY2015 under the IPT Mandate pursuant to Rule 920 (excluding transactions less than $100,000)	
Hong Leong Investment Holdings Pte. Ltd. group of companies	Property-related (a) provision to/by interested persons of (i) cleaning services; (ii) managing agent services; (iii) security services; and (iv) marketing services (b) lease of premises to interested persons	$12,304,746.40
	General Transactions Purchase of goods and services	$204,154.60
	Total:	**$12,508,901.00**
Directors and their immediate family members		Nil

4. AUDIT & RISK COMMITTEE'S STATEMENT

The Audit & Risk Committee of the Company confirms that:

(a) the methods and procedures for determining the transaction prices of the Interested Person Transactions conducted under the IPT Mandate have not changed since the 2003 EGM; and

(b) the methods and procedures referred to in (a) above continue to be sufficient to ensure that these Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

5. RECOMMENDATION

The Directors who are considered independent for the purposes of the proposed renewal of the IPT Mandate are Mr Tang See Chim, Mr Yeo Liat Kok Philip, Mr Tan Poay Seng, Mr Chan Soon Hee Eric and Ms Tan Yee Peng.

They are of the opinion that the entry into of the Interested Person Transactions (as described in Section 6 of Appendix A) between the CDL EAR Group (as defined in Section 2 of Appendix A) and the Interested Persons (as described in Section 5 of Appendix A) in the ordinary course of business will be entered into to enhance the efficiency of the Group and are in the best interests of the Company. For the reasons set out in Sections 2 and 4 of Appendix A, they recommend that Shareholders vote in favour of Resolution 9 for the renewal of the IPT Mandate at the forthcoming 53rd AGM.

PROPOSED ADOPTION OF THE NEW CONSTITUTION

1. COMPANIES (AMENDMENT) ACT 2014

The Companies (Amendment) Act 2014 (the "**Amendment Act**"), which was passed in Parliament on 8 October 2014 and took effect in phases on 1 July 2015 and 3 January 2016 respectively, introduced wide-ranging changes to the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"). The changes aim to reduce regulatory burden on companies, provide for greater business flexibility and improve the corporate governance landscape in Singapore. The key changes include the introduction of a multiple proxies regime to enfranchise indirect investors and Central Provident Fund investors, provisions to facilitate the electronic transmission of notices and documents, and the merging of the memorandum and articles of association of a company into one document called the "constitution".

2. NEW CONSTITUTION

The Company is accordingly proposing to adopt a new constitution (the "**New Constitution**"), which will consist of the memorandum and articles of association of the Company which were in force immediately before 3 January 2016 (the "**Existing Constitution**"), and incorporate amendments to take into account the changes to the Companies Act introduced pursuant to the Amendment Act. The proposed New Constitution also contains updated provisions which are consistent with the listing rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") prevailing as at 29 February 2016 (the "**Latest Practicable Date**"), in compliance with Rule 730(2) of the Listing Manual of the SGX-ST (the "**Listing Manual**"). In addition, the Company is taking this opportunity to include provisions in the New Constitution to address the personal data protection regime in Singapore, and also to streamline and rationalise certain other provisions.

3. SUMMARY OF PRINCIPAL PROVISIONS

The following is a summary of the principal provisions of the New Constitution which are significantly different from the equivalent provisions in the Existing Constitution, or which have been included in the New Constitution as new provisions:

3.1 *Companies Act*

The following clauses include provisions which are in line with the Companies Act, as amended pursuant to the Amendment Act:

(a) ***Clause 1 (Article 2 of Existing Constitution).*** Clause 1, which is the interpretation section of the New Constitution, includes the following additional/revised provisions:

(i) new definitions of "registered address" and "address" to make it clear that these expressions mean, in relation to any Shareholder, his physical address for the service or delivery of notices or documents personally or by post, except where otherwise expressly specified;

(ii) a revised definition of "in writing" to make it clear that this expression includes any representation or reproduction of words, symbols or other information which may be displayed in a visible form, whether physical or electronic. This would facilitate, for example, a proxy instrument being in either physical or electronic form;

(iii) a revised provision stating that the expressions "Depositor", "Depository", "Depository Agent" and "Depository Register" shall have the meanings ascribed to them respectively in the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"). This follows the migration of the provisions in the Companies Act which relate to the Central Depository System to the SFA pursuant to the Amendment Act; and

(iv) a new provision stating that the expressions “current address”, “electronic communication” and “relevant intermediary” shall have the meanings ascribed to them respectively in the Companies Act. This follows the introduction of new provisions facilitating electronic communication and the multiple proxies regime pursuant to the Amendment Act.

(b) ***Clause 6(b).*** Clause 6(b) is a new provision which provides that new shares may be issued for no consideration. This is in line with new section 68 of the Companies Act, which clarifies that a company having a share capital may issue shares for which no consideration is payable to the issuing company.

(c) ***Clause 13(e) (Article 9(e) of Existing Constitution).*** The requirement to disclose the amount paid on the shares in the share certificate relating to those shares has been removed in clause 13(e), which relates to share certificates. A share certificate need only state (*inter alia*) the number and class of the shares, whether the shares are fully or partly paid up, and the amount (if any) unpaid on the shares. This follows the amendments to section 123(2) of the Companies Act pursuant to the Amendment Act.

(d) ***Clauses 46(a) and 46(b) (Article 42(a) of Existing Constitution).*** Clauses 46(a) and 46(b), which relate to the Company’s power to alter its share capital, have new provisions which:

(i) empower the Company, subject to the provisions of the Companies Act, to convert its share capital or any class of shares from one currency to another currency. This is in line with new section 73 of the Companies Act, which sets out the procedure for such re-denominations; and

(ii) empower the Company, by Special Resolution, to convert one class of shares into another class of shares. This is in line with new section 74A of the Companies Act, which sets out the procedure for such conversions.

(e) ***Clause 54 (Article 50 of Existing Constitution).*** Clause 54, which relates to the routine business that is transacted at an Annual General Meeting (“**AGM**”), has been revised to:

(i) substitute the references to “accounts” with “financial statements”, and references to “reports of the Directors” with “Directors’ statement”, for consistency with the updated terminology in the Companies Act; and

(ii) clarify the types of Directors’ remuneration which will be subject to Shareholder approval as routine business.

(f) ***Clause 61 (Article 56 of Existing Constitution).*** Clause 61, which relates to the method of voting at a general meeting where mandatory polling is not required, has been revised to reduce the threshold for eligibility to demand a poll from 10% to 5% of the total voting rights of the members having the right to vote at the meeting, or of the total sum paid up on all the shares conferring that right. This is in line with section 178 of the Companies Act, as amended pursuant to the Amendment Act.

(g) ***Clauses 66 and 72(a) (Articles 61 and 67(a) of Existing Constitution).*** Clauses 66 and 72(a), which relate to the voting rights of Shareholders and the appointment and deposit of proxies, have new provisions which cater to the multiple proxies regime introduced by the Amendment Act. The multiple proxies regime allows “relevant intermediaries”, such as banks, capital markets services licence holders which provide custodial services for securities and the Central Provident Fund Board, to appoint more than two proxies to attend, speak and vote at general meetings. In particular:

(i) clause 66(b) provides that save as otherwise provided in the Companies Act, a Shareholder who is a "relevant intermediary" may appoint more than two proxies to attend, speak and vote at the same general meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Shareholder, and where such Shareholder's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed must be specified in the form of proxy. This is in line with new section 181(1C) of the Companies Act;

(ii) clause 66(c) provides that the Company will be entitled and bound to reject an instrument of proxy lodged by a Depositor if he is not shown to have any shares entered against his name in the Depository Register as at 72 (previously 48) hours before the time of the relevant general meeting. Consequential changes have also been made in clauses 66(a) and 66(c) to make it clear that the number of votes which a Depositor or his proxy can cast on a poll is the number of shares entered against his name in the Depository Register as at 72 hours before the time of the relevant general meeting. This is in line with new section 81SJ(4) of the SFA;

(iii) clause 66(a) provides that in the case of a Shareholder who is a "relevant intermediary" and who is represented at a general meeting by two or more proxies, each proxy shall be entitled to vote on a show of hands. This is in line with new section 181(1D) of the Companies Act; and

(iv) the cut-off time for the deposit of proxies has been extended from 48 to 72 hours before the time appointed for holding the general meeting in clause 72(a). This is in line with section 178(1)(c) of the Companies Act, as amended pursuant to the Amendment Act.

(h) ***Clause 85(a) (Article 80(a) of Existing Constitution).*** Clause 85(a), which relates to the filling of the office vacated by a retiring Director in default circumstances except in certain cases, has been revised to remove the event of a Director attaining any applicable retiring age as an exception to a deemed re-election to office. This follows the repeal of section 153 of the Companies Act and removal of the 70-year age limit for directors of public companies and subsidiaries of public companies.

(i) ***Clause 87 (Article 82 of Existing Constitution).*** Clause 87, which relates to the general powers of the Directors to manage the Company's business, clarifies that the business and affairs of the Company are to be managed by, or under the direction of or, additionally, under the supervision of, the Directors. This is in line with section 157A of the Companies Act, as amended pursuant to the Amendment Act.

(j) ***Clause 90 (Article 85 of Existing Constitution).*** Clause 90, which relates to Company registers, provides that the Directors shall comply with the provisions of the Companies Act, and particularly the provisions as to (where required) keeping of, additionally, a register of Managing Directors (or persons holding an equivalent position). This is in line with section 173 of the Companies Act.

(k) ***Clause 92(a) (Article 86(a) of Existing Constitution).*** Clause 92(a), which relates to the declaration of interests in a transaction or proposed transaction with the Company, additionally provides that a Director may make such declaration by sending a written notice to the Company setting out the nature, character and extent of his interest. This is in line with section 156 of the Companies Act, as amended pursuant to the Amendment Act.

(l) ***Clauses 105, 119 and 120(a) (Articles 98A, 108 and 109(a) of Existing Constitution).*** Clause 119, which relates to the sending of the Company's financial statements and related documents to Shareholders, additionally provides that such documents may, subject to the listing rules of the SGX-ST, be sent less than 14 days before the date of the general meeting with the agreement of all persons entitled to receive notices of general meetings. This is in line with new section 203(2) of the Companies Act, which provides that the requisite financial statements and other related documents may be sent less than 14 days before the date of the general meeting at which they are to be laid if all the persons entitled to receive notice of general meetings of the company so agree. Notwithstanding this proviso, the Company is currently required to comply with Rule 707(2) of the Listing Manual, which provides that an issuer must issue its annual report to shareholders and the SGX-ST at least 14 days before the date of its annual general meeting. The requirement to send these documents to debenture holders has also been removed in clause 119.

