CITY DEVELOPMENTS LIMITED
ANNUAL REPORT 2009

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Cover photo: St. Regis Residences, Singapore
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Photos courtesy of Mr Kwek Leng Joo, Managing Director, City Developments Limited

At CDL, we believe in staying committed to our core foundations, values and competencies – paramount touchstones of our success.

In 2009, the impact of the global financial turmoil continued to pan out, but we remained steadfast, as always, during these tough times. Our resilience has enabled us to weather storms, staying focused on developing our business sustainability and financial prowess for long-term growth.

Moving ahead, we will continue to rise above the clouds, setting milestones and defining new landscapes with quality, sustainable properties and innovative initiatives, reinforcing our position as the undisputed industry leader.

10-Year Financial Highlights

YEAR	2000 (3)	2001 (3)	2002	2003
Revenue	$2,626m	$2,227m	$2,289m	$2,326m
Profit before tax	$546m	$139m	$243m	$214m
Profit for the year attributable to equity holders of the Company	$287m	$54m	$151m	$152m
Net gearing ratio	0.76	0.86	0.80	0.64
Return on equity	7.3%	1.4%	3.9%	3.3%
Net asset value per share	$4.86	$4.71	$4.82	$5.56
Basic earnings per share	35.8 cents	6.7 cents	18.9 cents	18.8 cents

Dividends				
a) Ordinary dividend (gross) per share				
- final	7.5 cents	7.5 cents	7.5 cents	7.5 cents
- special interim	-	-	-	-
- special final	-	-	-	50.0 cents
b) Preference dividend (net) per share	-	-	-	-

Notes:

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

(2) Final tax-exempt (one-tier) ordinary dividend proposed for financial year ended 31 December 2009 will be subject to the approval of the ordinary shareholders at the forthcoming Annual General Meeting.

(3) Certain accounting policies or accounting standards had changed in the financial years 2001, 2002 and 2005. Only the financial information presented above for each of the years immediately preceding 2001, 2002 and 2005 had been restated to reflect the relevant changes in accounting policies or accounting standards.

	2004[3]	2005	2006	2007	2008	2009
	$2,380m	$2,374m	$2,547m	$3,106m	$2,945m	**$3,273m**
	$503m	$404m	$692m	$955m	$834m	**$832m**
	$227m	$200m	$352m	$725m	$581m	**$593m**
	0.55	0.50	0.40	0.48	0.48	**0.40**
	5.2%	4.4%	7.4%	13.9%	10.7%	**9.9%**
	$4.99	$5.12	$5.21	$5.72	$5.97	**$6.57**
	25.3cents	20.8 cents	37.0 cents	78.3 cents	62.5 cents	**63.8 cents**

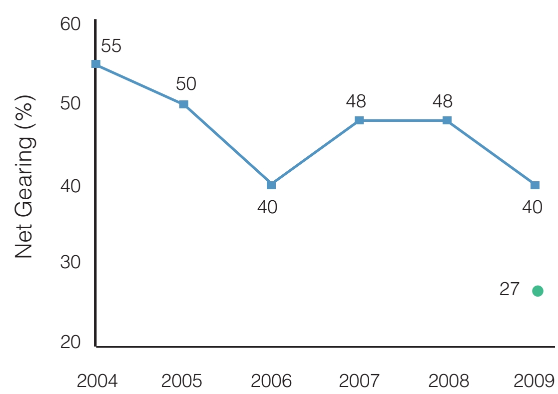
	7.5 cents	7.5 cents	7.5 cents	7.5 cents[1]	7.5 cents[1]	**8.0 cents[2]**
	-	-	7.5 cents	10.0 cents	-	**-**
	-	5.0 cents	10.0 cents	12.5 cents[1]	-	**-**
	2.19 cents	3.90 cents	3.90 cents	3.90 cents	3.90 cents[1]	**3.90 cents[1]**

CAPITAL MANAGEMENT

	As at 31/12/09	As at 31/12/08
Cash generated from operating activities before income tax	$1,058m	$517m
Cash and cash equivalents	$981m	$776m
Net borrowings	$3,053m	$3,378m
Net gearing ratio[(a)]	0.40	0.48
Net gearing ratio if fair value gains on investment properties are taken in	0.27	0.32
Interest cover ratio	14.5 times	11.0 times

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

NET GEARING



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

Sustaining
Business Excellence

For many years, CDL has stood on firm foundations while maintaining a robust track record and financial excellence. We take pride in our strong leadership and foresight that has seen us through challenging times.

Recognising opportunities in every situation, we strategically constructed developments such as The Arte at Thomson even before its launch for sale, reflecting our confidence in the eventual market recovery.

In March 2009, the launch of The Arte was highly successful and CDL recognised more profit immediately based on the advanced stage of its construction.

The strong demand for Volari at Balmoral and Hundred Trees are testament to CDL's insightful ability to anticipate evolving market trends and seize opportunities in a timely manner.

As the first and only private property developer to attain the Singapore Quality Class (SQC) certification awarded by SPRING Singapore, we continue our pursuit of business excellence with value-focused planning, customer centricity and versatility for our steps ahead.

Artist's impression of The Arte

Innovation
for Change

At CDL, we recognise that raising the bar through innovation can bring about environmental change, in the way we think, live and work.

The implementation of green innovations in our properties has redefined perspectives and developed the industry's expertise and capabilities in adopting sustainable solutions for Singapore's built environment.

7 & 9 Tampines Grande, a cutting-edge new generation green office, embraces the largest and most extensive use of solar technology at a commercial property in Singapore.

Another property that ranks high on our green portfolio is 11 Tampines Concourse, the first CarbonNeutral® development in Singapore and Asia Pacific. The building's carbon emissions are measured and offset on an annual basis. Together with a host of eco-friendly innovations, we work towards the aim of energy savings and reduced carbon emissions for a greener world.

7 & 9 Tampines Grande

Walking the Green Talk

For more than a decade, CDL has been dedicated to living out our mission as green movers, pioneering a blend of eco-friendly technology with our world-class eco-properties.

Championing green buildings in Singapore, we are mindful of our conviction to increase our environmental responsibility in this new era of sustainability.

The launch of City Square Mall, Singapore's first eco-mall, featuring state-of-the-art green technology, marks another green milestone in our environmental journey.

We are honoured to be the first and only Platinum winner of the Built Environment Leadership Award (BEL) accredited by the Building and Construction Authority (BCA), attesting to our industry captaincy of Singapore's built environment.

On the global front, CDL is listed amongst the Global 100 Most Sustainable Corporations in the World, in recognition of our sustainable practices and strategic direction. We have also endorsed the United Nations Caring for Climate statement to mobilise the business community to develop solutions to reduce climate risk.

City Square Mall

Social Responsibility Commitment

Corporate Social Responsibility (CSR) is integral to CDL's corporate vision and mission for business success and long term sustainability. At the heart of this vision is a focus on our five core values – leadership in innovation, quality, service excellence, profitability and CSR.

We measure ourselves against the triple bottom line, taking into account our economic, social and environmental performance. Being a responsible corporate citizen, we believe in creating value for stakeholders, conducting sustainable business practices, caring for the community and protecting the environment.

In celebrating 10 years of voluntarism through our staff volunteer platform - City Sunshine Club, we have remained committed to our belief in not just building quality properties, but also excelling as a builder of lives and the community we live in.

As an international recognition of our CSR practices, CDL is the only Singapore developer listed on the FTSE4Good Index since 2002. We continue to do our part in making a difference to the lives of the people around us.

Artist's impression of Hundred Trees

Chairman's Statement

On behalf of the Board of Directors, I am pleased to report a profitable year for the City Developments Group. Despite the challenging economic conditions, the Group posted an outstanding performance, achieving record revenue and the second highest profit since 1963.

GROUP PERFORMANCE

For the fourth quarter under review, the Group delivered a set of sterling results with attributable profit after tax and minority interests increasing by 76.7% to $176.7 million (Q4 2008: $100.0 million). This was backed by the continued strong organic growth from the property development segment which boosted the Group's revenue by 28.6% to $922.4 million (Q4 2008: $717.5 million).

For the year ended 31 December 2009, the Group achieved revenue of $3,272.8 million (2008: $2,945.2 million) and posted after-tax profit attributable to shareholders of $593.4 million (2008: $580.9 million). This performance exceeded the previous year and registers as the second highest set of results since its inception in 1963. Accordingly, the basic earnings per share increased to 63.8 cents (2008: 62.5 cents).

Given the global economic recession and challenging operating market conditions, the Group's property development and hotel operations segments were affected, particularly in the first quarter of 2009. In the subsequent quarters of 2009, the residential property market rebounded sharply, with the Group achieving very strong sales for its residential launches. Even though the Group's performance, particularly for the property development segment, improved each quarter thereafter as compared to Q1 2009, this is not reflected proportionately in the Group's attributable profit after tax and minority interest for full year 2009 performance. This is primarily due to the decline in contribution from the hotel operations segment as RevPAR (which is a key measure of performance for the hotel industry) was down and did not recover until Q4 2009, due to competitive pricing in the hospitality market. In addition, the strengthening of the Singapore dollar, particularly against the Sterling Pound, also had a negative impact on the Group's performance when the exchange rate translation was factored in the consolidation at Group level. Furthermore, from the property development segment, the Group was unable to recognise profit for some of its launched projects as construction had either not commenced or construction has not reached the recognition stage yet.

The property development segment, being the main contributor to the Group's core earnings, contributed 70.7% and 65.5% to the Group's profit before tax for Q4 2009 and full year 2009 respectively. Profit before tax for this segment has increased by 107.2% and 14.2% respectively for Q4 and full year 2009, compared to the corresponding previous period.

The Group's balance sheet continued to remain healthy in spite of the tightened credit market and challenging market conditions. This did not take into consideration any fair value gains on investment properties as the Group adopted the conservative policy of stating investment properties [including those held under joint ventures and associates such as CDL Hospitality Trusts (CDLHT)] at cost less accumulated depreciation and impairment losses.

Without resorting to any equity fund raising, the cash flow from operating activities before tax amounted to about $1 billion for the full year 2009 (2008: $516.6 million). The Group reduced its net gearing ratio from 48.0% in 2008 to 40.0% in 2009. Interest cover had also improved to 14.5 times as compared to 11.0 times for the financial year ended 31 December 2008. Had the Group adopted a revaluation policy, the net gearing ratio would be further driven down to 27.0%. As the Group has pre-sold its residential developments, and with quite a number of its projects likely to be completed in 2010, cash flow is expected to be healthy.

The Board has recommended a final ordinary dividend of 8.0 cents (2008: 7.5 cents) per share.

Property

For Q4 2009, the Singapore economy grew by 4.0% on a year-on-year basis. Besides the growth in the electronics and chemical clusters, there was a broad based recovery in the services sector with trade and tourism-related sectors posting the strongest gains compared to the previous quarter.

The Singapore economy contracted by 2.0% in 2009, in line with the Ministry of Trade and Industry (MTI)'s forecast of a contraction between 2.0% to 2.5%. This is far better than the original estimate of a contraction between 2.0% to 5.0%.

After a difficult initial three months in 2009, the economy rebounded strongly in the second quarter. Coupled with pent-up demand, this led to a spike in activities in the residential property market. The momentum in strong primary sales resulted in monthly sales exceeding 1,000 units between February to September. The enthusiastic primary sales activity built itself up to a crescendo in July, with a record 2,767 units sold in a single month. The quarterly sales of 5,578 units achieved in Q3 2009 were also a record high for any quarter. The number of private home sales by developers fell to 1,860 units in the final quarter, most likely impacted by the abolition of the Interest Absorption Scheme (IAS) announced on 14 September 2009 as well as the Singapore Government's subsequent comments that it had a wide range of measures it could introduce to moderate the property cycle if it is deemed over exuberant. Sentiment was also weighed down by similar comments by government officials in Hong Kong and China, who were also seeking to avoid asset bubbles in their markets. For the whole of 2009, developers sold a total of 14,688 units in Singapore, more than three times that of the 4,264 units sold a year ago and just shy of the record 14,811 units sold in 2007.

Urban Redevelopment Authority (URA)'s real estate statistics indicate that for the whole of 2009, prices of private residential properties increased by 1.8% after rebounding by 24.2% in the second half of 2009. This comes on the back of a contraction of 4.7% in 2008. The recovery in the Singapore residential market this time round was led mainly by mass market projects. This was a result of strong sentiment, a wide range of housing choices at various locations, low interest rate environment, high liquidity and affordable pricing which helped to sustain interest among buyers. Encouraged by signs of an economic recovery, buyers' interest filtered to the mid-tier and high-end projects.

The Group continued to sell the remaining units in Livia, The Arte, Volari at Balmoral, Hundred Trees and Shelford Suites in Q4 2009. To-date, its joint venture 724-unit Livia project is fully sold. The Group's Volari and The Arte projects are sold out except for one and three penthouses respectively. The 396-unit Hundred Trees development is 97% sold and Shelford Suites is over 60% sold.