The references to the Company's "accounts", "profit and loss account(s)" and Directors' "reports" have also been updated/substituted in clauses 105, 119 and 120(a) with references to "financial statements" and Directors' "statements", as appropriate, for consistency with the updated terminology in the Companies Act.

(m) ***Clauses 121 and 125(b) (Articles 110 and 114 of Existing Constitution).*** Clauses 121 and 125(b), which relate to the service of notices to Shareholders, have new provisions to facilitate the electronic transmission of notices and documents following the introduction of simplified procedures for the sending of notices and documents electronically pursuant to new section 387C of the Companies Act.

Under new section 387C, notices and documents may be given, sent or served using electronic communications with the express, implied or deemed consent of the member in accordance with the constitution of the company.

There is express consent if a shareholder expressly agrees with the company that notices and documents may be given, sent or served on him using electronic communications. There is deemed consent if the constitution (a) provides for the use of electronic communications and specifies the mode of electronic communications, and (b) specifies that shareholders will be given an opportunity to elect, within a specified period of time, whether to receive electronic or physical copies of such notices and documents, and the shareholder fails to make an election within the specified period of time. There is implied consent if the constitution (a) provides for the use of electronic communications and specifies the mode of electronic communications, and (b) specifies that shareholders agree to receive such notices or documents by way of electronic communications and do not have a right to elect to receive physical copies of such notices and documents. Certain safeguards for the use of the deemed consent and implied consent regimes are prescribed under new regulation 89C of the Companies Regulations.

New section 387C was introduced to give effect to recommendations by the Steering Committee for Review of the Companies Act to ease the rules for the use of electronic transmission and to make them less prescriptive, and these recommendations were accepted by the Ministry of Finance ("**MOF**"). In accepting these recommendations, the MOF noted the concerns of some shareholders who would prefer to have an option to receive physical copies of the notices and documents, notwithstanding that the company adopts the implied consent regime, and indicated that such shareholders could highlight their concerns when a company proposes amendments to its constitution to move to an implied consent regime.

Shareholders who are supportive of the new deemed consent and implied consent regimes for electronic communications may vote in favour of the adoption of the New Constitution, which incorporates new provisions (contained in clauses 121 and 125(b)) to facilitate these regimes, while Shareholders who are not supportive of the new regimes may vote against it.

Clause 121 provides that:

(i) notices and documents may be sent to Shareholders using electronic communications either to a Shareholder's current address (which may be an email address) or by making it available on a website;

(ii) for these purposes, a Shareholder is deemed to have agreed to receive such notice or document by way of electronic communications and shall not have a right to elect to receive a physical copy of such notice or document (this is the implied consent regime permitted under the new section 387C); and

(iii) notwithstanding sub-paragraph (ii) above, the Directors may decide to give Shareholders an opportunity to elect to opt out of receiving such notice or document by way of electronic communications, and a Shareholder is deemed to have consented to receive such notice or document by way of electronic communications if he was given such an opportunity but failed to opt out within the specified time (this is the deemed consent regime permitted under the new section 387C).

Clause 125(b) additionally provides for when service is effected in the case of notices or documents sent by electronic communications. In particular, where a notice or document is made available on a website, it is deemed served on the date on which the notice or document is first made available on the website, unless otherwise provided under the Companies Act and/or other applicable regulations or procedures. Further, clause 121 provides that in the case of service on a website, the Company must give separate notice of the publication of the notice or document on that website and the manner in which the notice or document may be accessed by (1) sending such separate notice to Shareholders personally or by post, and/or (2) sending such separate notice to Shareholders' current addresses (which may be email addresses), and/or (3) by way of advertisement in the daily press, and/or (4) by way of announcement on the SGX-ST.

Under new regulation 89D of the Companies Regulations, notices or documents relating to take-over offers and rights issues are excluded from the application of section 387C and therefore cannot be transmitted by electronic means pursuant to section 387C.

As at the Latest Practicable Date, the outcome of a public consultation by the SGX-ST on (*inter alia*) whether listed issuers should be allowed to send notices and documents to shareholders electronically under the new regimes permitted under the Companies Act is not known yet. In its consultation, the SGX-ST had also asked for comments on additional safeguards in relation to the new regimes. There is no certainty that the listing rules will be amended to allow electronic transmission of notices and documents under the new regimes. Going forward, for so long as the Company is listed on the SGX-ST, the Company will not make use of the new regimes to transmit notices or documents electronically to Shareholders unless the SGX-ST's listing rules allow it, and the Company will comply with the SGX-ST's listing rules on the subject.

(n) ***Clause 127 (Article 116 of Existing Constitution).*** Clause 127, which relates to Directors' indemnification, has been expanded to permit the Company, subject to the provisions of and so far as may be permitted by the Companies Act, to indemnify a Director against losses "to be incurred" by him in the execution of his duties. This is in line with new sections 163A and 163B of the Companies Act, which permit a company to lend, on specified terms, funds to a director for meeting expenditure incurred "or to be incurred" by him in defending court proceedings or regulatory investigations.

3.2 ***Listing Manual***

Rule 730(2) of the Listing Manual provides that if an issuer amends its articles or other constituent documents, they must be made consistent with all the listing rules prevailing at the time of amendment.

The following clauses have been updated to ensure consistency with the listing rules of the SGX-ST prevailing as at the Latest Practicable Date, in compliance with Rule 730(2) of the Listing Manual:

(a) ***Clause 6(a).*** Clause 6(a) is a new provision which provides that the rights attaching to shares of a class other than ordinary shares must be expressed in the constitution. This is in line with paragraph (1)(b) of Appendix 2.2 of the Listing Manual.

(b) ***Clause 7(c) (Article 3(c) of Existing Constitution).*** Clause 7(c), which relates to the power to issue further preference capital, has been amended to substitute the reference to the Company's power to issue further preference "shares" with "capital" for consistency with the terminology used in paragraph (1)(c) of Appendix 2.2 of the Listing Manual.

(c) ***Clause 17 (Article 13 of Existing Constitution).*** Clause 17, which relates to the application of proceeds from sale of forfeited shares, clarifies that any residue of such proceeds shall be paid to the person entitled to the shares at the time of the sale or his executors, administrators or assigns "*or*" as he may direct. This change in in line with paragraph (3)(b) of Appendix 2.2 of the Listing Manual.

(d) ***Clause 47(a) (Article 43(a) of Existing Constitution).*** Clause 47(a), which relates to the offer of new shares to members, has been revised to clarify that all new shares shall be offered to such persons who as at the date of the offer are entitled to receive notices of general meetings in proportion, as far (instead of nearly) as the circumstances admit, to the number of the existing shares to which they are entitled. This is for consistency with the terminology used in paragraph (1)(f) of Appendix 2.2 of the Listing Manual.

(e) ***Clause 55.*** Clause 55 is a new provision which provides that any notice of a general meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business. This change is in line with paragraph (7) of Appendix 2.2 of the Listing Manual.

(f) ***Clauses 60, 61, 62, 63 and 64 (Articles 55, 56, 57, 58 and 59 of Existing Constitution).*** Clause 60, which relates to the method of voting at general meetings, has new provisions to make it clear that, if required by the listing rules of the SGX-ST, all resolutions at general meetings shall be voted by poll (unless such requirement is waived by the SGX-ST). Consequential changes have been made to clauses 61, 62, 63 and 64. These changes are in line with Rule 730A of the Listing Manual.

(g) ***Clause 78(a) (Article 73(a) of Existing Constitution).*** Clause 78(a), which relates to the appointment of alternate directors, has been amended to substitute the reference to persons who may be appointed as alternate directors if they are "not disapproved" by a majority of the other Directors with "approved". This is for consistency with the terminology used in paragraph (9)(l) of Appendix 2.2 of the Listing Manual.

(h) ***Clauses 80 and 85(a) (Articles 75 and 80(a) of Existing Constitution).*** Clause 80, which relates to the vacation of office of a Director in certain events, additionally provides that a Director shall cease to hold office if he is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds. Consequential changes have been made to clause 85(a), which relates to the filling of the office vacated by a retiring Director in certain default events, to provide that a retiring Director is deemed to be re-elected in certain default circumstances except, additionally, where he is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds. These changes are in line with paragraph (9)(n) of Appendix 2.2 of the Listing Manual.

(i) ***Clause 85(c) (Article 80(c) of Existing Constitution).*** Clause 85(c), which relates to the notice of intention to appoint a Director, has been revised to provide that a person who is not a retiring Director shall only be eligible for appointment as a Director at any general meeting if *(inter alia)* there shall have been left at the registered office a notice in writing signed by the person to be proposed giving his consent to the nomination and signifying his candidature for the office (instead of his willingness to be elected). This change is in line with paragraph (9)(h) of Appendix 2.2 of the Listing Manual.

(j) ***Clause 89 (Article 84 of Existing Constitution).*** Clause 89, which relates to the proceedings of Directors in case of vacancies in their body, clarifies that the continuing Directors may act notwithstanding any vacancy in their body, provided that in case the Directors shall at any time be reduced in number to less than the minimum number prescribed by or in accordance with the constitution, it shall be lawful for them to act as Directors for the purpose of "increasing the number of Directors to such minimum number", or of summoning a general meeting of the Company. This change is in line with paragraph (9)(k) of Appendix 2.2 of the Listing Manual.

(k) ***Clause 92(a) (Article 86(a) of Existing Constitution).*** Clause 92(a), which relates to when Directors are prohibited from voting in respect of transactions in which they have an interest, provides that save as provided for under clause 92(a), he cannot vote in respect of such transactions in which he has a "personal material interest, directly or indirectly". This change is in line with paragraph (9)(e) of Appendix 2.2 of the Listing Manual.

3.3 ***PDPA***

In general, under the Personal Data Protection Act 2012, an organisation can only collect, use or disclose the personal data of an individual with the individual's consent, and for a reasonable purpose which the organisation has made known to the individual. The new clause 129 specifies, *inter alia*, the purposes for which the Company and/or its agents and service providers would collect, use and disclose personal data of Shareholders and their appointed proxies or representatives.

3.4 ***General***

The following clauses have been updated, streamlined and rationalised generally:

(a) ***Clause 7(a) (Article 3(a) of Existing Constitution).*** Clause 7(a), which relates to the issue of shares, additionally provides that any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions, as the Directors may think fit.

(b) ***Clause 10 (Article 6 of Existing Constitution).*** Clause 10, which relates to the Company's power to charge interest on capital where shares are issued to defray expenses on construction works or the provision of any plant which cannot be made profitable for a long period, clarifies that the Company may pay interest on the paid-up share capital and may charge the same to capital as part of the cost of construction of the works or buildings or "the provision of the plant". This change is in line with section 78 of the Companies Act.

(c) ***Clauses 27(b), 68 and 80(b) (Articles 23(b), 63 and 75(b) of Existing Constitution).*** These clauses have been updated to substitute the references to idiots, insane and lunatic persons and persons of unsound mind with references to persons who are mentally disordered and incapable of managing themselves or their affairs, following the enactment of the Mental Health (Care and Treatment) Act, Chapter 178A, which repealed and replaced the Mental Disorders and Treatment Act.

(d) ***Clause 50 (Article 46 of Existing Constitution).*** Clause 50, which relates to the time-frame for holding AGMs, has been revised to make it clear that an AGM shall be held once in every year within a period of not more than 15 months after the last preceding AGM, but that this is save as otherwise permitted under the Companies Act. This will provide the Company with the flexibility, if the need to do so should arise, to apply for an extension of the 15-month period between AGMs in accordance with the provisions of the Companies Act, notwithstanding that the period may extend beyond the calendar year.

(e) ***Clause 52 (Article 48 of Existing Constitution).*** Clause 52, which relates to requisitions of extraordinary general meetings, has been amended to clarify that extraordinary general meetings shall be convened on such requisition by the Directors or in default, may be convened by such "requisitionists" (instead of "requisitions"), as provided by the Companies Act.

(f) ***Clauses 67(a), 71(a), 71(b) and 72 (Articles 62(a), 66(a) and 67 of Existing Constitution).*** Clauses 67(a), 71(a) and 71(b), which relate to the execution of proxies, have new provisions to facilitate the appointment of a proxy through electronic means online. In particular, clause 67(a) provides that a Shareholder can elect to signify his approval for the appointment of a proxy via electronic communication, through such method and in such manner as may be approved by the Directors, in lieu of the present requirement of signing, or where applicable, the affixation of the corporate Shareholder's common seal.

For the purpose of accommodating the deposit by Shareholders, and receipt by the Company, of electronic proxy instructions by Shareholders who elect to use the electronic appointment process, clause 72, which relates to the deposit of proxies, has new provisions which authorise the Directors to prescribe and determine the manner of receipt by the Company of the instrument appointing a proxy through digital means.

Clause 72 has also been amended to clarify that an instrument appointing a proxy, if sent personally or by post, must be left at such place(s) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the general meeting (or, if no place is so specified, shall be deposited at the registered office of the Company).

(g) ***Clauses 81(b) and 81(e) (Article 76(b) and 76(e) of Existing Constitution).*** Clauses 81(b) and 81(e), which regulate the determination, retirement, removal and resignation of the Managing Director, have been updated to expand the reference to "Managing Director" to also include a person holding an equivalent position.

(h) ***Clause 81(e) (Article 76(e) of Existing Constitution).*** Clause 81(e), which relates to the removal and resignation of the Managing Director, has been revised to provide that a Managing Director (or person holding an equivalent position) shall (subject to the provisions of any contract between him and the Company) be subject to the same provisions as to resignation and removal and additionally, retirement by rotation, as the other Directors of the Company.

(i) ***Clause 83(b) (Article 78(ii) of Existing Constitution).*** Clause 83(b), which relates to the selection of Directors to retire by rotation, has been revised to provide that as between the Directors of equal seniority, the Directors to retire by rotation shall be determined by the Directors save for such Directors of equal seniority.

(j) ***Clause 95 (Article 89 of Existing Constitution).*** Clause 95, which relates to participation by Directors in a meeting by means of a conference telephone, additionally provides that such meeting may also be carried out by means of a video conference telephone of which all persons participating in the meeting can see each other, without a Director being in the physical presence of another Director.

(k) ***Clause 101 (Article 95 of Existing Constitution).*** Clause 101, which relates to resolutions in writing by the Directors, has been amended to remove the requirement for the Company Secretary to submit the Directors' resolutions in writing for confirmation at a meeting of the Directors next following the receipt of the Directors' resolutions in writing. In addition, the proviso that a Directors' resolution in writing shall be inoperative if it shall purport to authorise or do any act which a meeting of the Directors has decided shall not be authorised or done, until confirmed by a meeting of the Directors, has been removed.

(l) ***Clause 116(c) (Article 105(c) of Existing Constitution).*** Clause 116(c), which relates to the Directors' power to issue free shares and/or to capitalise reserves for share-based incentive plans, has been expanded to empower the Directors to do the same for the benefit of non-executive Directors as part of their Directors' remuneration. This will enable the Company, if it so desires, to remunerate its non-executive Directors by way of Directors' fees in the form of shares, or in a combination of cash and shares, using these methods.

4. APPENDIX B

The text of the principal provisions in the New Constitution which are significantly different from the equivalent provisions in the Existing Constitution, or which have been included in the New Constitution as new provisions, is set out in Appendix B and the main differences are blacklined. The proposed adoption of the New Constitution is subject to Ordinary Shareholders' approval.

5. RECOMMENDATION

The Directors are of the opinion that the proposed adoption of the New Constitution is in the best interests of the Company. They accordingly recommend that Ordinary Shareholders vote in favour of the Special Resolution 10 for the adoption of the New Constitution at the forthcoming 53rd AGM.

THE IPT MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. CHAPTER 9 OF THE LISTING MANUAL

1.1 Chapter 9 of the Listing Manual of Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Chapter 9**") applies to transactions between a party that is an entity at risk and a counter party that is an interested person. The objective of Chapter 9 (as stated in Rule 901 of the Listing Manual) is to guard against the risk that interested persons could influence a listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders. The aforementioned terms "entity at risk", "interested person" and "associated companies" are defined below.

1.2 <u>Main terms used in Chapter 9</u>:

(a) An "**entity at risk**" means

(i) the listed company;

(ii) a subsidiary of the listed company that is not listed on SGX-ST or an approved exchange; or

(iii) an associated company of the listed company that is not listed on SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the "**listed group**"), or the listed group and its interested person(s), has or have control over the associated company.

(b) An "**associated company**" of a listed company means a company in which at least 20 per cent. but not more than 50 per cent. of its shares are held by the listed company or the listed group.

(c) An "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9.

(d) An "**interested person**", in the case of a company, means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder.

(e) An "**associate**" in relation to an interested person who is a director, chief executive officer or controlling shareholder of the listed company (being an individual) means an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder; the trustees of any trust of which the director and/or his immediate family, or the chief executive officer and/or his immediate family or the controlling shareholder and/or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and any company in which the director and/or his immediate family, or the chief executive officer and/or his immediate family or the controlling shareholder and/or his immediate family has or have an aggregate interest (directly or indirectly) of 30 per cent. or more; and, where a controlling shareholder of the listed company is a corporation, its "associate" means its subsidiary or holding company or fellow subsidiary or a company in which it and/or such other companies taken together have (directly or indirectly) an interest of 30 per cent. or more.

(f) A "**chief executive officer**" of a listed company means the most senior executive officer who is responsible under the immediate authority of the board of directors for the conduct of the business of the listed company.

(g) A "**controlling shareholder**" of a listed company means a person who holds directly or indirectly 15 per cent. or more of the nominal amount of all voting shares in the listed company; or a person who in fact exercises control over a company.

(h) An "**interested person transaction**" means a transaction between an entity at risk and an interested person.

1.3 Materiality thresholds, announcement requirements and shareholders' approval

When Chapter 9 applies to a transaction with an interested person (except for any transaction which is below $100,000 in value and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and are hence excluded from certain requirements of Chapter 9) and the value of the transaction alone or on aggregation with other transactions conducted with the interested person during the financial year reaches or exceeds certain materiality thresholds (which are based on the listed company's latest audited consolidated net tangible assets ("**NTA**")[1]), the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders' approval for the transaction.

In particular, shareholders' approval is required for an interested person transaction of a value equal to, or exceeding:

(a) 5 per cent. of the listed company's latest audited consolidated NTA[2]; or

(b) 5 per cent. of the listed company's latest audited consolidated NTA, when aggregated with the values of other transactions entered into with the same interested person (such term as construed under Chapter 9) during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

1.4 Shareholders' general mandate

Chapter 9 allows a listed company to seek a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses, which may be carried out with the listed company's interested persons.

2. INTRODUCTION AND RATIONALE FOR THE IPT MANDATE

2.1 Hong Leong Investment Holdings Pte. Ltd. ("**HLIH**"), the controlling shareholder of the Company and its associates (the "**HLIH Group**") are interested persons of the Company.

2.2 Due to the size of the HLIH Group and the diversity of the activities of CDL and its subsidiaries (the "**Group**"), it is anticipated that:

(a) CDL;

(b) subsidiaries of CDL that are not listed on SGX-ST or an approved exchange; and

(c) associated companies of CDL that are not listed on SGX-ST or an approved exchange, provided that the Group or the Group and its interested person(s), has or have control over the associated companies,

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1 Based on the audited consolidated financial statements of the Company and its subsidiaries for the financial year ended 31 December 2015, the annual consolidated NTA of the Group was $8,969,551,000.

2 In relation to the Company, for the purposes of Chapter 9, in the current financial year and until such time that the annual consolidated financial statements of the Company and its subsidiaries for the year ending 31 December 2016 are published by the Company, 5 per cent. of the latest annual audited consolidated NTA of the Group would be $448,477,550.