During Q4 2009, the Group booked in profits from Cliveden at Grange, The Arte, One Shenton, Shelford Suites, The Solitaire, Tribeca and Wilkie Studio. Profits were also booked in from joint-venture projects like Livia and The Oceanfront @ Sentosa Cove.

Profits from the 85-unit Volari at Balmoral and the 396-unit Hundred Trees which are almost completely sold have not been booked in yet due to the early stage of the construction. Likewise, no profit has been booked in yet from the 329-unit joint-venture project, The Gale, which is also substantially sold.

For the whole of 2009, the Group sold a total of 1,508 residential units with sales revenue of $1.868 billion (including joint venture share). This is a sharp contrast when compared to the Group's sales turnover of 368 units and sales revenue of $348 million achieved in the whole of 2008.

In view of the improved conditions in the property market and to meet the strong demand for private housing, the Government reinstated the Confirmed List and replenished the supply of Reserve List sites in the Government Land Sales Programme for the first half of 2010 in November 2009.

The office sector reversed four consecutive quarters of negative take-up by posting a slightly higher 87.9% island wide occupancy rate in Q4 2009 as compared to 87.8% the previous quarter and 91.2% a year ago. On the back of peak vacancy rates, office rental for office space continued to decline, but at a more moderate pace of 3.3% in the final quarter of the year compared with a decrease of 4.1% in Q3 2009. For the whole of 2009, rentals of office space decreased by 23.6%. Total potential supply of office space in the pipeline declined by about 30% year-on-year to about 1.06 million sq m GFA, as at the end of December 2009.

The Group achieved a healthy occupancy rate of 92.4% for its office portfolio at the end of Q4 2009.

On the retail front, City Square Mall, Singapore's first Eco-mall, is now fully open for business with most of the rental space being taken up. Footfalls to the complex are good and the Group expects the footfalls to improve further as the mall becomes more established. Within a year or two, the Group expects better income from the mall's operations and is confident that the mall will perform well in the competitive retail environment.

Hotel

Millennium & Copthorne Hotels plc (M&C), in which the Group has a 53.8% interest, achieved a net profit after tax and minority interests for Q4 2009 of £29.7 million (Q4 2008: £5.8 million), exceeding its expectations. The increase was primarily due to 2008 one-off costs including impairment and share of revaluation deficit of CDLHT's investment properties.

For 2009, despite the economic conditions which were particularly difficult in the first half of the year for the hospitality industry, M&C delivered a solid performance and further strengthened its financial position. M&C's net profit after tax and minority interests for 2009 increased by 9.5% to £70.1 million (2008: £64.0 million).

In response to sharp RevPAR declines in most markets at the beginning of the year, M&C implemented a profit protection plan which focused on cost control and cash management. This tough, prudent and analytical management approach has proven successful for M&C's owner-operator business model. M&C also benefited from ownership of a wide geographical spread of properties which has smoothed the overall impact of the economic crisis.

At constant rates of exchange, M&C delivered savings of £72.7 million in operating costs (including hotel fixed charges, non-hotel expenses and central costs) against a revenue fall of £132.2 million resulting in a recovery rate of 55.0% (the recovery at hotel level was 51.1%). This was achieved through a combination of head count reduction, careful redesign of key processes, basic attention to details, and solid performances by the hotel management teams.

During the year under review, M&C opened three new hotels under management contracts; one in Europe (the 158-room Copthorne Hotel Sheffield), and two in China (the 306-room Millennium Wuxi and the 343-room Millennium Chengdu, which soft opened in December 2009). The 299-room owned hotel, Wynfield Inn Orlando Convention Centre (US), was closed and the management contract for the 304-room Millennium Oy Oun Hotel Sharm el Sheikh (Egypt) ended.

Another 15 hotel management contracts were also signed; two in the UK, six in the United Arab Emirates, three in Iraq, two in Saudi Arabia, one in Yemen and one in Taiwan. These properties are due to open between 2010 and 2013 and account for 4,368 additional rooms, bringing the number of rooms in M&C's worldwide pipeline to 8,361 rooms in 27 hotels.

In November 2009, M&C unveiled the new Studio M brand aimed at the discerning guests, which offers both urban contemporary style and access to integrated technology and high connectivity. The first Studio M hotel in Singapore is scheduled to soft-open in the second quarter of 2010.

In line with M&C's asset management initiatives, it has obtained provisional permission to redevelop Copthorne Orchid Hotel Singapore into condominiums. This is expected to generate cash and profit from an alternative use of an asset and save an estimated £10 million of maintenance expenditure required to retain the property in its current use.

CURRENT YEAR PROSPECTS

Property

2009 will be remembered as a year in which the global economy was paralysed with the fear that the world will suffer a recession, worse than the Great Depression. Fortunately, this fear was short-lived. The severity of the downturn was alleviated by the swift fiscal and monetary policy responses which helped to mitigate the magnitude of the fall-out. Fortunately, many governments globally reacted swiftly with concerted efforts by rolling out massive stimulus measures to counter the severe condition. The quick global recovery helped bolster recent economic data in the region and most of the advanced economies have since reported that they have pulled out of recession. The U.S. Commerce Department reported that the world's largest economy showed economic expansion of 5.7% in Q4 2009. Looking ahead at 2010, policy makers remain cautious about the economic recovery and they debate over inflationary and asset bubble concerns as well as an appropriate timing of when to withdraw monetary expansion stimulus measures.

According to MTI, Asian Development Bank upgraded growth projections for Asia from 6.0% to 6.4% in 2010 and commented that the region will be "poised to lead the recovery". In February 2010, MTI had also upgraded its forecast for the Singapore economy to grow by 4.5% to 6.5% in 2010, compared to its earlier forecast of 3.0% to 5.0%, as major economies globally have emerged from recession, financial markets stablised and with trade flows and industrial production picking up strongly. MTI's latest consumer price index inflation forecast for 2010 is 2.0% to 3.0%.

On 22 February 2010, in its Budget 2010, the Singapore Government committed a $5.5 billion investment over the next five years, to fuel initiatives aimed at helping enterprises and workers raise productivity, through deepening skills, innovation and economic restructuring. The Budget is geared towards helping Singapore achieve productivity growth of 2.0% to 3.0% per year over the next decade, which will allow Singapore to maintain a healthy GDP growth of 3.0% to 5.0% annually. This forward-looking blueprint charts the way for sustained growth and prosperity, providing good long-term prospects for Singapore's economy.

The healthy take-up of residential units in new sales launches in the mid-tier to high-end markets since the beginning of 2010 indicates that residential drivers remain strong as underlying demand is sufficient to support current pricing. Besides GDP growth, other demand drivers on the uptrend include job security as unemployment rate fell significantly to 2.1% in Q4 2009 from 3.4% in Q3 2009 with strong job creation and fewer layoffs. MTI had reported that as at June 2009, Singapore's population grew by 3.1% year-on-year or 148,200 to 4,987,600 in 2009. The population growth in Singapore has exceeded 100,000 annually since 2006.

In view of the positive sentiments, the Group launched Cube 8 – the elegant 177-unit 36-storey condominium located next to the highly successful The Arte at Thomson. It was met with overwhelming response and was almost sold out within two weeks of its soft-launch. To-date, all of the units have been sold, except for three penthouses.

The Group has planned several more new launches for the year. With the recent soft opening of Resorts World Sentosa at the end of January 2010, interest in residential properties in Sentosa Cove is growing and prices are firming up. The Group is likely to launch its branded residential project consisting of 228 units at the Quayside Collection site. The show suite is almost ready and the Group intends to launch this project by the first half of this year to cater to the rekindled and growing demand for exclusive residences on

Sentosa. The Group is pleased to announce its tie-up with Starwood Asia Pacific Hotels & Resorts Pte. Ltd. to introduce a new lifestyle experience under its renowned 'W' brand. The residential development will be known as "The Residences at W Singapore Sentosa Cove" and adjacent to the residences will be the hotel that will bear the name, the "W Singapore Sentosa Cove", comprising of about 240 guest rooms.

Uniquely, the Group was awarded this coveted Quayside Collection site in 2006, based not only on price, but other pertinent factors like architectural design, concept, tourism appeal and strengths of the prospective lessee and operator. The site is to be developed as an integrated development which will comprise not only the branded residences and hotel, but also a specialty retail component – the only one at the Cove.

Since the Group's successful tender, the value of property in Sentosa Cove has appreciated significantly. Subsequent tenders for residential land parcels at the Cove were awarded at record prices in 2007, with most of them tripling the Group's purchase price. The Group is confident that with the launch of the six-storey, ultra-luxurious residential development, this award-winning architectural masterpiece will herald the arrival of a new branded 'W' lifestyle, complementing the Cove's vision to become one of the world's most exclusive and affluent integrated marina residential community. Residents of "The Residences at W Singapore Sentosa Cove" will also be offered an array of à la carte services extended from the hotel, when the hotel is open.

"The Residences at W Singapore Sentosa Cove" will cater to the sophisticated and discerning palates of clients who enjoy the serenity of living on an exclusive tropical resort island, yet being close to the excitement of the buzz on the island and its proximity to the city.

When completed, likely by 2012, the hotel and specialty retail component will offer a smorgasbord of chic F&B choices for residents of Sentosa Cove, patrons of Sentosa Island as well as the spill over visitors from Resorts World Sentosa and Universal Studios Singapore. The exclusive ambience at Sentosa Cove will appeal to those seeking an intimate dining enclave.

Another residential project planned for launch in the first half of 2010 is at Chestnut Avenue. This site, set amidst expansive greenery, was purchased in August 2009 in the URA tender. The Group plans to develop a 24-storey condominium with 429 units.

Other projects in the pipeline include a condominium development at Pasir Ris next to Livia, comprising about 642 units, as well as a 158-unit condominium at the former Concorde Residences site at Thomson Road, near Cube 8 and The Arte.

The stabilisation of the office sector during the last quarter of 2009 had coincided with the recovery of the economy. History has often demonstrated that the recovery of the office sector will largely depend on the global economy as well as changes in financial services employment. There was approximately 93,000 sq m of new office supply within the CBD Core in 2009 and another estimated 198,000 sq m of new completions in 2010. It has been reported that most of the new office supply in 2009 have seen healthy take-up while new office completions in 2010 have already received high pre-commitment for space by tenants, mostly from the financial and business sectors.

The Group's office portfolio is expected to maintain reasonably healthy occupancy due to already committed leases.

Planning and design refining for the integrated South Beach project is in progress as scheduled. The development has up till 2016 to be completed. The project partners have recently appointed a new Chief Executive Officer and special structural consultants have also been engaged to assist with value engineering with the aim to maximise the value of this asset. The development was previously deferred due to high construction cost with the two Integrated Resorts (IRs) and other major construction projects in full swing. The project partners are working towards commencing construction by next year since most of the mega projects are near completion. Based on a recent external valuation for the year ended 31 December 2009, there is no impairment required for this South Beach development.

In line with the Group's selective land replenishment policy, the Group has submitted the winning bid of $200.5 million for the 182,975 sq ft site at Sengkang West Avenue / Fernvale Link. It was keenly contested with a total of 10 tenderers. With a plot ratio of 3, the site can be developed into a condominium of about 550,000 sq ft. It is located in an up and coming popular location at the Sengkang New Town and adjoining the LRT station. The Group will continue to look out for good opportunities to strategically replenish its land bank.

Hotel

Although it is too early to predict the trading performance for 2010, M&C's RevPAR increased by 3.5% in the first 5 weeks of trading this year, with encouraging signs of stability in key markets like New York (RevPAR increased by 4.3%) and Singapore (RevPAR increased by 18.8%), though RevPAR for London declined by 7.6%.

In 2009, the strategic focus on cash management gave rise to a reduction of M&C's net debt by £82.6 million to £202.5 million (2008: £285.1 million) and all of the facilities that matured in 2009 were refinanced from other existing facilities and surplus cash. It also generated £66.0 million (2008: £46.6 million) free cash flow. At 31 December 2009, M&C had £135.5 million cash and £178.8 million of undrawn and committed bank facilities available, comprising revolving credit facilities which provide M&C with financial flexibility. The net book value of M&C's unencumbered properties as at 31 December 2009 was £1,891.6 million, approximately S$4,246.6 million (31 December 2008: £1,986.2 million, approximately S$4,234.6 million). Gearing also further reduced to 11.6% (31 December 2008: 16.4%), which is substantially lower than the hospitality sector generally.

Through the combination of rigorous cost control, a focus on maximising returns on assets and an enviable balance sheet, M&C is now well positioned to tackle any challenges and to grasp new opportunities. When the trading environment improves, M&C expects to deliver benefits through its resilient owner-operator business model.

GROUP PROSPECTS

The global economic recovery is better than expected. The Group is of the view that the underlying rationale for the paced recovery is largely due to the swift and co-operative efforts taken by governments globally, working collaboratively to mitigate a global meltdown. For the first time in history, this collective worldwide intervention and the prompt implementation of fiscal measures have helped to mitigate the severity of an economic calamity and enabled economic fundamentals to be stabilised.

In view of the surge in demand for private residential properties which had rebounded sharply, outpacing previous recoveries, this has led to a concern that the property market may be overheating. As a pre-emptive move to prevent the risks of a property bubble forming, on 19 February 2010, the Singapore Government announced two new measures. With immediate effect, it will be introducing a Seller's Stamp Duty on all residential properties and residential lands that are bought and sold within a year from the date of the purchase, plus it will also be lowering the Loan-to-Value limit to 80% for all housing loans provided by financial institutions regulated by the Monetary Authority of Singapore. The Government highlighted that these measures are not meant to deter genuine buyers who have the financial means to hold a property.

The Group welcomes these measures as they have been implemented to curb speculation and to foster prudence. The Group has always advocated that buyers must be able to afford their monthly housing loan instalments as property investments has to be viewed with a medium to long-term perspective. The Group believes that the measures will not affect the residential market significantly as the positive sentiment for Singapore residential property is likely to remain strong amongst genuine investors, fuelled by several factors. Firstly, with the improving economic conditions and a greater sense of job security, home buyers are eager to pick up good purchases now as property prices are beginning to move in an upward trend. Secondly, bank deposit interest rates are low. Savvy investors will diversify their holdings to get a better yield and property in Singapore has often been a good investment. Thirdly, property has always been a good hedge against inflation and pegged with the attractive housing interest rates offered by banks presently, it is an alluring proposition. Finally, compared to major cities in this region like Hong Kong and Shanghai where property prices have escalated considerably, Singapore residential properties continue to remain attractive as the price increase has not been as sharp, offering an excellent investment opportunity.

There are signs indicating that the hospitality sector is improving in certain geographical locations. While some of the Group's hotels are doing better, their performance has not reached its peak of 2008. In Singapore, there has been much debate over concerns of potential oversupply of hotel rooms with the two IRs opening and jitters in the hospitality industry have led to an emergence of a price-war. The Group takes the view that this may be overreacting, as all hotel operators should be cognisant that yield management is critical for the hospitality sector. It is far better to have a lower occupancy at a higher room rate, compared to achieving a high occupancy, but at a marginalised rate. It believes that the IRs are catering to a different target audience and supply of hotel rooms will be paced, as the two IRs are officially opening at different times and in phases.

The Group remains optimistic that with improved economies, greater positive sentiments should follow, which augurs well for the residential, hospitality and commercial sectors. The Group is expected to remain profitable over the next 12 months.

APPRECIATION

On behalf of the Board of Directors, I would like to thank our stakeholders, including our shareholders, customers and business associates, for their continued commitment and support of the Group. My appreciation also goes out to my fellow Directors for their invaluable counsel and contributions, and to the Management and staff for their steadfast dedication and hard work in the past year.

Kwek Leng Beng
Executive Chairman
25 February 2010

董事主席报告

本人谨代表董事部同仁，欣然呈报城市发展有限公司集团取得盈利的一年业绩报告。尽管面对严峻的经济形势挑战，集团依然表现卓越，创造了自1963年公司成立以来的第二高盈利纪录。

集团业绩

集团在2009年的第四季表现优异，净利猛涨76.7%，达到1亿7670万新元(2008年第四季为1亿新元)。这是基于房地产方面保持持续的强劲增长，带动集团营业额增加28.6%，达到9亿2240万新元(2008年第四季为7亿1750万新元)。

截至2009年12月31日，集团营业额达到32亿7280万新元(2008年为29亿4520万新元)，可归属于母公司所有者的净利润为5亿9340万新元(2008年为5亿8090万新元)。这业绩超越了去年，创造了自1963年公司成立以来的第二高盈利纪录。因此，集团的每股盈利增加到63.8分(2008年为62.5分)。

因遭受全球经济衰退和严峻市场营运环境的冲击，尤其是在2009年的第一季，集团的房地产业务和酒店业务领域都受到影响。紧接下来的几个季度，私宅地产市场大幅度地反弹，集团所推出的私宅项目都取得了非常强劲的销售业绩。尽管集团的后三个季度业绩不断增长，尤其是房地产业务方面，但这个比例并没有反映在2009年全年的业绩之中。这主要是由于酒店业务方面的盈利下滑，酒店业市场的价格激烈竞争，导致客房平均销售收益(RevPAR)下降(此乃衡量酒店业业绩的主要指标)，直到2009年第四季才逐渐恢复。此外，新元表现强劲，尤其是与相逆表现的英镑兑换率上，这在集团合并帐目时造成重大影响。与此同时，集团也不能将那些尚未开始建造或者建造还未达到统计阶段的发售项目的盈利纳入账目。

带动集团核心收入上增长的主要是房地产领域。其收入对集团2009年第四季和全年收入的贡献分别为70.7%和65.5%。与上年度同项对比，该部分的税前盈利在2009年第四季和全年分别增长了107.2%和14.2%。

尽管面对信贷市场紧缩，集团仍继续保持稳健的资产负债表。这并未考虑到任何有关投资产业的公平价值收益，因为集团是采取保守的会计政策核算其投资产业[包括其合资投资和联营公司如城市发展服务信托(CDLHT)]，即以成本扣除累计折旧及减值损耗。

在无任何股本集资下，2009年全年经营业务的税前现金周转总额约为10亿新元(2008年为5亿1660万新元)。集团的净负债与资产比率由2008年的48.0%减少到2009年的40.0%。利息偿付比率从2008年的11.0倍提升到了2009年的14.5倍。集团若采用重新估值政策，净负债与资产比率将降到27.0%。鉴于集团已经预售的私宅发展项目，其中大部分会在2010年建成，现金周转预计将保持稳健。

董事部提议派发每股8.0分(2008年为7.5分)的年终股息。

产业

与去年同期相比，新加坡经济在2009年的第四季增长了4.0%。除电子业与化工业外，服务和旅游业也大幅度复苏，比上季的表现优越。

贸工部原先估计，新加坡的经济将会在2009年萎缩于2.0%至2.5%的范围之内。正同贸工部所预测，新加坡的经济在2009年萎缩了2.0%。如此的经济表现比预期中理想。

新加坡的经济在2009年的第二季大幅度反弹。被压抑的产业需求也同时把住宅产业的买卖交易活动推向高峰。强劲的销售势头导致本年2月至9月期间，每月的住宅销售量超过1,000个单位；7月份更是达到顶峰，创下了单月销售2,767个单位的纪录。此外，2009年的第三季也因销售量达到5,578个单位而创下了年度季度的销售纪录。然而，私宅的销售数量却在2009年的第四季下滑至1,860个单位。这种现象主要的因素或许是受到新加坡政府在2009年9月14日宣布取消由发展商摊还利息的利息承担计划(Interest Absorption Scheme，简称IAS)，以及随后发布了可能会在房地产过热时所实施的一系列降温措施。为了避免房地产市场出现泡沫现象，香港和中国政府也为了缓和房地产市场的情绪，而各自发布类似的官方意见。发展商在新加坡2009年的全年销售总量为14,688个单位。这不仅是过去一年所达到4,264个单位销售量的3倍，今年的总销售量也仅略次于2007年14,811个单位销售量的纪录。

市区重建局(URA)的房地产统计数据显示，2009年全年私宅产业价格在下半年反弹24.2%后整体上升了1.8%。这同比萎缩了4.7%。新加坡私宅市场的复苏是由大众市场项目所主导。庞大的市场需求、处于不同地点的私宅项目所提供的广泛选择、低利率环境、高资产流动性和合理的价格有助于支撑买家的兴趣。在经济复苏迹象的鼓舞下，买家多倾向于选择中高端项目。

在2009年第四季，集团继续出售莉雅苑，艺居，Volari at Balmoral，百树园和清风雅筑的剩余单位。至今，拥有724个单位的合资项目莉雅苑已经全部售罄。集团的Volari和艺居项目除了分别有1和3个顶层阁楼单位外也都全部售出。拥有396个单位的百树园项目已售出97%，而清风雅筑也售出超过60%。

2009年第四季间，集团分别将凯林豪庭，艺居，珊顿一号，清风雅筑，宝绿居，翠碧家和汇吉楼的盈利入账，合资发展项目如莉雅苑和升涛舫的盈利也被入账。

由于拥有85个单位的Volari at Balmoral和396个单位的百树园还处于建设的初期阶段，它们的盈利还未被入账。同样的，几乎售出的329个单位的合资发展项目The Gale也未被纳入盈利账目。

2009年全年，集团共售出1,508个私宅单位，销售营业额为18亿6800万新元(含合资发展项目的份额)。与集团2008年全年销售368个单位，取得销售营业额为3亿4800万新元相比，形成强烈的对比。

随着房地产市场条件的改善，以及为满足市场对私宅的强劲需求，政府于2009年11月，对其政府国有土地标售的2010年上半年计划添补了储备地产名单。

办公楼部分扭转了连续四个季度的负增长，在2009年第四季表现出略高的87.9%全岛性出租率，相较于上季的87.8%和一年前的91.2%。在空置率高峰的情况下，办公楼租金持续下调，但与2009年第三季的下降4.1%相比，最后一个季度只缓慢下调了3.3%。2009年全年，办公楼租金下降了23.6%。截至2009年12月底，整个办公楼潜在供应量年对年相比下降了约30%，总建筑面积约为106万平方米。

2009年第四季末，集团办公楼组合达到92.4%的稳健出租率。

零售方面，新加坡首座生态购物中心－城市广场现已全面营业，绝大部分零售空间都已租出。购物中心的起步步调良好，集团期望未来购物中心将更迈向成熟。在一到两年内，集团期望从购物中心的运营中获取更好的收益，并确信购物中心将在激烈竞争的零售业环境中表现良好。

酒店

集团占有53.8%股权的千禧国敦酒店集团(M&C)，2009年第四季税后净利超越预期并达到2,970万英镑(2008年第四季为580万英镑)。这一增长主要来自于2008年的一次性成本包括耗损和对分担城市发展酒店服务信托(CDLHT)投资产业的亏损份额进行重新评估。

2009年，尽管上半年酒店行业经营条件特别艰难，M&C的表现依然稳定，并进一步加强其财务状况。2009年M&C的税后净利增长9.5%，达到7,010万英镑(2008年为6,400万英镑)。

为了应对年初的客房平均销售收益(RevPAR)剧烈下滑的情况，M&C实行利润保护计划，重点集中在成本控制和现金管理方面。这种坚韧、审慎和理性的管理方法已经被证明是M&C的业主与营运者的业务成功模式。M&C也得益于拥有分布在一广泛的地理范围产业，藉以纾缓经济衰退的全面冲击。

以固定汇率计算，M&C节省经营成本7,270万英镑(包括酒店固定支出、非酒店损耗和主要成本)，相对于在55.0%复苏率的情况下，营业额反而下降到1亿3220万英镑(酒店业的复苏率水平为51.1%)。这一成果是通过降低人工成本，精心设计主要工作流程、注重基础细节以及酒店管理团队的精诚表现而共同取得的。

在本年度，M&C在管理合同下新开了三家酒店，一家位于欧洲(拥有158间客房的Copthorne Hotel Sheffield)，两家位于中国(拥有306间客房的无锡千禧大酒店和343间客房的成都千禧大酒店，都已在2009年12月试营业)。与此同时，M&C也关闭了拥有299间客房的持有酒店Wynfield Inn Orlando Convention Centre (美国)，和终止拥有304间客房的Millennium Oy Oun Hotel Sharm el Sheikh (埃及)的管理合同。

除此，M&C还签署了15家酒店的管理合同，两家在英国，六家在阿联酋，三家在伊拉克，两家在沙特阿拉伯，一家在也门和一家在台湾。这些酒店将于2010至2013年期间开业，并增设4,368间客房，使M&C在全球范围内的27家酒店的客房总数达到8,361间。

2009年11月，M&C推出全新的Studio M品牌，瞄准眼光独特的客户，提供现代化都市风格与集成科技和高能联系。新加坡首家Studio M酒店计划于2010年第二季度试营业。

秉承M&C的资产管理自发精神，酒店已获得批准将新加坡国敦胡姬酒店(Copthorne Orchid Hotel Singapore)改建成私人共管公寓项目。预计对此资产改为另一用途后将增进现金和利润，并可省下因保留目前用途所需负担的维修开支约1,000万英镑。