(together, the "**CDL EAR Group**"), or any of them, would, in the ordinary course of its businesses, enter into certain transactions with its interested persons. It is likely that such interested person transactions will occur with some degree of frequency and may arise at any time. Thus, the IPT Mandate is intended to facilitate transactions in the normal course of business of the CDL EAR Group falling within the categories of interested person transactions as set out in Section 6 below (the "**Interested Person Transactions**"), that are transacted from time to time with the interested persons as specified in Section 5 below (the "**Interested Persons**") provided that they are carried out at arm's length and on the Group's normal commercial terms and which are not prejudicial to the interests of the Company and its minority Shareholders.

3. SCOPE OF THE IPT MANDATE

3.1 The IPT Mandate will not cover any Interested Person Transaction which has a value below $100,000 as the threshold and aggregation requirements of Chapter 9 of the Listing Manual of SGX-ST do not apply to such transactions.

3.2 Transactions with interested persons, which do not fall within the ambit of the IPT Mandate (including any renewal thereof), will be subject to the applicable provisions of Chapter 9 and/or any other applicable provisions of the Listing Manual.

4. BENEFITS OF THE IPT MANDATE

4.1 The Directors are of the view that it will be beneficial to the CDL EAR Group to transact or continue to transact with the Interested Persons, especially since the Interested Person Transactions are undertaken on an arm's length basis, on normal commercial terms consistent with the Group's usual business practices and policies and will not be prejudicial to the interests of the Company and its minority Shareholders.

4.2 Where the Interested Person Transactions relate to the provision to, and the obtaining from, Interested Persons of products or services as contemplated in Sections 6(a), (b) and (d), the CDL EAR Group will benefit from having access, where applicable, to competitive quotes from its Interested Persons as well as from unrelated third parties, and may also derive savings in terms of cost efficiencies and greater economies of scale in its transactions with Interested Persons. The provision of products and services to Interested Persons are also an additional source of revenue for the CDL EAR Group, provided that such products and services are provided on arm's length basis and on normal commercial terms. Where the Interested Person Transactions relate to financial and treasury transactions as contemplated in Section 6(c), the CDL EAR Group will benefit from the competitive quotes received from its Interested Persons, thus leveraging on the financial strength and credit standing of the Interested Persons.

4.3 The adoption of the IPT Mandate and the renewal of the same on an annual basis would eliminate the need for the Company to convene separate general meetings on each occasion to seek Shareholders' approval as and when such Interested Person Transactions with the Interested Persons arise, thereby reducing substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the Group. This would also enable the Group to maximise its business opportunities especially in commercial transactions which are time-sensitive in nature. At the same time, the Group would be able to channel the significant amount of administrative resources, including time and expenses, saved towards its other corporate objectives.

5. CLASSES OF INTERESTED PERSONS

The IPT Mandate will apply to transactions with the following classes of Interested Persons:

(a) the HLIH Group; and

(b) Directors, chief executive officer(s) and controlling shareholders of the Company (other than entities who fall under the HLIH Group described in paragraph (a) above) and their respective associates.

6. CATEGORIES OF INTERESTED PERSON TRANSACTIONS

The Interested Person Transactions between the CDL EAR Group and Interested Persons which will be covered by the IPT Mandate relate to recurrent transactions of a revenue or trading nature or those necessary for the Group's day-to-day operations, and are set out as follows:

(a) Property-related Transactions

Transactions within the ambit of this category comprise the leasing or rental of properties; the award of contracts to main contractors, suppliers and consultants for property development projects; the provision and/or receipt of project management services; marketing and property agency services; cleaning, security and building maintenance services; property and estate management services including serviced apartments and serviced offices management services; and carpark management services.

(b) Management and Support Services

This category comprises transactions in relation to the receipt or provision of management services; legal; and financial advisory and consultancy services.

(c) Financial and Treasury Transactions

This category comprises transactions in relation to the placement of funds with Interested Persons, the borrowing of funds from Interested Persons, and the entry into foreign exchange, swap and option transactions with Interested Persons that do not fall under the exceptions to interested person transactions pursuant to Rule 915(6) and Rule 915(7) of Chapter 9[3]; and the subscription by the CDL EAR Group of debt securities issued by any Interested Person and the issue of debt securities by the CDL EAR Group to any Interested Person.

Pursuant to Rule 916(3) of Chapter 9, the provision of a loan by the CDL EAR Group to a joint venture with an Interested Person does not require the seeking of shareholders' approval provided that such loan is extended by all joint venture partners on the same terms and in proportion to their equity interest in the joint venture; the Interested Person does not have an existing equity interest in the joint venture prior to the participation of the CDL EAR Group in the joint venture; and the Company has announced that its Audit & Risk Committee (as defined herein) is of the view that: (i) the provision of the loan is not prejudicial to the interests of the Company and its minority Shareholders; (ii) the risks and rewards of the joint venture are in proportion to the equity of each of the joint venture partners; and (iii) the terms of the joint venture are not prejudicial to the interests of the Company and its minority Shareholders.

(d) General Transactions

This category comprises transactions in relation to the purchase and sale of goods including building materials, electronic and engineering equipment, building automation systems, computer systems (hardware and software), vehicles, parts and accessories, and the provision and receipt of after-sales services.

7. REVIEW PROCEDURES FOR INTERESTED PERSON TRANSACTIONS

7.1 In general, there are procedures established by the Group to ensure that Interested Person Transactions, which are reviewed and approved by the management, are undertaken on an arm's length basis, on normal commercial terms consistent with the Group's usual business practices and policies, are not prejudicial to the interests of the Company and its minority Shareholders, and on terms which are generally no more favourable to the Interested Persons than those extended to or received from unrelated third parties.

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[3] Pursuant to Rule 915(6) and Rule 915(7) of Chapter 9, the provision or receipt of financial assistance or services by or from a financial institution that is licensed or approved by the Monetary Authority of Singapore, on normal commercial terms and in the ordinary course of business does not constitute an interested person transaction which would require compliance with Rules 905, 906 and 907 of Chapter 9. Rule 905 relates to requirements for immediate announcement of interested person transactions, Rule 906 relates to requirements for seeking shareholders' approval for interested person transactions, and Rule 907 relates to requirements for disclosure of the aggregate value of interested person transactions in the listed company's annual report.

7.1.1 **Property-related Transactions, Management and Support Services, and General Transactions**

All Interested Person Transactions (other than the Financial and Treasury Transactions covered in Section 7.1.2 below) are to be carried out at the published or prevailing rates/ prices of the service or product providers (including, where applicable, preferential rates/ prices/discounts accorded to a class or classes of customers or for bulk purchases where the giving of such preferential rates/prices/discounts are commonly practised within the applicable industry and may be similarly extended to unrelated third parties), on the service or product provider's usual commercial terms which may also be similarly extended to unrelated third parties, or otherwise in accordance with other applicable industry norms.

In addition, the CDL EAR Group will monitor the Interested Person Transactions (other than the Financial and Treasury Transactions covered in Section 7.1.2 below) as follows:

(a) <u>Property-related Transactions comprising the award of contracts to main contractors, suppliers and consultants for property development projects</u>

(i) an Interested Person Transaction under this sub-paragraph (a) with a value in excess of $10 million shall be reviewed and approved by the audit & risk committee of the Company (the "**Audit & Risk Committee**") prior to the entry into of such Interested Person Transaction, or if it is expressed to be conditional on Shareholders' approval, prior to the completion of such Interested Person Transaction;

(ii) an Interested Person Transaction under this sub-paragraph (a) with a value below or equal to $10 million but in excess or equal to $100,000 shall be reviewed by the Audit & Risk Committee at its quarterly meetings; and

(iii) Interested Person Transactions under this sub-paragraph (a) shall be undertaken based on tenders which may be conducted for the award of such contracts with at least two bids from unrelated third parties to be obtained for comparison purposes. In the absence of tenders or the ability to obtain at least two bids for any tender, an Interested Person Transaction under this subparagraph (a) shall be undertaken based on comparison of rates/prices and terms offered by the Interested Person with the rates/prices and terms offered or generally quoted by at least two unrelated third parties who are engaged in providing similar services or products.

(b) <u>Property-related Transactions comprising the leasing or rental of properties</u>

(i) an Interested Person Transaction under this sub-paragraph (b) with a value in excess of $5 million shall be reviewed and approved by the Audit & Risk Committee prior to the entry into of such Interested Person Transaction, or if it is expressed to be conditional on Shareholders' approval, prior to the completion of such Interested Person Transaction;

(ii) an Interested Person Transaction under this sub-paragraph (b) with a value below or equal to $5 million but in excess or equal to $100,000 shall be reviewed by the Audit & Risk Committee at its quarterly meetings; and

(iii) Interested Person Transactions under this sub-paragraph (b) shall be entered into after comparison of rates quoted to at least two unrelated third parties (in the case of leases granted to Interested Persons) or comparison of rates quoted by or obtained from at least two unrelated third parties (in the case of leases granted by Interested Persons) and after taking into account the prevailing market rental rates for other properties within its vicinity of similar or comparable standing and facilities, the tenure of the lease, the area of the leased premises and any other factor which may affect the rental rates or terms of the lease.

(c) Property-related Transactions (other than those covered under sub-paragraphs (a) and (b) herein), Management and Support Services and General Transactions

(i) an Interested Person Transaction under this sub-paragraph (c) with a value in excess of $3 million shall be reviewed and approved by the Audit & Risk Committee prior to the entry into of such Interested Person Transaction, or if it is expressed to be conditional on Shareholders' approval, prior to the completion of such Interested Person Transaction;

(ii) an Interested Person Transaction under this sub-paragraph (c) with a value below or equal to $3 million but in excess or equal to $100,000 shall be reviewed by the Audit & Risk Committee at its quarterly meetings; and

(iii) Interested Person Transactions under this sub-paragraph (c) shall be entered into, where applicable:

(1) in the case of the provision of services or products by an Interested Person, based on tenders (with at least two bids from unrelated third parties to be obtained for comparison purposes) or comparison of rates and terms offered by or generally quoted by at least two unrelated third parties who are engaged in providing similar services or products; and

(2) in the case of the provision of services or products to an Interested Person, based on comparison of rates and terms offered to at least two unrelated third parties for transactions of a similar nature, size or complexity and taking into account the availability of resources, expertise or manpower for the performance of such services or provision of such goods and the existence of any cost and/or time saving factors.