今年展望

产业

2009年将是一个难忘的年份，因全球都担忧世界经济将遭受甚至比世纪大萧条时期更严重的衰退。所幸的是，这种担忧是短暂的，因一系列迅速的财政和货币对策缓解了经济衰退。多亏全球许多国家的政府迅速作出反应，共同努力，推出庞大的刺激经济措施应对严峻的形势。快速的全球复苏提升了本区域的最新经济统计数据，多数的先进经济发达地区都宣告它们已经走出了经济低谷。美国商务部的报告说，世界最大的经济体在2009年第四季出现了5.7%的经济增长。展望2010年，政策制定者仍对经济复苏秉持谨慎的态度，他们仍对通货膨胀和资产泡沫极为关注，以及何时是撤消以货币扩张刺激经济措施的适当时机。

根据MTI的消息，亚洲开发银行将2010年亚洲经济增长的预测由6.0%调高到6.4%，并认为该区域将“有望率先复苏”。2010年2月，MTI也将对新加坡2010年经济增长的预测由4.5%调高到6.5%，对比之前预测的3.0%至5.0%，这是基于全球主要经济体已经走出衰退，金融市场稳固，贸易流通和工业生产回升强劲。MTI最新公布的消费指数对2010年通货膨胀的预期为2.0%至3.0%。

在2010年2月22日公布的2010年财政预算案中，新加坡政府计划在未来5年投资55亿新元，帮助企业和员工提高生产力、深化技能、创新和经济结构重整。该预算案旨在协助新加坡在未来十年中实现每年取得2.0%至3.0%的生产力增长，这将使新加坡的国内生产总值持续保持稳健的3.0%至5.0%的年增长率。这种着眼保持持续增长和繁荣的具有前瞻性的经济蓝图，为新加坡长期的经济发展带来良好的前景。

从2010年起私宅市场对新发售的中高端项目的稳健吸纳状况显示，私宅的潜在需求依然强劲，足以支撑目前的售价。除国内生产总值增长外，安定的工作例如失业率由2009年第三季的3.4%下滑到第四季的2.1%与就业机会激增以及减少裁员，是导致需求上升的因素。根据MTI在2009年6月的报告显示，新加坡的人口年同比增长了3.1%或148,200人达总数4,987,600人。自2006年以来，新加坡每年的人口增长均超过100,000人。

在蓬勃的市场情绪带动下，集团推出了尚居(Cube 8)项目，这个36层高并拥有177个单位的公寓项目获得市场热烈响应。此项目是位于同样获得非常成功的邻近项目 - 艺居，在开始预售的两周之内几乎售罄。目前，该项目除三间顶层阁楼外，所有单位已全部售出。

集团计划今年将推出几个新项目。随着近期圣淘沙名胜世界在2010年1月底开始试营业，市场对升涛湾私宅产业的兴趣升温，价格也稳步上涨。集团很有可能推出其品牌私宅项目，即拥有228个单位的The Quayside Collection。示范单位已经准备就绪，集团拟于今年上半年推出该项目，以满足市场对升涛湾独特私宅不断增加的需求。集团宣布与喜达屋亚太酒店及度假酒店有限公司联手推介该公司旗下一个著名的新品牌“W”。此私宅将被称为“The Residences at W Singapore Sentosa Cove”，毗邻私宅的酒店将被命名为“W Singapore Sentosa Cove”，共有240间客房。

值得强调的是，集团于2006年获得The Quayside Collection地段时，并不仅仅以价格取胜，还包括其他有关因素如建筑设计，概念，提升旅游业和未来租户和运营商的优势等。该地段将发展为一个综合性项目，不仅包含品牌私宅和酒店外，还包括了升涛湾独一无二的零售部分 。

自本集团成功招标后，升涛湾物业的价值已经大幅升值。在2007年升涛湾的私宅用地的成交价创下纪录，高于集团当年购价的三倍。集团相信，随着这个六层高、超豪华发展项目的推出，这一获奖的建筑杰作将预示着一个新的“W”品牌生活方式的到来，将为升涛湾发展为世界最独特和富裕的综合性私宅社区增添光彩。酒店开业后，“The Residences at W Singapore Sentosa Cove”私宅的居民也可享受到来自于酒店的各项点餐服务。

“The Residences at W Singapore Sentosa Cove”将迎合口味复杂的住户让他们既享有独家海岛休闲度假的宁静生活，又感受到接近该岛及其毗邻繁忙的城市激情。

当2012年建成后，升涛湾的住户将会从酒店和独特的零售部分享有瑞典式的时尚自助餐饮选择，它也将吸引圣淘沙全岛以及来自圣淘沙名胜世界和新加坡环球影城(Universal Studios Singapore)的消费者。升涛湾独有的气氛将吸引那些寻求私密用餐场所者。

另一个位于Chestnut Avenue的私宅项目将预计在2010年上半年发售。这个地皮于2009年8月在URA招标购进，掩映于宽阔的绿色园林之中。集团计划发展其成为一项24层高而拥有429个单位的项目。

其他预计出售的项目包括位于巴西立靠近莉雅苑的公寓项目，约有642个单位；还有一个拥有158个单位的公寓项目位于汤申路的Concorde Residences原址，毗邻尚居和艺居。

办公楼部分随着经济复苏在2009年最后一个季度表现稳定。以已往的市场显示，办公楼市场主要取决于全球经济尤其是金融服务就业市场的复苏。2009年CBD核心区约有93,000平方米的新增供应量，2010年将另外新落成198,000平方米。据报道，2009年大多数新增供应量均被稳健地吸纳，而2010年新落成的办公楼空间也已获得租户的高额预订，其中大多数来自于金融和商业部分。

集团的办公楼预计将保持合理的稳健出租率，主要是因为大多数租约已经达成。

综合性项目South Beach的规划和设计改进正按计划进行中。该项目将如期在2016年竣工。项目合营伙伴最近委任了新总裁和特别结构顾问，以便将资产的价值发挥最大限度。这个项目的开发之前被推延，是由于随着两个综合度假胜地(IRs)和其他主要建筑项目的建设，使得建筑成本变得昂贵。因大多数大型项目将接近完工，项目合营伙伴正努力促使该项目明年开工。根据截至2009年12月31日的最新外部估价，South Beach项目无需作出减值拨款。

依据集团有选择性的土地补充策略，集团在激烈的竞争下，成功以2亿50万新元标得位于Sengkang West Avenue / Fernvale Link的182,975平方英尺的地皮。此地皮容积率为3，能发展为约550,000平方英尺的公寓并且位于未来的盛港新镇及临近轻轨站。集团将不断寻找好时机，并战略性地补充其土地储备。

酒店

虽然预测2010年的营运表现为时尚早，但是基于M&C的客房平均销售收益(RevPAR)在今年头5个星期增加了3.5%。这是主要市场出现稳定的迹象令人鼓舞，如纽约(RevPAR增加4.3%)，新加坡(RevPAR增加18.8%)，尽管伦敦的RevPAR下降了7.6%。

2009年，集团着重于现金管理的策略使M&C的净债务减少了8,260万英镑达至2亿250万亿英镑(2008年为2亿8510万亿英镑)，所有2009年到期的资金设施都从其他现有的

资金设施和盈余转按现金。这也产生了6,600万英镑的活动现金流(2008年为4,660万英镑)。截至2009年12月31日，M&C拥有现金为1亿3550万亿英镑，未动用的协议银行融资总额为1亿7880万英镑，包括循环信贷设施为M&C提供了财务灵活性。M&C可支配产业的帐面净值截至2009年12月31日为18亿9160万英镑，约为42亿4660万新元(2008年12月31日为19亿8620万英镑，约为42亿3460万新元)。净负债与资产比率也下降到11.6%(2008年12月31日为16.4%)，大大低于一般的酒店业。

通过一系列严格的成本控制、注重资产收益和令人称羡的资产负债表相结合，M&C现在的定位足以应付任何挑战，同时把握新的契机。当经营环境改善时，M&C预计将借助其灵活的持有－经营商业模式获取优良的回报。

集团前景展望

全球经济复苏比预期良好。集团认为，经济迅速复苏很大程度上归功于各国政府迅速采取积极的行动，携手合作，共同缓解全球经济趋于崩溃。有史以来全球范围的集体干预和世界各地迅速实施的财政措施有助于减轻经济灾难，使经济基础得以稳定。

鉴于私宅产业需求激增，市场大幅度反弹，甚至超越以往的复苏形势，导致人们担心房地产市场可能会出现过热现象。为防范房地产市场形成泡沫的风险，新加坡政府采取先发制人的行动，在2010年2月19日宣布两项新措施：自即日起，对于在购买于一年内而转售的私人房屋或私宅地皮拥有者将征收卖方印花税，另一项是将由新加坡金融管理局监管的金融机构提供的房地产贷款顶限降至80%。政府强调，这些措施的实施不是为了阻止具有经济能力持有产业的真正买家。

集团对于这些措施表示认同，这些措施有利于遏制投机，鼓励审慎的态度。集团一贯主张，买家须以中长期的投资眼光看待房地产投资，必须能负担得起每个月的房屋分期贷款。集团相信，这些措施不会显著影响私宅市场走势，因真正有意投资者对新加坡私宅市场仍保持乐观的态度。这主要基于几点：首先，随着经济环境改善，就业保障大增，而且房产价格已经开始转向上涨的趋势，所以购屋者现在期望能够买到好的产业。其次，银行存款利率低，精明的投资者将其持有的资产投资于房地产以获取更好的收益率。而新加坡的房地产通常被视为一项很好的投资。第三，房地产常具有资产保值效用，以抵御通货膨胀，而银行最近又提供了具有吸引力的房屋贷款利率。最后，与其他区域主要城市如香港，上海相比，这些城市的房价已经大幅上涨，而新加坡的住宅地产价格虽然上涨但并未非常剧烈，所以本地房地产依然保持了吸引力，提供了一个很好的投资机会。

有迹象显示，某些地方的酒店业状况正得到改善。虽然集团的一些酒店表现良好，但他们的业绩并没有达到2008年时的高峰。在新加坡，随着两个综合度假胜地的开业，对酒店客房潜在的供应过剩已引发许多争论，导致酒店业者情绪不安和价格战的出现。集团认为，这可能是反应过度，因为所有的酒店业者都应该悟识到优良的管理才是酒店业的关键。相比而言，高客房价格，低入住率也远胜于高入住率，却不符合定位的价格。集团认为综合度假胜地将吸引不同的客户群，由于这两个综合度假胜地正式开业的时间不同，并且是分阶段开放，其酒店客房供应量也将保持同步调。

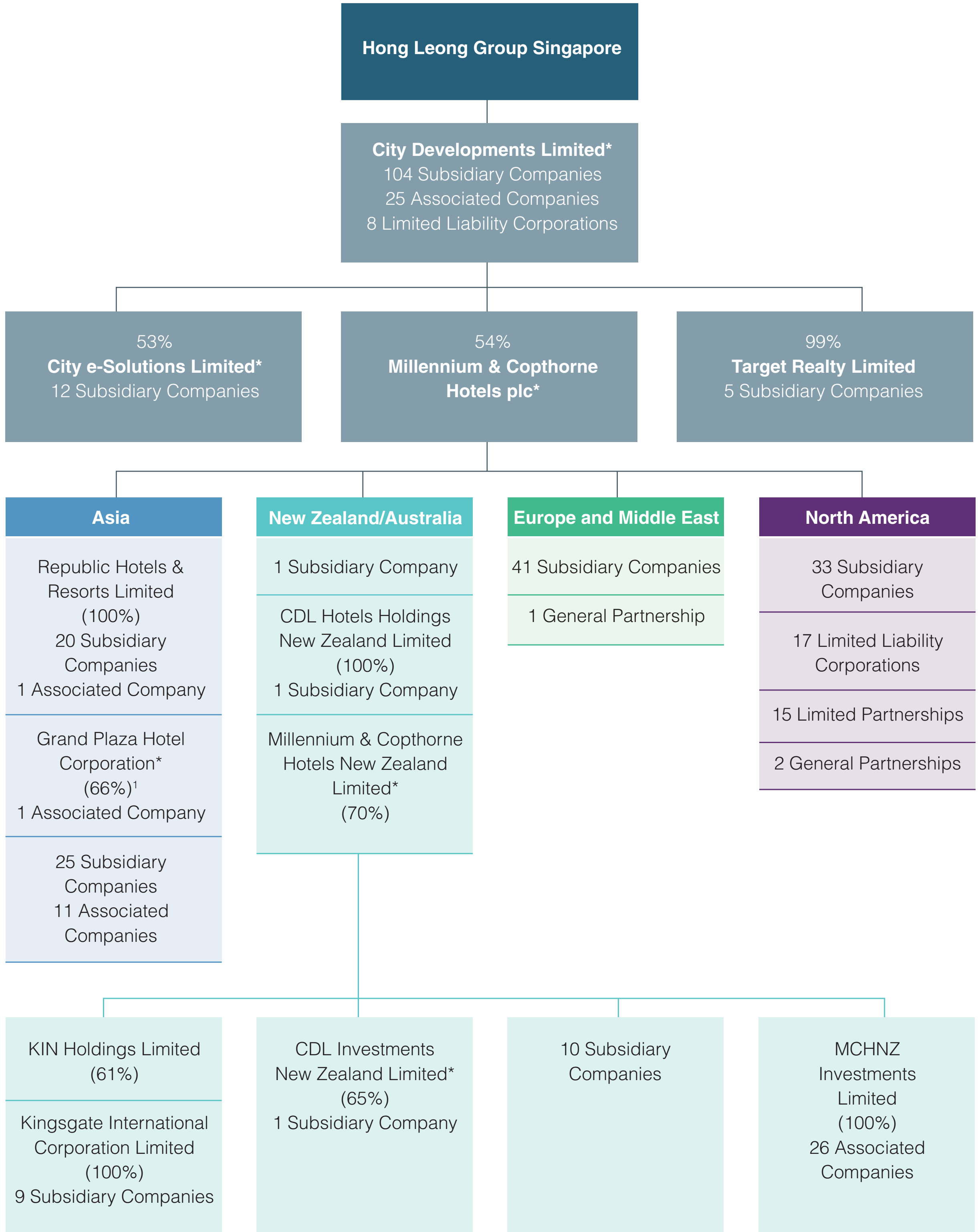
集团仍然乐观地认为，随着经济好转，更好更乐观的情绪将会随之而来，这对于私宅，酒店和商业各领域都是个好兆头。集团预计在未来12个月将继续取得盈利。

致谢

我谨代表董事部，感谢我们的股东、客户和商业伙伴对本集团一如既往的信任和支持。我也要对董事部同仁的宝贵意见和积极贡献，对管理层和职员们过去一年的努力付出和辛勤工作，致以深深的谢意。

郭令明
执行主席
2010年2月25日

Corporate Structure as at 26 February 2010



Notes: [1] Held through a 60% subsidiary company of Millennium & Copthorne Hotels plc and a wholly-owned subsidiary company of Republic Hotels & Resorts Limited
* Listed Companies

Board of Directors

Kwek Leng Beng

Kwek Leng Joo

Chee Keng Soon

Foo See Juan

Kwek Leng Beng, 69

Appointed as Director and Executive Chairman of City Developments Limited (CDL) since 1 October 1969 and 1 January 1995 respectively, Mr Kwek was last re-elected on 26 April 2007. He also sits on the Nominating Committee of CDL.

Mr Kwek is the Chairman of Hong Leong Asia Ltd. (HLA) and London-listed Millennium & Copthorne Hotels plc (M&C). He is also the Chairman and Managing Director of Hong Leong Finance Limited (HLF) and Hong Kong-listed City e-Solutions Limited (CES).

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.

His other appointments include being a member of the East Asia Council of INSEAD and Action Community of Entrepreneurship (ACE) Singapore since its inception in 2003. Mr Kwek was also conferred Honorary Doctorate of Business Administration in Hospitality from Johnson & Wales University (Rhode Island, US) and Honorary Doctorate from Oxford Brookes University (UK).

Kwek Leng Joo, 56

Appointed as Director and Managing Director of CDL since 8 February 1980 and 1 January 1995 respectively, Mr Kwek also sits on the City Developments Share Options Scheme 2001 Committee (Scheme Committee).

He is also an Executive Director of CES and sits on the boards of HLF and M&C.

Mr Kwek holds a Diploma in Financial Management and has extensive experience in property development and investment.

Mr Kwek contributes actively to the business community through several public appointments including Honorary President of the Singapore Chinese Chamber of Commerce and Industry, Chairman of the Board of Trustees of National Youth Achievement Award Council, and Chairman of the Chinese Language & Culture Fund Management Committee. He is also a Member of the Board of Trustees of Nanyang Technological University, Board of Governors of S. Rajaratnam School of International Studies and the Chinese Heritage Centre.

Chee Keng Soon, 77

Appointed a Director of CDL since 29 March 1995, Mr Chee was last re-appointed a Director on 29 April 2009 pursuant to Section 153(6) of the Companies Act, Chapter 50. He is also the Chairman of the Audit, Nominating, Remuneration and Scheme Committees of CDL.

Mr Chee had previously held the position of Auditor General for more than 20 years and had served on the board of Inland Revenue Authority of Singapore. Mr Chee holds a Bachelor of Arts (Honours) degree in Geography from University of Malaya.

Foo See Juan, 69

Appointed a Director of CDL since 2 June 1986, Mr Foo was last re-elected on 29 April 2009. He also sits on the Audit, Nominating and Scheme Committees of CDL.

Mr Foo holds a Bachelor of Law degree from the National University of Singapore and is a partner of a law firm. He presently sits on the boards of various companies in the CDL Group.

Kwek Leng Peck

Han Vo-Ta

Tang See Chim

Yeo Liat Kok Philip

Kwek Leng Peck, 53

Appointed a Director of CDL since 1 August 1987, Mr Kwek was last re-elected on 29 April 2009. He is an Executive Director of HLA and also sits on the boards of HLF, M&C, New York-listed China Yuchai International Limited, and is also Chairman of Malaysia-listed Tasek Corporation Berhad. During the past 3 years, he was an Executive Director of CES.

Mr Kwek holds a Diploma in Accountancy and has over 29 years of experience in trading, manufacturing, property investment and development, hotel operations, corporate finance and management.

Han Vo-Ta, 61

Appointed a Director of CDL since 20 September 1988, Mr Vo-Ta was last re-elected on 24 April 2008. He also sits on the Audit Committee of CDL.

Mr Vo-Ta holds Bachelor of Science and Master of Science degrees in Management from Massachusetts Institute of Technology and is presently a member of the Board of Trustees of SIM University and Board of Directors of the Old Parliament House Ltd. Mr Vo-Ta was previously an international banker, having worked with Bank of Montreal in Montreal, Toronto, Manila and Singapore. He was also General Manager of Singapore Finance, President of the Singapore Canadian Business Association, co-founder and past President of the MIT Club of Singapore, Senior Advisor of UBS AG and a member of the Governing Council of Singapore Institute of Management.

Tang See Chim, 77

Appointed a Director of CDL since 28 August 1995, Mr Tang was last re-appointed a Director on 29 April 2009 pursuant to Section 153(6) of the Companies Act, Chapter 50. He also sits on the Audit, Remuneration and Scheme Committees of CDL.

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

Mr Tang also sits on the boards of G.K. Goh Holdings Limited, HupSteel Limited, New Toyo International Holdings Ltd and Dutech Holdings Limited. His other appointments include honorary legal adviser to Ren Ci Community Hospital, Singapore Hospice Council and Nanyang Girls' High School.

Yeo Liat Kok Philip, 63

Appointed a Director of CDL since 11 May 2009, Mr Yeo also sits on the Remuneration Committee of CDL.

Mr Yeo is the Special Advisor for Economic Development in the Prime Minister's Office and Chairman of SPRING Singapore, a government development agency with the mission of nurturing local enterprises especially small and medium enterprises and is recognised for his contributions to Singapore's economic development and pioneering role in promoting and developing the country's information technology, semiconductor, chemical and biomedical industries.

Mr Yeo holds a Bachelor of Applied Science (Industrial Engineering) and an honorary Doctorate in Engineering from the University of Toronto, 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, and a Doctor of Science from Imperial College, London.

His other appointments include being an independent non-executive Director of United Overseas Bank and a member of its Executive Committee, Audit Committee and Remuneration Committee.

Mr Yeo was also the former Chairman of the Agency for Science, Technology & Research ("A*STAR").

Senior Management

Chia Ngiang Hong | Goh Ann Nee | Tan Seng Chee | Eddie Wong | Lim Tow Fok

Chia Ngiang Hong, Group General Manager
Mr Chia Ngiang Hong joined City Developments Limited (CDL) in 1981 and has about 30 years of experience in the real estate industry in Singapore and the region. He holds a degree in 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. He is also a Certified Property Manager with Institute of Real Estate Management (USA).

Goh Ann Nee, Chief Financial Officer
Ms Goh Ann Nee was appointed as CDL's Chief Financial Officer in 2005. Prior to that, she was Vice President (Finance) at Millennium & Copthorne International Limited. A Chartered Accountant, Ms Goh graduated from the University of Glasgow and started her career with Coopers & Lybrand (now known as Pricewaterhouse Coopers) based in London. She has worked in several multinational companies over the course of an illustrious career in international financial management. Ms Goh is a member of the Institute of Chartered Accountants in England and Wales and the Institute of Certified Public Accountants of Singapore. She has also been appointed as a member of the Accounting Standards Council, the Asian Advisory Group for The Fletcher School (Tufts University Boston) and as a Board Member of the Singapore National Library Board.

Tan Seng Chee, Chief Information Officer
Trained as an engineer, Mr Tan Seng Chee has more than 25 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) degree, Master of Science (Industrial Engineering) and has a post graduate diploma in Computer Science from the British Computer Society.

Eddie Wong, General Manager (Projects)
Mr Eddie Wong has been in the construction industry for nearly 30 years and joined CDL in 1981. He has a Masters degree in International Environmental Management from The University of Adelaide and a Diploma in Building from Singapore Polytechnic. Mr Wong is a Fellow of the Society of Project Managers and an Associate Member of the Institute of Environmental Management and Assessment (IEMA), UK. He is also a Steering Committee Member of the Energy Sustainability Unit (Partner of the Economic Development Board), and a member of the Construction Industry IT Standards Committee.

Lim Tow Fok, General Manager
Property & Facilities Management (PFM)
Mr Lim Tow Fok joined CDL in 2008 and has more than 20 years of experience in property and facilities management. He holds a Masters degree in Business Administration from the University of Adelaide. Trained in the field of Building Maintenance and Management, his areas of expertise include setting strategic directions on property and facilities management matters, establishing policy standards and ensuring the efficient operation of commercial, industrial and residential buildings. He is also a member of the Board of Examiners for the Building & Construction Authority Academy's Specialist Diploma in Building Cost Management Programme.

Heads of Department

Deputy General Managers
Esther An, Corporate Affairs & CSR
Anthony Goh, PFM (Investment Property)
Lee Mei Ling, Marketing
Lim Whee Kong, Treasury
Catherine Loh, Corporate Secretarial Services
Sharifah Shakila Shah, Legal
Sim Boon Hwee, Business Development & Asset Management (S'pore)
Kelly Tan, Projects
Corinne Yap, Leasing

Assistant General Managers
Allen Ang, Projects (Commercial)
Ng Mui Siang, Internal Audit
Ong Siew Toh, Group Accounts (Group Reporting & Consolidation)
Tay Cheow Chuan, PFM (Development Property)
Sherine Toh, Human Resource
Jacqueline Wong, PFM (Development & Investment Property)
Yiong Yim Ming, Group Accounts (Group Subsidiaries & Joint Ventures)

Senior Managers
Dominic Chew, Marketing Communications
Foo Chui Mui, Customer Relations
Belinda Lee, Corporate Communications
Lim Cheng Tea, Administration (Acting Head)
Wong Chung Jeu, Projects (Residential)

Corporate Network as at 25 February 2010

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

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

In Singapore, CDL holds an impressive track record of over 22,000 luxurious and quality homes to its name. As one of the biggest landlords in Singapore, CDL owns over 7 million square feet of lettable office, industrial, retail and residential space. The Group also owns one of the largest land banks amongst private developers, with over 3.6 million square feet that has the potential of being developed into over 7.1 million square feet of gross floor area.

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

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

Corporate Directory

Board of Directors

Executive

Kwek Leng Beng, Executive Chairman
Kwek Leng Joo, Managing Director

Non-Executive

Chee Keng Soon, Independent
Foo See Juan, Independent
Kwek Leng Peck
Han Vo-Ta, Independent
Tang See Chim, Independent
Yeo Liat Kok Philip, Independent

Board Committee

Kwek Leng Beng
Kwek Leng Joo
Kwek Leng Peck
Han Vo-Ta
Tang See Chim

Audit Committee

Chee Keng Soon, Chairman
Foo See Juan
Han Vo-Ta
Tang See Chim

Nominating Committee

Chee Keng Soon, Chairman
Kwek Leng Beng
Foo See Juan

Remuneration Committee

Chee Keng Soon, Chairman
Tang See Chim
Yeo Liat Kok Philip

City Developments Share Option Scheme 2001 Committee

Chee Keng Soon, Chairman
Kwek Leng Joo
Foo See Juan
Tang See Chim

Secretaries

Shufen Loh @ Catherine Shufen Loh
Enid Ling Peek Fong

Registrars and Transfer Office

M & C Services Private Limited
138 Robinson Road
#17-00 The Corporate Office
Singapore 068906
Tel: 6227 6660

Registered Office

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

Auditors

KPMG LLP
Public Accountants and
Certified Public Accountants, Singapore
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581
(Partner-in-charge:
Tham Sai Choy,
appointment commenced from the
audit of the financial statements
for the year ended
31 December 2005)

Principal Bankers

Australia and New Zealand Banking Group Limited
BNP Paribas
CIMB Bank Berhad
Citibank, N.A.
Commerzbank Aktiengesellschaft
Credit Agricole Corporate & Investment Bank
DBS Bank Ltd.
Deutsche Bank AG
DZ Bank AG
Industrial and Commercial Bank of China Limited
KASIKORNBANK Public Company Limited
Mizuho Corporate Bank, Ltd.
Norddeutsche Landesbank Girozentrale
Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank
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

City Developments Limited ("CDL" or the "Company") is committed to maintaining good corporate governance in accordance with the principles and guidelines set out in the Code of Corporate Governance released by the Council on Corporate Disclosure and Governance in 2005 ("CCDG Code") and has adopted a set of internal guidelines on corporate governance ("Internal CG Guidelines") aligned with the CCDG Code.