(d) In the event that comparison quotations cannot be obtained in respect of the Interested Person Transactions covered under sub-paragraphs (a), (b) and (c) above (for example, where there are no unrelated third party providers or users of such services or products, or where the service or product is a proprietary item or due to the nature, speciality or confidentiality of the service or product to be supplied), such Interested Person Transactions shall be entered into only after the senior management staff of the relevant company in the CDL EAR Group (having no interest, direct or indirect, in the interested person transaction and having the authority in such company to approve the entering into of transactions of such nature and value), has evaluated and weighed the benefits of, and rationale for, transacting with the Interested Person and in their report submitted to the Audit & Risk Committee, confirmed that the price and terms offered to or by the Interested Person are fair and reasonable. In such evaluation and confirmation, the factors which may be taken into account include, but shall not be limited, to the following:

(i) in relation to the sale of goods or services to the Interested Person and as determined by the senior management staff of the relevant company in the CDL EAR Group and reported to the Audit & Risk Committee, the terms of supply should be in accordance with the CDL EAR Group's usual business practice and consistent with the margins obtained by the CDL EAR Group in its business operations or the margins obtained for the same or substantially the same type of transactions;

(ii) in relation to the purchase of goods or services from the Interested Person, the terms of supply will be compared to those for the same or substantially the same types of transactions entered into between the Interested Person and unrelated third parties. The review procedures in such cases may include where applicable, reviewing the standard price lists provided by the Interested Person to its customers for such products or services;

(iii) the efficiencies and flexibilities derived by the CDL EAR Group in transacting with the Interested Person as compared with transacting with unrelated third parties; and

(iv) prevailing industry norms.

7.1.2 **Financial and Treasury Transactions**

(a) Placement of Funds

In relation to the placement with any Interested Person by the CDL EAR Group of its funds, the Company will require that quotations be obtained from such Interested Person and at least two principal bankers or financial institutions of the Group ("**Principal Bankers**") for rates offered by such Principal Bankers for deposits of an amount and currency and for a period equivalent to that of the funds to be placed by the CDL EAR Group. The CDL EAR Group will only place its funds with such Interested Person provided that the interest rate quoted is not less than the highest of the rates quoted by such Principal Bankers and after evaluating and taking into account any factor that may materially and adversely affect the credit standing of the Interested Person with whom the funds are to be placed by the CDL EAR Group or the risks associated in the placement of such funds with the Interested Person, and such other factors relevant for consideration.

(b) Borrowing of Funds

In relation to the borrowing of funds from any Interested Person by a company within the CDL EAR Group, the Company will require that quotations be obtained from such Interested Person and at least two bankers of the borrowing company within the CDL EAR Group for rates offered by such bankers for loans of an amount and currency and for a period equivalent to that of the funds to be borrowed by such borrowing company within the CDL EAR Group. The CDL EAR Group will only borrow funds from such Interested Person provided that the interest rate quoted is not more than the lowest of the rates quoted by such bankers.

(c) Foreign Exchange, Swaps and Options

In relation to foreign exchange, swap and option transactions with any Interested Person by the CDL EAR Group, the Company will require that rate quotations be obtained from such Interested Person and at least two Principal Bankers. The CDL EAR Group will only enter into such foreign exchange, swap and option transactions with such Interested Person provided that such rates quoted are no less favourable than the rates quoted by such Principal Bankers.

(d) Subscription of Debt Securities

In relation to the subscription by the CDL EAR Group of debt securities issued by the Interested Persons, the CDL EAR Group will only enter into the subscription of such debt securities provided that the price(s) at which the CDL EAR Group subscribes for such debt securities will not be higher than the price(s) at which such debt securities are subscribed for by unrelated third parties.

In relation to the issue of debt securities by the CDL EAR Group to Interested Persons, the CDL EAR Group will only issue such debt securities to Interested Persons provided that the price(s) at which the CDL EAR Group issues such debt securities will not be lower than the price(s) at which such debt securities are issued to unrelated third parties.

In addition to the foregoing, the following threshold limits will be applied to ensure further monitoring by the Group of the Financial and Treasury Transactions entered into by the CDL EAR Group:

Placement of Funds and Subscription of Debt Securities

Where the aggregate of the outstanding principal amount of funds placed with, and debt securities subscribed from, the same Interested Person (as such term is construed under Chapter 9) shall at any time exceed the equivalent of 10 per cent. of the consolidated shareholders' funds of the Group (based on its latest audited financial statements), each subsequent placement of funds with, or subscription of debt securities from, the same Interested Person shall require the prior approval of the Audit & Risk Committee.

Where the aggregate of the outstanding principal amount of funds placed with, and debt securities subscribed from, the same Interested Person does not at any time exceed the limit set out above, the placement of funds with, and subscription of debt securities from, that Interested Person will not require the prior approval of the Audit & Risk Committee but shall be reviewed by the Audit & Risk Committee at its quarterly meetings.

7.2 A register will be maintained by the Group to record all Interested Person Transactions (and the basis including the quotations, if any and where relevant, obtained to support such basis on which they are entered into) which are entered into pursuant to the IPT Mandate.

The Company shall, on a quarterly basis, report to the Audit & Risk Committee on all Interested Person Transactions, and the basis of such transactions, entered into with Interested Persons during the preceding quarter. The Audit & Risk Committee shall review such Interested Person Transactions at its quarterly meetings except where such Interested Person Transactions are required under the review procedures to be approved by the Audit & Risk Committee prior to the entry thereof.

7.3 The annual internal audit plan shall incorporate a review of the established review procedures for the monitoring of Interested Person Transactions entered into pursuant to the IPT Mandate.

The Audit & Risk Committee shall review the internal audit report on Interested Person Transactions to ascertain that the established review procedures to monitor Interested Person Transactions have been complied with. If, during a review by the Audit & Risk Committee, the Audit & Risk Committee is of the view that the established review procedures are not sufficient or have become inappropriate, in view of changes to the nature of, or the manner in which, the business activities of the CDL EAR Group are conducted, it will take such actions as it deems appropriate and/or institute additional procedures as necessary to ensure that future transactions of a similar nature are on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, and the Company will revert to the Shareholders for a fresh mandate based on new review procedures for transactions with Interested Persons.

For the purpose of the review process, if a member of the Audit & Risk Committee has an interest in the transaction to be reviewed by the Audit & Risk Committee, he will abstain from any decision making by the Audit & Risk Committee in respect of that transaction. For example, where two members of the Audit & Risk Committee have an interest each in the transaction to be reviewed by the Audit & Risk Committee, the review of that transaction will be undertaken by the remaining member(s) of the Audit & Risk Committee.

8. EXPIRY AND RENEWAL OF THE IPT MANDATE

The IPT Mandate will take effect from the date of receipt of Shareholders' approval, and will (unless revoked or varied by the Company in General Meeting) continue in force until the next Annual General Meeting of the Company and will apply to Interested Person Transactions entered into from the date of receipt of Shareholders' approval. Approval from Shareholders will be sought for the renewal of the IPT Mandate at each subsequent Annual General Meeting, subject to review by the Audit & Risk Committee of its continued application to the Interested Person Transactions.

If the Audit & Risk Committee is of the view that the review procedures under the IPT Mandate are not sufficient to ensure that the Interested Person Transactions are transacted on normal commercial terms and will be prejudicial to the interests of the Company and its minority Shareholders, the Company will seek a fresh mandate from the Shareholders based on new review procedures for Interested Person Transactions.

9. DISCLOSURE

In accordance with Chapter 9, the Company will disclose in its annual report the aggregate value of the Interested Person Transactions conducted pursuant to the IPT Mandate during the financial year (as well as in the Company's annual reports for subsequent financial years that the IPT Mandate continues to be in force). In addition, the Company will announce the aggregate value of the Interested Person Transactions conducted pursuant to the IPT Mandate for the financial periods which it is required to report on (pursuant to Rule 705 of the Listing Manual) within the time required for the announcement of such report. These disclosures will be in the form set out in Rule 907 of the Listing Manual.

THE PRINCIPAL PROVISIONS IN THE NEW CONSTITUTION WHICH ARE SIGNIFICANTLY DIFFERENT FROM EQUIVALENT PROVISIONS IN THE EXISTING CONSTITUTION

Set out below are the principal provisions in the New Constitution which are significantly different from the equivalent provisions in the Existing Constitution, or which have been included in the New Constitution as new provisions, with the main differences blacklined:

1. Clause 1

~~2~~1. In ~~these Articles~~this Constitution (if not inconsistent with the subject or context) the words and expressions set out in the first column below shall bear the meanings set opposite to them respectively. Interpretation

WORDS.	**MEANINGS.**
"the Act"…..	The Companies Act, Chapter 50 or any statutory modification, amendment or re-enactment thereof for the time being in force.
"~~these Articles~~this Constitution"…..	~~These Articles of Association as originally framed or as altered~~This Constitution as from time to time ~~by Special Resolution~~altered.
"the Directors"…..	The Directors for the time being of the Company.
"the Office"…..	The registered office for the time being of the Company.
"paid"…..	Paid or credited as paid.
"Market Day"…..	A day on which the SGX-ST is open for trading in securities.
"month"…..	Calendar month.
"registered address" or "address"…..	In relation to any member, his physical address for the service or delivery of notices or documents personally or by post, except where otherwise expressly provided in this Constitution.
"the Secretary"…..	The Secretary shall include any person appointed to perform the duties of Secretary temporarily.

“the Seal”….. The Common Seal of the Company.

“SGX-ST”….. Singapore Exchange Securities Trading Limited, including any successor entity or body thereof for the time being.

“the Statutes”….. The Act and every other act for the time being in force concerning companies and/or affecting the Company.

~~SGX-ST…..~~ ~~Singapore Exchange Securities Trading Limited, including any successor entity or body thereof for the time being.~~

“in writing”….. Written or produced by any substitute for writing or partly one and partly another and shall include (except where otherwise expressly specified in this Constitution or the context otherwise requires, and subject to any limitations, conditions or restrictions contained in the Statutes) any representation or reproduction of words, symbols or other information which may be displayed in a visible form, whether in a physical document or in an electronic communication or form or otherwise howsoever.

The expressions “Depositor”, “Depository”, “Depository Agent”~~,~~ and “Depository Register” ~~and “treasury shares”~~ shall have the meanings ascribed to them respectively in the Securities and Futures Act, Chapter 289.