The following describes the Company's corporate governance policies and practices which include, *inter alia*, specific references to the principles and guidelines as set out in the CCDG Code.

BOARD MATTERS

CCDG Code Principle 1: The Board's Conduct of Affairs

The Board oversees the Company's business. Its primary functions are to set corporate policy, provide guidance and approval of strategic plans and direction for the Company, review Management performance, establish and oversee the framework for internal controls and risk management, and assume responsibility for good corporate governance. These functions are either carried out directly by the Board or through committees established by the Board, namely, the Board Committee ("BC"), the Audit Committee ("AC"), the Nominating Committee ("NC"), the Remuneration Committee ("RC"), and the City Developments Share Option Scheme 2001 Committee ("Scheme Committee"), all collectively referred to hereafter as the "Committees". Specific terms of reference for each of the Committees are set out and approved by the Board. The composition of each Committee can be found under the corporate directory section in this Annual Report 2009.

The delegation of authority by the Board to the Committees enables the Board to achieve operational efficiency by empowering these Committees to decide on matters within their respective written terms of reference and/or limits of delegated authority and yet maintain control over major policies and decisions.

The Company conducts regular scheduled Board and Committees meetings, with Board and AC meetings held on a quarterly basis. The proposed meetings for each new calendar year are set out in a schedule of meetings and notified to all Board members before the start of each calendar year. Additional meetings are convened as and when circumstances warrant. The Company's Articles of Association allow for the meetings of its Board and Committees to be held via teleconferencing.

The attendance of the Directors at meetings of the Board and Committees, as well as the frequency of such meetings, are disclosed on page 28. Notwithstanding such disclosure, the Board is of the view that the contribution of each Director should not be focused only on his attendance at meetings of the Board and/or Committees. A Director's contribution may also extend 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.

The BC, which comprises 5 Directors with the majority of its members being non-executive, assists the Board in the discharge of its duties by deliberating on operational matters requiring Board review that may arise between the full Board meetings. It assists the Board, in particular, in approving banking-related matters such as the opening, closing and maintenance of banking accounts of the Company and the acceptance of banking facilities up to certain limits extended to the Company, operational matters relating to property development and other matters determined by the Board from time to time. The Board has also adopted an internal guide wherein certain key matters are specifically reserved for approval by the Board such as the setting of strategic decisions or policies or financial objectives which are, or may be significant, in terms of future profitability or performance of the Group and decisions to commence, discontinue or modify significantly any business activity or to enter or withdraw from a particular market sector.

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. Newly appointed Directors are also welcome to meet with the Management and be briefed by them on the Company's business and governance practices. Each Director is given a copy of the Company's Internal CG Guidelines which include the terms of reference of the Board and the various Committees, the Internal Code of Business Conduct and Ethics, internal code on securities trading, whistle-blowing procedure, procedure for monitoring interested person transactions and a schedule of matters specifically reserved for the Board's approval.

The Company encourages all Directors to keep updated with the latest changes to the relevant laws and regulations affecting the Company and to receive further relevant training of their choice in connection with the discharge of their duties. The Directors are informed regularly by the Company Secretaries of the availability of appropriate courses which include programmes conducted by the Singapore Institute of Directors, Singapore Exchange Securities Trading Limited ("SGX-ST") and professional firms and bodies. The Company bears the costs of such training courses attended by the Directors. Directors are also provided with regular updates and briefings from time to time by professional advisers, auditors, Management and the Company Secretaries on new laws, rules, regulations, listing requirements, governance practices, changes in accounting standards and business and risk management issues applicable or relevant to the performance of their duties and obligations as directors.

The Company and its Board of Directors are committed to conducting business with integrity and consistent with the highest standards of business ethics, and in compliance with all applicable laws and regulatory requirements, the Board has adopted an Internal Code of Business Conduct and Ethics which sets out the ethical values and business standards of the Company and to assist Company employees in resolving ethical questions that may arise in the course of their work for the Company. The Code provides a communicable and understandable framework for staff to observe the Company's principles such as honesty, integrity, responsibility and accountability at all levels of the organisation and in the conduct of the Company's business, in their relationships with customers, suppliers, competitors and amongst employees, including situations where there are potential conflicts of interests.

Directors' Attendance at Board and Committee Meetings in 2009

	Board	AC	NC	RC
	Number of Meetings held: 5	Number of Meetings held: 8	Number of Meetings held: 2	Number of Meetings held: 2
Name of Directors	Meetings attended	Meetings attended	Meetings attended	Meetings attended
Kwek Leng Beng	5	N.A.	1	N.A.
Kwek Leng Joo	5	N.A.	N.A.	N.A.
Chee Keng Soon	5	8	2	2
Foo See Juan	5	7	2	N.A.
Kwek Leng Peck	5	N.A.	N.A.	N.A.
Han Vo-Ta	5	7	N.A.	N.A.
Tang See Chim	4	7	N.A.	2
Yeo Liat Kok Philip*	3	N.A.	N.A.	1

The Scheme Committee did not schedule nor hold any meetings in 2009.

* Mr Yeo Liat Kok Philip attended 3 Board Meetings and 1 Remuneration Committee Meeting which were held after his appointment as a Director and Remuneration Committee Member on 11 May 2009.

CCDG Code Principle 2: Board Composition and Guidance

The Board currently comprises 8 members. All members of the Board except for the Chairman and the Managing Director are non-executive Directors. Of the 6 non-executive Directors, the Board considers 5 of them, 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 judgment on corporate affairs of the Group. No individual or small group of individuals dominates the Board's decision making. During the year, the late Mr Chow Chiok Hock retired as a Director and thereafter, Mr Yeo Liat Kok Philip was appointed to the Board.

The independent non-executive Directors are Messrs Chee Keng Soon, Foo See Juan, Han Vo-Ta, Tang See Chim and Yeo Liat Kok Philip. Mr Foo See Juan is a partner of a legal firm which renders professional legal services to the Group from time to time. Nevertheless, the Board (excluding Mr Foo in respect of the deliberation of his own independence) has considered Mr Foo to be independent as he is capable of maintaining his objectivity and independence at all times in the carrying out of his duties and responsibilities as an independent Director.

The Board comprises business leaders and professionals with financial, banking, legal and business management backgrounds. The Board has reviewed its composition, taking into account the scope and nature of the operations of the Group, and is satisfied that the current size of the Board is appropriate and allows for effective decision making. The standing of the members of the Board in the business and professional communities, and their combined business, management and professional experience, knowledge and expertise provide the necessary core competencies to meet the Group's needs and to allow for diverse and objective perspectives on the Group's strategic direction and growth. Non-executive Directors of the Company are encouraged to participate actively in Board meetings in the development of the Company's strategic plans and direction, and in the review and monitoring of Management's performance against set targets. 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.

CCDG Code Principle 3: Chairman and Chief Executive Officer

The Board recognises that best practices of corporate governance advocate that the chairman of the board and the chief executive officer should in principle be separate persons to ensure an appropriate balance of power, increased accountability and greater capacity of the board for independent decision making. The Board also recognises that there may be instances where the two roles are performed by one person for valid reasons, and that such a practice is not uncommon both locally and in other developed jurisdictions.

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

As Chairman of the Board, Mr Kwek Leng Beng bears primary responsibility for the workings of the Board, by ensuring its effectiveness on all aspects of its role, exercising control over the quality, quantity and timeliness of information flow between the Board and Management, ensuring effective communication with shareholders, facilitating the effective contribution of non-executive Directors, and overseeing the Group's corporate governance and conduct. As Executive Chairman, Mr Kwek Leng Beng is the most senior executive in the Company and provides overall leadership and strategic vision for the Group.

He is assisted by his brother, Mr Kwek Leng Joo, the Managing Director of the Company, in charting broad direction, strategies and policies of the Group. The Managing Director also has charge of the overall co-ordination of the Management team for the effective implementation of business strategies and policies and is supported by the Group General Manager of the Company in the management of the day to day operations of the Group.

The Group General Manager, Mr Chia Ngiang Hong, who has extensive experience in the real estate sector, has been with the Group since 1981. He is not related to the Chairman or the Managing Director.

With the establishment of various Committees with power and authority to perform key functions beyond the authority of, or without undue influence from, the Chairman and/or the Managing Director, and the putting in place of various internal controls to allow for effective Board oversight, the Board is of the view that there are adequate accountability safeguards to enable the Board to exercise objective decision-making and to ensure an appropriate balance of power and authority within the spirit of good corporate governance.

CCDG Code Principle 4: Board Membership

The NC's main role as set out in its written terms of reference, approved and adopted by the Board, is to recommend all Board and Committee appointments and re-appointments, determine the independence of each Director, and identify new directors who have the appropriate knowledge, experience and skills to contribute effectively to the Board. 2 out of the 3 members of the NC, including the NC chairman, are independent.

When considering the nomination of Directors for re-election and re-appointment, the NC takes into account their contribution to the effectiveness of the Board and the competing time commitments faced by Directors with multiple board representations. Notwithstanding that some of the Directors have multiple board representations, the NC is satisfied that each Director is able to carry and has been adequately carrying out his duties as a Director of the Company. The Directors submit themselves for re-election at regular intervals and the Articles of Association of the Company provide that at least one-third of the Directors for the time being, other than the Managing Director, shall retire as Directors at each Annual General Meeting of the Company. The Managing Director is appointed by the Board for such period (except that where an appointment is for a fixed term, such term shall not exceed five years) and upon such terms as the Board thinks fit.

As Board renewal is a continuing process, the NC reviews annually the composition of the Board and makes recommendations as and when appropriate to the Board any new Director appointments, whether in addition to or as replacement of retiring Board members. In this regard, the NC takes into consideration the current Board size and its mix, the additional skills and experience that will bolster the core competencies of the Board, the appropriate knowledge, experience and skills of the candidates who in its opinion, are fit and proper and qualified for office.

During the year, the NC recommended the appointment of an additional independent non-executive Director to the Board, Mr Yeo Liat Kok Philip. The NC, having taken into consideration, Mr Yeo's qualifications and extensive government and private sector experience, was of the view that Mr Yeo would be able to contribute greatly and add value to the Board. With the appointment of Mr Yeo, more than half of the Board is considered to be independent, thus providing for a strong and independent element on the Board.

Key information regarding the Directors is set out on pages 22 to 23 of this Annual Report 2009.

CCDG Code Principle 5: Board Performance

The Company has in place a formal assessment of the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board. The NC assesses each Director's performance and evaluates 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. 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, which are furnished to the Board.

In reviewing the overall Board performance, the NC also takes into consideration the Board's efforts in monitoring Management's achievement and implementation of the strategic directions/objectives set and approved by the Board, and the extent of the Board's oversight of the Company's risk management and internal controls environment. The NC also takes into account the feedback from individual Directors on areas relating to the Board's competencies and effectiveness.

Assessment parameters for Directors' performance include their level of participation at Board and Committee meetings and the quality of their contribution to Board processes and the business strategies and performance of the Group. The annual evaluation process for both the Board and the individual Director's performance is facilitated through the use of questionnaires for completion by all individual Board members. The results of the evaluation process are used by the NC, in its consultation with the Chairman of the Board, to effect continuing improvements on Board processes.

CCDG Code Principle 6: Access to Information

Prior to each meeting, the respective 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 staff, 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. The Company Secretaries, whose appointment and removal are subject to Board's approval, attend all Board and Committees meetings and ensure that all Board procedures are followed. The Company Secretaries, together with Management of the Company, also ensure that the Company complies with all applicable statutory and regulatory rules. The duties and responsibilities of the Company Secretaries are set out in the Company's Internal CG Guidelines.

On an ongoing basis, the Directors have separate and independent access to Management and the Company Secretaries. 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 for the Directors to seek independent professional advice.