The expressions “current address”, “electronic communication”, “relevant intermediary” and “treasury shares” shall have the meanings ascribed to them respectively in the Act.

References in ~~these Articles~~this Constitution to “holders” of shares or a class of shares shall:-

(a) exclude the Depository or its nominee (as the case may be) except where otherwise expressly provided in ~~these Articles~~this Constitution or where the term “registered holders” or “registered holder” is used in ~~these Articles~~this Constitution;

(b) where the context so requires, be deemed to include references to Depositors whose names are entered in the Depository Register in respect of those shares; and

(c) except where otherwise expressly provided in ~~these Articles~~this Constitution, exclude the Company in relation to shares held by it as treasury shares,

and "holding" and "held" shall be construed accordingly.

References in ~~these Articles~~this Constitution to "member" shall, where the Act requires, exclude the Company where it is a member by reason of its holding of its shares as treasury shares.

~~Writing shall include printing and lithography and any other mode or modes of representing or reproducing words in visible form.~~

Words importing the singular number only shall include the plural number, and *vice versa.*

Words importing the masculine gender only shall include the feminine gender.

Words importing persons shall include corporations.

Any reference in ~~these Articles~~this Constitution to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Subject as aforesaid, any words or expressions defined in the Act shall, except where the subject or context forbids, bear the same meanings in ~~these Articles~~this Constitution.

The headnotes and marginal notes are inserted for convenience only and shall not affect the construction of ~~these Articles~~this Constitution.

2. Clauses 6(a) and 6(b)

6. (a) The rights attaching to shares of a class other than ordinary shares shall be expressed in this Constitution. Shares of a class other than ordinary shares

(b) The Company may issue shares for which no consideration is payable to the Company. Issue of shares for no consideration

3. Clauses 7(a) and 7(c)

~~3~~7. (a) Subject to the Statutes and ~~these Articles~~this Constitution, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to ~~Article 43~~clause 47, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares, grant options over, or otherwise dispose of the same to such persons on such terms and conditions and for such consideration (if any) at such times and subject or not to the payment of any part of the amount (if any) thereof as the Directors think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions, as the Directors may think fit, and with full power to give to any person the right to call for the allotment of any shares on such terms and for such time and consideration (if any) as the Directors see fit. Any preference share may, with the sanction of a Special Resolution, be issued on the terms that it is, or at the option of the Company is liable, to be redeemed, the terms and manner of redemption being determined by the Directors, Provided Always that: -

Issue of shares

(i) (subject to any direction to the contrary that may be given by the Company in General Meeting) any issue of shares for cash to members holding shares of any class shall be offered to such members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of ~~Article 43(a)~~clause 47(a) with such adaptations as are necessary shall apply; and

(ii) any other issue of shares, the aggregate of which would exceed the limits referred to in ~~Article 43(b)~~clause 47(b), shall be subject to the approval of the Company in General Meeting.

(b) ……

(c) The Company has power to issue further preference ~~shares~~capital ranking equally with, or in priority to, preference shares already issued.

Issue of further preference capital

4. Clause 10

~~6~~10. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period the Company may pay interest on such of its shares (excluding treasury shares) as is for the time being paid up for the period and subject to the conditions and restrictions mentioned in the Act, and may charge the same to capital as part of the cost of construction of the works~~,~~ or building or the provision of the plant.

Power to charge interest on capital

5. **Clause 13(e)**

~~9~~13. (a) ……

(b) ……

(c) ……

(d) ……

(e) Every certificate shall be issued under the Seal and shall specify the number and class of shares to which it relates ~~and~~, whether the ~~amount~~shares are fully or partly paid up, and the amount (if any) unpaid thereon and shall bear the autographic or facsimile signatures of one Director and the Secretary or a second Director or some other person appointed by the Directors. The facsimile signatures may be reproduced by mechanical, electronic or other method approved by the Directors. No certificate shall be issued representing shares of more than one class. Share certificates

6. **Clause 17**

~~13~~17. The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities and any residue shall be paid to the person entitled to the shares at the time of the sale or to his executors, administrators or assigns, or as he may direct. Application of sale proceeds

7. **Clause 27(b)**

~~23~~27. (a) ……

(b) No share shall in any circumstances be knowingly transferred to any infant, bankrupt or person ~~of unsound mind~~who is mentally disordered and incapable of managing himself or his affairs. Person under disability

8. **Clauses 46(a) and 46(b)**

~~42~~46. (a) The Company may alter its share capital in any one or more of the following ways:- Power to alter share capital

(i) ~~to~~ consolidate and divide all or any of its shares; ~~and/or~~

(ii) ~~to~~ divide its share capital or any part thereof by sub-division of its existing shares or any of them~~,~~ (subject~~,~~ nevertheless~~,~~ to the provisions of the ~~Act~~Statutes and this Constitution), and so that as between the resulting shares, one or more of such shares may by the resolution by which such sub-division is effected be given any preference or advantage as regards dividend, capital, voting or otherwise over the others or any other of such shares; and/or

(iii) subject to the provisions of the Statutes, convert its share capital or any class of shares from one currency to another currency,

and may reduce its share capital or any undistributable reserve or otherwise alter its share capital in any manner and with and subject to any incident authorised and consent required by law. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to ~~these Articles~~this Constitution, the number of issued shares of the Company shall be diminished by the number of the shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly.

(b) The Company may by Special Resolution, subject to and in accordance with the Statutes, convert one class of shares into another class of shares. Power to convert shares

9. Clause 47(a)

~~43~~47. (a) Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the Listing Manual of the SGX-ST, all new shares shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as ~~nearly~~far as the circumstances admit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this ~~Article 43(a)~~clause 47(a). Offer of new shares to members

10. Clause 50

~~46~~50. ~~An~~Save as otherwise permitted under the Act, an Annual General Meeting shall be held once in every calendar year, at such time and place as may be determined by the Directors, but so that not more than fifteen months shall be allowed to elapse between any two such Annual General Meetings. Annual general meeting

11. Clause 52

~~48~~52. The Directors may call an Extraordinary General Meeting whenever they think fit, and Extraordinary General Meetings shall also be convened on such requisition, or in default may be convened by such ~~requisitions~~requisitionists, as provided by the Act. Requisitions

12. Clause 54

~~50~~54. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and all that is transacted at an Annual General Meeting shall also be deemed special, with the exception of the following:- Routine business

(a) declaring dividends;

(b) receiving and adopting the ~~accounts~~financial statements, ~~the reports of~~ the Directors' statement, the Auditor's report ~~and Auditors~~, and ~~any~~ other documents ~~annexed~~required to be attached to the ~~balance sheets~~financial statements;

(c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;

(d) fixing the remuneration of the Directors proposed to be paid in respect of their office as such under clause 79(a);

(e) appointing or re-appointing the ~~retiring Auditors~~Auditor (unless they were last appointed otherwise than by the Company in General Meeting); and

(f) fixing of the remuneration of the ~~Auditors~~Auditor or determining the manner in which such remuneration is to be fixed.

13. Clause 55

55. Any notice of a General Meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business. Statement regarding effect of special business

14. Clause 60

~~55~~60. (a) If required by the listing rules of any stock exchange upon which shares in the Company may be listed, all resolutions at General Meetings shall be voted by poll (unless such requirement is waived by such stock exchange). Mandatory polling

(b) ~~At~~Subject to clause 60(a), at all General Meetings resolutions put to the vote of the meeting shall be decided on a show of hands, unless before or upon the declaration of the result of the show of hands a poll be demanded as hereinafter provided, and unless a poll be so demanded a declaration by the Chairman of the meeting that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, shall be conclusive, and an entry to that effect in the minute book of the Company shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against the resolution. The demand for a poll may be withdrawn. Method of voting where mandatory polling not required

15. Clause 61

~~56~~61. A poll may be demanded pursuant to clause 60(b) by either:- Demand for poll where mandatory polling not required

(a) the Chairman; or

(b) not less than five members present in person or by proxy and entitled to vote at the meeting; or

(c) a member or members present in person or by proxy and representing not less than ~~ten~~five (~~10~~5) per cent. of the total voting rights of all members having the right to vote at the meeting; or

(d) a member or members present in person or by proxy and holding ~~not less than ten (10) per cent. of the total number of paid-up shares of the Company (excluding treasury shares)~~shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than five (5) per cent. of the total sum paid-up on all the shares conferring that right.

The demand of a poll made pursuant to clause 60(b) shall not prevent the continuance of the meeting for the transaction of any business, other than the question on which the poll has been demanded.

16. Clause 62

~~57~~62. ~~If~~Where a poll ~~be demanded in the manner aforesaid~~is taken, it shall be taken at such time and place, and in such manner, as the Chairman shall direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was ~~demanded~~taken. ~~The demand of a poll shall not prevent the continuance of the meeting for the transaction of any business, other than the question on which the poll has been demanded.~~ The Chairman of the meeting may (and if required by the listing rules of any stock exchange upon which shares in the Company may be listed or if so directed by the meeting, shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

Taking a poll

17. Clause 63

~~58~~63. No poll shall be demanded pursuant to clause 60(b) on the election of a Chairman of a meeting, or on any question of adjournment.

When no poll shall be demanded

18. Clause 64

~~59~~64. In the case of an equality of votes, either on a poll or on a show of hands ~~or on a poll~~, the Chairman of the meeting shall be entitled to a further or casting vote.

Casting vote of Chairman

19. Clause 66

~~61~~66. (a) Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to ~~Article 4~~clause 8, each member entitled to vote may vote in person or by proxy. ~~On a show of hands every~~Every member who is present in person or by proxy shall:-

How members may vote

(i) on a poll, have one (1) vote for every share which he holds or represents; and

(ii) on a show of hands, have one (1) vote, Provided always that:-

(aa) in the case of a member who is not a relevant intermediary and who is represented by two proxies, only one of the two proxies as determined by the Chairman in his sole discretion shall be entitled to vote on a show of hands; and

(bb) in the case of a member who is a relevant intermediary and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands.

~~The Chairman shall determine which proxy shall be entitled to vote where a member is represented by two (2) proxies, and on a poll every member who is present in person or by proxy shall have one (1) vote for every share of which he is the holder.~~ For the purpose of determining the number of votes which a member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at ~~forty-eight~~seventy-two (~~48~~72) hours before the time of the relevant General Meeting ("Cut-Off Time") as certified by the Depository to the Company. A Depositor shall only be entitled to attend any General Meeting and to speak and vote thereat and to appoint proxies in respect thereof if his name appears on the Depository Register maintained by the Depository at the Cut-Off Time as a Depositor on whose behalf the Depository holds shares in the Company. Any member who shall have become bankrupt shall not, while his bankruptcy continues, be entitled to exercise the right of a member, or attend, vote, or act at any meeting of the Company.

(b) Save as otherwise provided in the Act:- Appointment of proxies

(i) ~~A~~a member who is not a relevant intermediary may appoint not more than two (2) proxies to attend, speak and vote ~~on his behalf~~ at the same General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy; and

(ii) a member who is a relevant intermediary may appoint more than two proxies to attend, speak and vote at the same General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

(c) In any case where a~~provided that if the~~ member is a Depositor, the Company shall be entitled and bound:- Shares entered in Depository Register

(i) to reject any instrument of proxy lodged ~~if the~~by that Depositor if he is not shown to have any shares entered against his name in the Depository Register as at ~~48~~72 hours before the time of the relevant General Meeting as certified by the Depository to the Company; and

(ii) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by ~~the~~that Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at ~~48~~72 hours before the time of the relevant General Meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.

(~~c~~d) The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy. Notes and Instructions

~~(d) Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy.~~

(e) A proxy need not be a member. Proxy need not be a member

20. Clause 67(a)

~~62~~67. (a) An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:- Execution of proxies

(i) in the case of an individual, shall be:-

(aa) signed by the appointor or his attorney if the instrument is delivered personally or sent by post; or

(bb) authorised by that individual through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and

(ii) in the case of a corporation, shall be:-

(aa) either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation if the instrument is delivered personally or sent by post; or

(bb) authorised by that corporation through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication.

The signature on, or authorisation of, such instrument need not be witnessed.

The Directors may, for the purposes of clauses 67(a)(i)(bb) and 67(a)(ii)(bb), designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.

21. Clause 68

~~63~~68. If any member be a ~~lunatic, idiot or *non compos mentis*~~mentally disordered and incapable of managing himself or his affairs, he may vote by his committee, receiver, *curator bonis* or other legal curator, and such last mentioned persons may give their votes either personally or by proxy. Voting rights of members who are mentally disordered

22. Clauses 71(a) and 71(b)

~~66~~71. (a) Where an instrument appointing a proxy is signed or authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following ~~Article~~clause, failing which the instrument may be treated as invalid. Authority

(b) The Directors may, in their absolute discretion:- Directors may approve method and manner, and designate procedure, for electronic communications

(i) approve the method and manner for an instrument appointing a proxy to be authorised; and

(ii) designate the procedure for authenticating an instrument appointing a proxy,

as contemplated in clauses 67(a)(i)(bb) and 67(a)(ii)(bb) for application to such members or class of members as they may determine. Where the Directors do not so approve and designate in relation to a member (whether of a class or otherwise), clause 67(a)(i)(aa) and/or (as the case may be) clause 67(a)(ii)(aa) shall apply.

23. Clause 72

~~67~~72. (a) The instrument appointing a proxy, together with the power of attorney (if any) under which it is signed or authorised or a certified copy thereof:-

Deposit of proxies

(i) if sent personally or by post, must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, shall be deposited at the Office); or

(ii) if submitted by electronic communication, shall be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting,

and in either case, at least ~~forty-eight~~seventy-two (72) hours before the time appointed for holding the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which the person or persons named in such instrument proposes to vote; otherwise the person or persons so named shall not be entitled to vote in respect thereof. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates; Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates.

(b) The Directors may, in their absolute discretion, and in relation to such members or class of members as they may determine, specify the means through which instruments appointing a proxy may be submitted by electronic communications, as contemplated in clause 72(a)(ii). Where the Directors do not so specify in relation to a member (whether of a class or otherwise), clause 72(a)(i) shall apply.

Directors may specify means for electronic communications

24. Clause 78(a)

~~73~~78. (a) Any Director may from time to time and at any time appoint any person (other than another Director and ~~not disapproved~~approved by a majority of the other Directors for the time being) to be an Alternate Director of the Company, and may at any time remove the Alternate Director so appointed by him from office. A person shall not act as Alternate Director to more than one Director at the same time.

Appointment of Alternate Directors

25. Clause 80

~~75~~80. Subject as herein otherwise provided or to the terms of any subsisting agreement, the office of a Director shall be vacated:-

When office of Director to be vacated

(a) if a bankruptcy order is made against him or he makes any arrangement or composition with his creditors;

(b) if he ~~is found lunatic or becomes of unsound mind~~becomes mentally disordered and incapable of managing himself or his affairs or if in Singapore or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs;

(c) if he absents himself from the ~~Meetings~~meetings of Directors for a period of six months without special leave of absence from the other Directors;

(d) if he is removed by a resolution of the Company in General Meeting;

(e) if he is prohibited from being a Director by any order made under any provision of the ~~Act~~Statutes; ~~or~~

(f) if by notice in writing given to the Company he resigns his office; or

(g) if he becomes disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds.

26. Clauses 81(b) and 81(e)

~~76~~81. (a) ……

(b) The appointment of any Director to the office of Managing Director (or person holding an equivalent position) shall automatically determine if for any reason he ceases to be a Director but without prejudice to any claim for damages for breach of contract of service between him and the Company.

Determination of appointment of Managing Director

(c) ……

(d) ……

(e) A Managing Director ~~shall not, while he continues to hold that office, be subject to retirement by rotation, and he shall not be taken into account in determining the number of Directors to retire by rotation, but he~~(or person holding an equivalent position) who is a Director shall (subject to the provisions of any contract between him and the Company) be subject to the same provisions as to retirement by rotation, resignation and removal as the other Directors of the Company.

Retirement, removal and resignation of Managing Director

27. Clause 83(b)

~~78~~83. (~~i~~a) ……

(~~ii~~b) Subject to the provisions of the Act and of ~~these Articles~~this Constitution the Directors to retire in every year shall be the Directors who have been longest in office since their last election or appointment. As between Directors of equal seniority, the Directors to retire shall ~~(unless such Directors of equal seniority shall agree amongst themselves) be selected from among them by lot~~be determined by the Directors save for such Directors of equal seniority.

Selection of Directors to retire

28. Clauses 85(a) and 85(c)

~~80~~85. (a) The Company at the meeting at which a Director retires under any provision of ~~these Articles~~this Constitution may by Ordinary Resolution fill the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. In default the retiring Director shall be deemed to have been re-elected except in any of the following cases:-

Filling vacated office

(i) where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such Director is put to the meeting and lost; or

(ii) where such Director is disqualified under the Act from holding office as a Director or has given notice in writing to the Company that he is unwilling to be re-elected; or

(iii) where such Director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds; or

(~~iii~~iv) where at such meeting the moving of a resolution to fill the office being vacated by the retiring Director is in contravention of ~~paragraph (b)~~clause

85(b) below~~; or~~.

~~(v)~~ ~~where such Director has attained any retiring age applicable to him as Director.~~

The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

(b) ……

(c) No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any General Meeting unless not less than eleven nor more than forty-two days (exclusive of the date on which the notice is given) before the date appointed for the meeting there shall have been lodged at the Office notice in writing signed by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed ~~of his willingness to be elected~~giving his consent to the nomination and signifying his candidature for the office, Provided that in the case of a person recommended by the Directors for election not less than nine clear days' notice shall be necessary and notice of each and every such person shall be served on the members at least seven days prior to the meeting at which the election is to take place.

Notice of intention to appoint Director

29. Clause 87

~~82~~87. The business and affairs of the Company shall be managed by, or under the direction or supervision of, the Directors. The Directors may exercise all such powers of the Company as are not by the Statutes or by ~~these Articles~~this Constitution required to be exercised or done by the Company in General Meeting. Provided that the Directors shall not carry into effect any proposals for selling or disposing of the whole or substantially the whole of the Company's undertaking unless such proposals have been approved by the Company in General Meeting. The Directors may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under ~~these Articles~~this Constitution) and for such period and subject to such conditions as they may think fit, and any such ~~powers~~power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

General powers of Directors to manage Company's business

30. Clause 89

~~84~~89. The continuing Directors may act at any time notwithstanding any vacancy in their body, Provided Always that in case the Directors shall at any time be reduced in number to less than the minimum number prescribed by or in accordance with ~~these Articles~~this Constitution, it shall be lawful for them to act as Directors for the purpose of ~~filling up such vacancies in their body~~increasing the number of Directors to such minimum number, or of summoning a General Meeting of the Company, but not for any other purpose (except in an emergency). If there be no Directors or Director able or willing to act, then any two members may summon a General Meeting for the purpose of appointing Directors.

Proceedings in case of vacancies

31. Clause 90

~~85~~90. The Directors shall duly comply with the provisions of the Act, and particularly the provisions as to registration and keeping copies of mortgages and charges, keeping of the Register of Members, (where required) keeping a register of Directors and Managing Directors (or persons holding an equivalent position) and entering all necessary particulars therein, and lodging with the Registrar of Companies such returns, notices or forms relating to Directors as may be prescribed by the Act, and sending to such Registrar an annual return, together with the certificates and the particulars required by the Act notices as to returns of allotments and contracts relating thereto, copies of resolutions and agreements, and other particulars connected with the above.

Keeping of registers

32. Clause 92(a)

~~86~~92. (a) A Director who is in any way, whether directly or indirectly, interested in a transaction or proposed transaction with the Company shall declare the nature of his interest, or send a written notice to the Company setting out the nature, character and extent of his interest, in accordance with the provisions of the Act. Save as by the next following paragraph of this ~~Article~~clause otherwise provided, a Director shall not vote in respect of any transaction or arrangement in which he ~~is interested~~has any personal material interest, directly or indirectly (and if he shall do so his vote shall not be counted), nor shall he be counted for the purpose of any resolution regarding the same, in the quorum present at the meeting, but this ~~Article~~clause shall not apply to:-

Director to declare interests / Directors not to vote on transactions in which they have an interest

(i) any arrangement for giving to him any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company; or

(ii) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security; or

(iii) any transaction by him to subscribe for or underwrite shares or debentures of the Company; or

(iv) any transaction or arrangement with any other company in which he is interested only as a director or other officer or creditor of or as a shareholder in or beneficially interested in the shares of that company.