Each of the chairmen of the Committees provides an annual report of the respective Committees' activities during the year under review to the Board. The Board is also kept informed of the activities of the AC with the circulation of minutes of meetings of the AC to all Board members.

REMUNERATION MATTERS

CCDG Code Principle 7: Procedures for Developing Remuneration Policies

The RC comprises 3 non-executive Directors, 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 and adopted 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, including the Executive Chairman, the Managing Director and also for the Group General Manager. In setting remuneration packages, the RC also ensures that the remuneration policies are in line with the strategic objectives and corporate values of the Company.

CCDG Code Principle 8: Level and Mix of Remuneration

In determining remuneration packages, the RC, with the assistance of the human resource advisors or consultants within and outside the Group, if required, considers the level of remuneration based on the Company's remuneration policy which comprises the following 3 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.
- To ensure that the remuneration reflects duties and responsibilities.

The remuneration of the non-executive Directors are set at a level appropriate to their degree of contribution, taking into account attendance and time spent, and their respective responsibilities. The RC also holds to the principle that non-executive Directors should not be over-compensated to the extent that their independence may be compromised. No Director is involved in deciding his own remuneration.

Longer term incentive schemes are encouraged, as and when appropriate.

CCDG Code Principle 9: Disclosure of Remuneration

The total compensation packages for employees including the Executive Chairman, the Managing Director and the Group General Manager comprise a fixed component (in the form of a base salary and fixed allowances) and 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. Each of the Directors receives a base Director's fee. Directors who serve on the various Committees (other than the BC and Scheme Committee) also receive additional fees in respect of each Committee that they serve on, with the chairmen of the Committees receiving a higher fee in respect of their service as chairman of the Committee.

The breakdown (in percentage terms) of the Directors' remuneration for FY 2009 is set out below.

Directors' Remuneration for FY 2009

	Base Salary %	Variable Bonuses/ Allowances* %	Board/ Committee Fees** %	Other Benefits %	Total %
Above $7,500,000 and up to $7,750,000					
Kwek Leng Beng^	14	83	2	1	100
Above $6,500,000 and up to $6,750,000					
Kwek Leng Joo^	15	84	1	-	100
$250,000 and below					
Chee Keng Soon	-	-	100	-	100
Chow Chiok Hock Ω^	-	48	52	-	100
Foo See Juan^	-	-	100	-	100
Kwek Leng Peck^	-	-	100	-	100
Han Vo-Ta	-	-	100	-	100
Tang See Chim	-	-	100	-	100
Yeo Liat Kok Philip^^	-	-	100	-	100

* The salary and variable bonuses/allowances are inclusive of employer's central provident fund contributions.

** These fees comprise Board and Committee fees for FY 2009, which are subject to approval by shareholders as a lump sum at the 2010 Annual General Meeting as well as Audit Committee fees for FY 2009 that have already been approved by shareholders at the last Annual General Meeting.

^ Remuneration of these Directors includes remuneration paid or payable by subsidiaries of the Company.

^^ Mr Yeo Liat Kok Philip was appointed a Director of the Company with effect from 11 May 2009 and Board and Committee fees payable are pro-rated for FY 2009 accordingly.

Ω The late Mr Chow Chiok Hock retired as a Director of the Company on 29 April 2009.

The remuneration of the top 5 key executives (who are not Directors) is not disclosed in this Annual Report 2009 as the Company does not believe it to be in its interest to disclose the identity of the top 5 key executives within the remuneration bands of $250,000 each or to provide a breakdown of each individual's remuneration, having regard to the highly competitive human resource environment and for purposes of maintaining confidentiality of staff remuneration matters.

No options were granted by the Company to subscribe for unissued shares in the Company during FY 2009.

During FY 2009, none of the Directors had immediate family members not disclosed above who were or are employees of the Company and whose personal annual remuneration exceeded or exceeds $150,000.

ACCOUNTABILITY AND AUDIT

CCDG Code Principle 10: Accountability

The Board provides shareholders with quarterly and annual financial results. Results for the first 3 quarters 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 Company's annual and quarterly results, the Board aims to provide shareholders with a balanced and understandable assessment of the Company'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.

The Management provides the Executive Directors and members of the AC with monthly financial summary of the Group's performance.

The Directors recognise that they have overall responsibility to ensure accurate financial reporting for the Group and for the Group's system of internal controls. The Board confirms that, with the assistance of the AC, it reviews the effectiveness of the Group's financial reporting and internal controls system, which is monitored through a programme of internal and external audits, and is satisfied with the adequacy of such internal controls system.

CCDG Code Principle 11: Audit Committee

The AC comprises 4 non-executive Directors, all of whom including the chairman of the AC are independent. The AC has sufficient financial management expertise and experience amongst its members to discharge its functions within its written terms of reference, approved and adopted by the Board. The AC is authorised by the Board to investigate any matters it deems appropriate within its terms of reference and has full access to and co-operation of Management. It may invite any Director, executive officer or employee of the Company to attend its meetings and is also authorised to seek external professional advice to enable it to discharge its functions.

The principal responsibility of the AC 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 and material internal controls, including financial, operational, compliance and risk management controls. Other duties within its written terms of reference include:

- to review with Management and, where appropriate, with the external auditors on the quarterly and full year financial statements to be issued by the Group before their submission to the Board to ensure their adequacy, accuracy and fairness;

- 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, including the nature and extent of any non-audit services provided by the external auditors to the Company;

- to review the effectiveness of the internal audit function;

- 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; and

- to review interested person transactions.

The AC held 8 meetings during the year and carried out its duties as set out within its terms of reference. In performing its duties, the AC also took cognizance of the Guidebook for Audit Committees in Singapore issued by the Audit Committee Guidance Committee in October 2008 ("ACGC Guidebook"). Having considered the ACGC Guidebook's recommendation that audit committees assess their own effectiveness, the AC adopted a self-assessment checklist which covered the following areas, i.e. its terms of reference, memberships and appointments, meetings, training and resources, financial reporting, internal financial controls and risk management systems, internal audit process, external audit process, whistle-blowing, relationship with the Board and communication with shareholders. Based on the self assessment, the AC agreed that recommendation for improvements is an ongoing process and that the AC has fulfilled its responsibilities and discharged its duties as set out in its terms of reference.

The AC also meets annually with the internal and external auditors, each separately without the presence of Management. Having reviewed the nature and extent of the non-audit services provided to the Group by the external auditors for FY 2009, the AC is of the opinion that the provision of such non-audit services did not affect the independence and objectivity of the external auditors. The AC has recommended to the Board the nomination of KPMG LLP for re-appointment as external auditors.

Whistle-blowing Policy

CDL has in place a whistle-blowing procedure where staff of the Company can raise in confidence concerns on possible improprieties relating to accounting, financial reporting, internal controls and auditing matters, without fear of reprisals in any form. The AC has the responsibility of overseeing this policy which is administered with the assistance of the Head of Internal Audit. Under these procedures, arrangements are in place for independent investigation of such matters raised and for appropriate follow up action to be taken.

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 29 April 2009 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 coming Annual General Meeting of the Company for the renewal of the IPT Mandate.

The AC 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 of the SGX-ST are as follows:

Interested Persons	Aggregate value of all interested person transactions in FY 2009 (excluding transactions less than $100,000 and transactions conducted under the IPT Mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted in FY 2009 under the IPT Mandate pursuant to Rule 920 (excluding transactions less than $100,000)	
Hong Leong Investment Holdings Pte. Ltd. group of companies	$98,915,352.64*	Property-related: (a) provision to interested persons of (i) carpark management and operation services; and (ii) marketing services; and (b) leases of premises to interested persons	$12,085,424.00
		Management and Support Services: (provision of accounting and administrative services to interested persons)	$1,294,751.05
		Total	**$13,380,175.05**
Director	NIL		NIL

* The figure comprises the aggregate value of shareholders' loans extended to unincorporated joint ventures and/or joint venture companies involving interested persons, and where applicable, interest accrued on shareholders' loans, in FY 2009, which were announced on 9 February 2010 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. The figure also comprises the aggregate value of a joint venture between a wholly-owned subsidiary of the Company and an interested person for the joint acquisition of a land parcel.

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.

CCDG Code Principle 12: Internal Controls

The Directors recognise that they have overall responsibility to ensure accurate financial reporting for the Group and for the Group's system of internal controls. Internal and external auditors conduct regular reviews of the system of internal controls, and material internal control weaknesses are brought to the attention of the AC and to Management for remedial action. While no system can provide absolute assurance against material loss or financial misstatement, the Group's internal financial controls are designed to provide reasonable assurance that assets are safeguarded, that proper accounting records are maintained, and that financial information used within the business and for publication is reliable. In reviewing these controls, the Directors have had regard to the risks to which the business is exposed, the likelihood of such risks occurring and the costs of protecting against them.

The Board confirms that, with the assistance of the AC, it reviews the effectiveness of the Group's financial, operational and compliance controls and risk management systems which are monitored through a programme of internal and external audits together with regular reviews by the Management of the Company's risk management processes and procedures, and is satisfied with the adequacy of such internal controls system.

CCDG Code Principle 13: Internal Audit

The Internal Audit ("IA") function is independent of the activities it audits. The Head of IA's primary reporting line is to the chairman of the AC with an administrative line of reporting to the Managing Director of the Company. IA operates within the framework stated in its Internal Audit Charter which is approved by the AC. The standards of the Internal Audit Charter are consistent with the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. IA's responsibilities include evaluating the reliability, adequacy and effectiveness of the internal controls and risk management processes of the Company, ensuring that the internal controls of the Company result in prompt and accurate recording of transactions and proper safeguarding of assets, and ensuring that there are processes in place so that recommendations raised in internal audit reports are dealt with in a timely manner with outstanding exceptions or recommendations being closely monitored and reported back to the AC.

The Company has a well-established IA function with formal procedures for the internal auditors to report their audit findings to the AC and to Management. The AC reviews the adequacy of the internal audit function through a review of the internal auditors' activities on a quarterly basis and is satisfied that the internal audit function has adequate resources and appropriate standing within the Group to perform its functions properly.

COMMUNICATION WITH SHAREHOLDERS

CCDG Code Principle 14: Communication with Shareholders

The Company announces its quarterly and full-year results within the mandatory period. Material and price-sensitive information is publicly released via SGXNET on a timely basis. All shareholders of the Company receive the annual report of the Company and the notice of the Annual General Meeting, which notice is also advertised in the press and released via SGXNET. Shareholders and investors can access information on the Company at its website at www.cdl.com.sg which provides, *inter alia*, corporate announcements, press releases and the latest financial results as disclosed by the Company on SGXNET.

From time to time, the Company's senior management holds briefings with analysts and the media to coincide with the release of the Group's half-year and full-year results. In addition, Management takes an active role in investor relations, meeting local and foreign fund managers regularly as well as participating in roadshows and conferences both locally and overseas.

CCDG Code Principle 15: Greater Shareholder Participation

At general meetings of the Company, shareholders are given the opportunity to communicate their views and ask the Directors and the Management questions regarding matters affecting the Company. The chairman of the AC, NC and RC and the external auditors were present at the last Annual General Meeting, and will endeavour to be present at the coming Annual General Meeting to address, and to assist the Directors in addressing, relevant queries raised by the shareholders.

In accordance with the Articles of Association of the Company, shareholders may appoint one or two proxies to attend and vote at general meetings in their absence. All shareholders are allowed to vote in person or by proxy. CPF investors of the Company's securities may attend shareholders' meetings as observers provided they have submitted their requests to do so with their agent banks within a specified timeframe.

INTERNAL CODE ON DEALINGS IN SECURITIES

The Company has adopted an internal code on securities trading which 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 while in possession of unpublished material price-sensitive information in relation to such securities and during the "closed period", which is defined as two weeks before the date of announcement of results for each of the first three quarters of the Company's financial year and one month before the date of announcement of the full-year financial results.

Highlights of the Year

11 Tampines Concourse – First CarbonNeutral® development in Singapore and Asia Pacific.

JANUARY

- Citydev Nahdah Pte. Ltd., a wholly-owned special purpose company of CDL, issued $100 million in notes under its $1 billion Islamic Trust Certificate Program established on 19 November 2008 under the *Shariah* financing principle of *ijarah*. The Notes, which will mature on 22 July 2010, bear a fixed periodic distribution amount of 3.25% per annum, payable semi-annually in arrears. The net proceeds from the Certificates will be used to fund the *Shariah*-compliant general corporate purposes of CDL and/or its subsidiaries.

FEBRUARY

- CDL reported revenue of $2,945.2 million, and posted after-tax profit attributable to shareholders of $580.9 million for the financial year ended 31 December 2008. These results are the second highest achieved since its inception in 1963.

- CDL was accorded the Singapore Quality Class (SQC) certification by SPRING Singapore. The award endorses the rigorous management systems and processes that CDL has in place to achieve all-round business excellence.