33. Clause 95

~~89~~95. Directors may participate in a meeting of the Directors by means of a conference telephone or video conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and if applicable, see each other, without a Director being in the physical presence of another Director or Directors, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. The Directors participating in any such meeting shall be counted in the quorum for such meeting and subject to there being a requisite quorum in accordance with ~~Article 88~~clause 94, all resolutions agreed by the Directors in such meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Directors duly convened and held. A meeting conducted by means of a conference telephone or video conference telephone or similar communications equipment as aforesaid is deemed to be held at the place agreed upon by the Directors attending the meeting, provided that at least one of the Directors present at the meeting was at that place for the duration of the meeting.

Participation by conference telephone or video conference telephone

34. Clause 101

Resolutions in writing

~~95~~101. A resolution in writing signed or approved by a majority of the Directors shall be valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted and may consist of several documents in the like form, each signed by one (1) or more Directors. All such resolutions shall be described as “Directors’ Resolutions” and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the Company’s Minute Book ~~and submitted for confirmation at a meeting of the Directors next following the receipt thereof by him. A Directors’ Resolution shall be inoperative if it shall purport to authorise or to do any act which a meeting of the Directors has decided shall not be authorised or done, until confirmed by meeting of the Directors~~. The expressions “in writing” and “signed” include approval by letter, telefax, telex, cable, telegram or any other form of electronic communication approved by the Directors for such purpose from time to time incorporating, if the Directors deem necessary, the use of security and/or identification procedures and devices approved by the Directors.

35. Clause 105

Power to authenticate documents

~~98A~~105. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have the power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee, and any books, records, documents~~ and~~, accounts and financial statements relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents~~ or~~, accounts or financial statements are not kept at the Office, the local manager or other officer of the Company having custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed, or as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting. Any authentication or certification made pursuant to this ~~Article~~clause may be made by any electronic means approved by the Directors from time to time for such purpose incorporating, if the Directors deem necessary, the use of security and/or identification procedures and devices approved by the Directors.

36. Clause 116(c)

~~105~~116.(a) ……

(b) ……

(c) In addition and without prejudice to the powers provided for by ~~Article 105(a)~~clause 116(a), the Directors shall have power to issue shares for which no consideration is payable and/or to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full new shares, in each case on terms that such shares shall, upon issue~~,~~:-

Power to issue free shares and/or to capitalise reserves for share-based incentive plans and Directors' remuneration

(i) be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting and on such terms as the Directors shall think fit; or

(ii) be held by or for the benefit of non-executive Directors as part of their remuneration under clause 79(a) approved by shareholders in General Meeting in such manner and on such terms as the Directors shall think fit.

The Directors may do all such acts and things considered necessary or expedient to give effect to any of the foregoing.

37. Clause 119

~~108~~119. The Directors shall, from time to time in accordance with the provisions of the Act and the listing requirements of the SGX-ST, cause to be prepared and to be laid before a General Meeting of the Company such ~~profit and loss accounts~~financial statements, balance sheets, ~~group accounts (if any) and~~ reports, statements and other documents as may be necessary. A copy of ~~every~~the financial statements and, if required, the balance sheet ~~and profit and loss account which is to be laid before a General Meeting of the Company~~ (including every document required by law to be ~~annexed~~attached thereto), which is duly audited and which is to be laid before the Company in General Meeting ~~together with~~accompanied by a copy of ~~every report of the Auditors relating~~the Auditor's report thereto ~~and of the Directors' report~~ shall not less than fourteen (14) clear days before the date of the ~~meeting~~General Meeting be sent to every member of~~, and every holder of debentures of,~~ the Company and to every other person who is entitled to receive notices from the Company under the provisions of the Statutes or of ~~these Articles~~this Constitution. Provided that:-

Presentation and copies of financial statements

(a) these documents may, subject to the listing rules of any stock exchange upon which shares in the Company may be listed, be sent less than fourteen (14) clear days before the date of the General Meeting if all persons entitled to receive notices of General Meetings from the Company so agree; and

(b) this ~~Article~~clause shall not require a copy of these documents to be sent to more than one of any joint holders or to any person of whose address the Company is not aware, but any member ~~or holder of debentures~~ to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office. The interval between the close of a financial year of the Company and the date of the Company's Annual General Meeting shall not exceed four (4) months, or such other period as may be prescribed from time to time by the Act or the listing requirements of the SGX-ST.

38. Clause 120(a)

~~109~~120. (a) Once at least in every year the accounts of the Company shall be examined, and the correctness of the ~~profit and loss account and balance sheet~~financial statements ascertained by one or more Auditor or Auditors, and the provisions of the Act and any modification or re-enactment thereof for the time being in force in regard to audit and ~~Auditors~~Auditor shall be observed. Audit

39. Clauses 121 and 125(b)

~~110~~121.(a) Any notice or document (including a share certificate) may be served on or delivered to any member by the Company either personally or by sending it through the post in a prepaid cover addressed to such member at his registered address within Singapore appearing in the Register of Members or (as the case may be) the Depository Register, or (if he has no registered address within Singapore) to the address, if any, within Singapore supplied by him to the Company or (as the case may be) supplied by him to the Depository as his address for the service of notices, or by delivering it to such address as aforesaid. Service of notices

(b) Without prejudice to the provisions of ~~Article 110(a)~~clause 121(a), but subject otherwise to the Act and any regulations made thereunder and (where applicable) the listing rules of the any stock exchange upon which shares in the Company may be listed, relating to electronic communications, any notice or document (including, without ~~limitations~~limitation, any accounts, balance-sheet, financial statements or report) which is required or permitted to be given, sent or served under the Act or under ~~these Articles~~this Constitution by the Company, or by the Directors, to a member ~~or an officer or Auditor~~ of the Company may be Electronic communications given, sent or served using electronic communications:-

(i) to the current address of that person; or

(ii) by making it available on a website prescribed by the Company from time to time,

in accordance with the provisions of, or as otherwise provided by, this Constitution, the Statutes and/or any other applicable regulations or procedures.

Implied consent

(c) For the purposes of clause 121(b) above, a member shall be deemed to have agreed to receive such notice or document by way of such electronic communications and shall not have a right to elect to receive a physical copy of such notice or document.

Deemed consent

(d) Notwithstanding clause 121(c) above, the Directors may, at their discretion, at any time give a member an opportunity to elect within a specified period of time whether to receive such notice or document by way of electronic communications or as a physical copy, and a member shall be deemed to have consented to receive such notice or document by way of electronic communications if he was given such an opportunity and he failed to make an election within the specified time, and he shall not in such an event have a right to receive a physical copy of such notice or document.

Notice to be given of service on website

(e) Where a notice or document is given, sent or served to a member by making it available on a website pursuant to clause 121(b)(ii), the Company shall give separate notice to the member of the publication of the notice or document on that website and the manner in which the notice or document may be accessed by any one or more of the following means:-

(i) by sending such separate notice to the member personally or through the post pursuant to clause 121(a);

(ii) by sending such separate notice to the member using electronic communications to his current address pursuant to clause 121(b)(i);

(iii) by way of advertisement in the daily press; and/or

(iv) by way of announcement on any stock exchange upon which shares in the Company may be listed.

~~114~~125.(a) ……

(b) ~~Such notice or document shall be deemed to have been duly given, sent or served upon transmission of the electronic communication to the current address of such person or as otherwise provided under the Statutes and/or any other applicable regulations or procedures.~~Where a notice or document is given, sent or served by electronic communications:-

When notice given by electronic communications deemed served

(i) to the current address of a person pursuant to clause 121(b)(i), it shall be deemed to have been duly given, sent or served at the time of transmission of the electronic communication by the email server or facility operated by the Company or its service provider to the current address of such person (notwithstanding any delayed receipt, non-delivery or "returned mail" reply message or any other error message indicating that the electronic communication was delayed or not successfully sent), unless otherwise provided under the Act and/or any other applicable regulations or procedures; and

(ii) by making it available on a website pursuant to clause 121(b)(ii), it shall be deemed to have been duly given, sent or served on the date on which the notice or document is first made available on the website, or unless otherwise provided under the Act and/or any other applicable regulations or procedures.

40. Clause 127

~~116~~127. Subject to the provisions of and so far as may be permitted by the Statutes, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred or to be incurred by him in the execution and discharge of his duties or in relation thereto~~ including any liability by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the court~~. Without prejudice to the generality of the foregoing, no Director, ~~Manager,~~ Secretary or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the

Indemnity

insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or left or for any other loss, damage or misfortune whatsoever which shall happen in the execution of the duties of his office or in relation thereto unless the same shall happen through his own negligence, wilful default, breach of duty or breach of trust.

41. Clause 129

129. (a) A member who is a natural person is deemed to have consented to the collection, use and disclosure of his personal data (whether such personal data is provided by that member or is collected through a third party) by the Company (or its agents or service providers) from time to time for any of the following purposes:- Personal data of members

(i) implementation and administration of any corporate action by the Company (or its agents or service providers);

(ii) internal analysis and/or market research by the Company (or its agents or service providers);

(iii) investor relations communications by the Company (or its agents or service providers);

(iv) administration by the Company (or its agents or service providers) of that member's holding of shares in the Company;

(v) implementation and administration of any service provided by the Company (or its agents or service providers) to its members to receive notices of meetings, annual reports and other shareholder communications and/or for proxy appointment, whether by electronic means or otherwise;

(vi) processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for any General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to any General Meeting (including any adjournment thereof);

(vii) implementation and administration of, and compliance with, any provision of this Constitution;

(viii) compliance with any applicable laws, listing rules, take-over rules, regulations and/or guidelines; and

(ix) purposes which are reasonably related to any of the above purpose.

Personal data of proxies and/or representatives

(b) Any member who appoints a proxy and/or representative for any General Meeting and/or any adjournment thereof is deemed to have warranted that where such member discloses the personal data of such proxy and/or representative to the Company (or its agents or service providers), that member has obtained the prior consent of such proxy and/or representative for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy and/or representative for the purposes specified in clauses 129(a)(vi) and 129(a)(viii), and is deemed to have agreed to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of such member's breach of warranty.