MARCH

- CDL continued its support for "Earth Hour Singapore 2009" for the second year. The Company doubled its efforts by increasing the number of participating buildings from five to 11 and encouraged its tenants to switch off their lights for one hour, achieving a commendable tenant participation rate of 99%.

- The Arte at Thomson, a 336-unit freehold architectural masterpiece, was launched. Comprising two 36-storey towers, 60% of the 100 units launched at the weekend preview were snapped up.

- City Square Residences, a 910-unit freehold development at Kitchener Link, received its Temporary Occupation Permit (TOP) in December 2008 (Phase 1) and March 2009 (Phase 2).

- The three-storey, 108,000 square feet 11 Tampines Concourse, received its Certificate of Statutory Completion (CSC) and was also accorded the Building and Construction Authority (BCA) Green Mark Gold^{PLUS} Award.

APRIL

- All 180 units released in the first phase of The Arte at Thomson were fully sold.

- Millennium Hongqiao Shanghai received its five-star certification from the Chinese National Tourism Administration, the highest honour in the country's burgeoning hotel industry.

MAY

- CDL was named Singapore's first Platinum winner of the Built Environment Leadership Awards by BCA, the highest tier of award given to developers, consultants and builders who have demonstrated excellence and leadership in shaping a safe, high quality, sustainable and friendly built environment in Singapore.

- With a record of over 30 BCA Green Mark Awards to date, CDL garnered the BCA Construction Awards for The St. Regis Singapore and Residences @ Evelyn, and the BCA Design and Engineering Safety Awards for The Sail @ Marina Bay, among others.

- CDL was conferred the highly coveted international RoSPA (Royal Society for the Prevention of Accidents) Gold Award for outstanding occupational health and safety management, the only private property developer in Singapore to receive this accolade for four consecutive years.

- CDL, along with its subsidiary CBM Pte. Ltd. and its five Singapore hotels, lent a hand at the annual Assisi Hospice Charity Fun Day. Over 300 employees from the CDL group of companies chalked up almost 850 volunteer hours at the mega fundraising initiative, which drew 10,000 visitors and raised a total of $600,000 for Assisi Hospice.

A magnificent freehold residence with an exclusive District 10 Balmoral Road address, Volari offers unmatched sanctuary and living comfort.

The St. Regis Singapore took top honours in the hotel category at the coveted FIABCI Prix d'Excellence Awards 2009.

- 7 & 9 Tampines Grande, a cutting-edge, new generation green office, with close to 300,000 square feet of quality office space within two 8-storey office blocks, received its CSC.

- Located in the popular West Coast vicinity, the 493-unit Botannia with a 956-year leasehold, has been fully sold. This project is jointly developed by CDL and CapitaLand.

JUNE

- South Beach Consortium Pte. Ltd., a joint venture comprising subsidiaries of CDL, Dubai World and El-Ad Group, announced that it had secured fresh funds via a combination of a $800 million bank loan and $400 million in secured convertible notes. This was used to refinance its $1.2 billion bridging loan facility which matured in June 2009.

- Botannia received its TOP.

- Millennium & Copthorne Hotels plc (M&C) opened the 5-star, 306-room Millennium Wuxi, its fifth hotel in China, marking the Group's continued expansion in China.

JULY

- CDL raised the benchmark again by being the first developer in Singapore to have its Sustainability Report 2009 successfully checked by Global Reporting Index (GRI) at a higher standard of Level B+.

- Held for the fourth time, the biennial CDL Singapore Sculpture Award attracted a record 408 submissions, an increase of close to 60% since the inaugural competition in 2003.

- 11 Tampines Concourse was unveiled as the first CarbonNeutral® development in Singapore and Asia Pacific. Carbon emissions from the building's construction and ongoing operations will be measured and off-set to "net zero" annually through the purchase of carbon credits which will fund carbon offsetting projects in Asia.

- For its extensive use of solar innovations, 7 & 9 Tampines Grande received the Solar Pioneer Award from the Economic Development Board's Clean Energy Programme Office – one of the first five private sector projects awarded under the $20 million Solar Capability Scheme.

- Volari, CDL's luxurious freehold residence located along Balmoral Road, was more than 85% sold during its private preview weekend.

- CDL was the recipient of the Developer Award at the Workplace Safety and Health Awards 2009, presented by the Workplace Safety and Health Council and supported by the Ministry of Manpower, the only private property developer to receive this honour.

AUGUST

- The St. Regis Singapore, a five-star luxury hotel jointly developed by CDL, Hong Leong Holdings Limited and TID Pte. Ltd., emerged as the winner of the International FIABCI Prix d'Excellence Awards 2009 (Hotel Category).

- CDL, through its wholly-owned subsidiary Sunny Vista Developments Pte. Ltd., and Hong Realty (Private) Limited, made a successful bid of $143.68 million for a 22,700 square metre site at Chestnut Avenue. The 99-year leasehold land parcel for residential use has a maximum allowable gross floor area of 47,671 square metres.

- City Sunshine Club, CDL's staff volunteer platform celebrated its 10th anniversary with a series of community projects to commemorate this milestone, culminating in a celebration lunch at Cheng San Community Club on Community and Staff Day on August 15.

SEPTEMBER

- City Square Mall, Singapore's first eco-mall, was soft-launched.

- Hundred Trees, the 396-unit residential development at the former Hong Leong Garden condominium site in West Coast, was unveiled, with over 90% of the units released sold over the soft launch weekend.

- At the "Governance & Anti-Corruption: Crisis, Stimulus & Integrity" Conference, organised by the Singapore Institute of International Affairs, CDL was amongst the 17 founding signatories of Southeast Asia's first anti-corruption declaration.

OCTOBER

- CDL sold North Bridge Commercial Complex, a 6-storey commercial building located within the CBD along North Bridge Road, for $46 million.

- The Grand Millennium Beijing swept industry awards administered by Hotel Modernisation Magazine, under the auspices of the International Hotel & Restaurant Association, taking home China's Most Attractive Business Hotel Award and the Best Foreign Hotelier Award.

- CDL was presented with the Friend of the Arts Award from the National Arts Council, which it has received since 1997.

- CDL was voted one of Singapore's most transparent companies in the SIAS Investors' Choice Awards 2009, organised by the Singapore Investors Association Singapore (SIAS) and endorsed by the Singapore Exchange.

- Through a global poll conducted annually by Euromoney magazine, CDL was named Best Leisure/Hotel Developer in Singapore at the international Euromoney Liquid Real Estate Awards 2009.

NOVEMBER

- 7 & 9 Tampines Grande attained the Special Jury Award at the MIPIM Asia Awards 2009, and was cited by the jury as a building of exceptional quality and lauded for its approach to sustainable development.

- In recognition of its success in implementing green programmes at the workplace, CDL was awarded a recertification of its Green Office Label administered by Singapore Environment Council.

- CDL was honoured with the Best Workplace Practices Award for our Workplace Health Project at the prestigious Asian CSR Awards 2009.

- M&C launched Studio M, the latest addition to its portfolio of brands. A new international hotel brand aimed at savvy business and leisure travelers, Studio M will be unveiled with the opening of the first hotel in Singapore in the second quarter of 2010.

- Millennium Hotels & Resorts bagged the 2009 International Hotel Group Distinguished Career Award for consistently achieving excellence in hospitality and operational standards throughout its hotels in China. The award was presented by the Professional Executive Magazine, in conjunction with the China Tourist Hotels Association and the Shandong Province Tourist Hotels Association.

DECEMBER

- The Solitaire, a boutique 59-unit luxury development in District 10, received its TOP. The exclusive luxury residence was fully sold within two weeks after its soft launch in 2007.

- CDL sold The Office Chamber, a 6-storey commercial building at Jalan Besar, for $13.2 million.

- CDL's leadership in CSR reporting was once again reaffirmed in a ranking by CSR Asia. The Asian Sustainability Rating Report ranked CDL 22nd among 200 companies, the highest ranked company from Singapore.

- The Millennium Knickerbocker Hotel Chicago, located in the city's upscale Magnificent Mile, unveiled its US$27 million post-restoration splendour. All 305 guest rooms and guest corridors were transformed to marry contemporary style with the hotel's opulent décor.

- M&C opened the 5-star 343-room Millennium Hotel Chengdu, further making its mark in China.

Operations Review

After a tumultuous year stemming from the global financial crisis, the gradual recovery of the global economy in 2009 came as a much needed boost. The first half of the year saw strong gains in the Singapore stock market which in turn, sparked a resurgence of confidence in the property market. With its timely residential launches, CDL sold a total of 1,508 homes worth $1.868 billion (including joint venture share).

LEADING THE MARKET REVIVAL

In 2009, developers sold a total of 14,688 units in Singapore as compared to only 4,264 units in 2008 – more than a three-fold jump.

Leading the way in the revival of the Singapore property market, CDL launched several key residential and commercial projects, all of which met with great success.

In April, CDL launched The Arte at Thomson, a 336-unit freehold development, comprising two 36-storey towers designed by renowned founding principal and design director Chan Soo Khian, of award-winning architectural firm SCDA Architects. The Arte, with its attractive pricing, offered buyers superb value for a property in a prime area. With its excellent location, beautifully designed living spaces, luxurious fittings and finishes, and well-thought out amenities, the allure of this architectural masterpiece was evident, as all 180 units released were snapped up during the first phase of the launch. To date, the project is almost sold out with only three penthouses remaining.

In view of the positive sentiment in the property market, and increasing demand for more exclusive, well located luxury residences, CDL launched the 85-unit Volari at Balmoral in July. Designed by internationally-acclaimed architect Carlos Ott, who is also the creator of other iconic CDL developments such as One Shenton, The Solitaire and Cliveden at Grange, more than 85% of the luxurious freehold residence was sold during its private preview week. To date, all apartments have been sold except for one penthouse.

On the back of keen public interest and sustained strong buying sentiment, Hundred Trees, the highly anticipated nature-inspired residential development at the former Hong Leong Garden condominium site in West Coast was unveiled amidst great fanfare in November. Overwhelming buying enthusiasm resulted in more than 90% of the units released being snapped up during the soft launch weekend. To date, this development is 97% sold.

2009 also saw the completion of quality additions to CDL's property portfolio. These included the 910-unit freehold development - City Square Residences, which was completed in March. This condominium is part of an integrated development which comprises City Square Mall, Singapore's first eco-mall and City Green, a public park. Homebuyers of City Square Residences bought a quality home of good investment value with the "city" at their doorstep.

The Solitaire, a luxury boutique development in District 10, was 100% sold just two weeks after its soft launch.

Botannia, the 493-unit 956-year leasehold development located in the popular West Coast area, and a product of CDL's joint venture with CapitaLand, was completed in June. A month before completion, it was announced that the development was fully sold - a reflection of the growing confidence in the local property market.

Finally, The Solitaire, an exclusive boutique luxury development in District 10, was completed in December. This project was 100% sold just two weeks after its soft launch in 2007, at prices which set a new benchmark in the Balmoral Road vicinity.

AWARDS & ACCOLADES

CDL broke new ground in 2009 by becoming the first and only private property developer to attain Singapore Quality Class (SQC) certification by SPRING Singapore. The award endorses the rigorous management systems and processes that CDL has in place to achieve all-round business excellence.

In recognition of its leadership position in shaping Singapore's property landscape, CDL was named Singapore's first Platinum winner of the Built Environment Leadership Awards by the Building and Construction Authority (BCA). This is the highest tier of award given to developers, consultants and builders who have demonstrated excellence and leadership in shaping a safe, high quality, sustainable and friendly built environment in Singapore.

CDL also received regional endorsement of its projects, bagging two awards at the CNBC Asia Pacific Property Awards 2009. St. Regis Residences clinched the award for Best Development (Four Star) while City Square Development won the Best Mixed Development (Four Star).

The Sail @ Marina Bay, the iconic luxury residence jointly developed by CDL and AIG Asian Real Estate Partners, L.P.

CDL's iconic development, The Sail @ Marina Bay, won the Best Built Waterfront Development Award at the 2009 Cityscape Awards for Real Estate in Asia.

emerged the winner of the Best Built Waterfront Development at the 2009 Cityscape Awards for Real Estate in Asia.

SETTING NEW BENCHMARKS

The year also saw several milestones in the area of environmental sustainability, with the Company launching several eco-developments which set new environmental benchmarks in Singapore's property landscape.

7 & 9 Tampines Grande, a cutting-edge, new generation green office, was completed in May. Comprising close to 300,000 square feet of quality office space within two 8-storey office blocks, it embraces one of the largest uses of Solar Photovoltaic and Solar Thermal panels in a commercial property in Singapore. This development received the Solar Pioneer Award from the Economic Development Board's Clean Energy Programme Office - one of the first five private sector projects awarded under the $20 million Solar Capability Scheme. Among its other accolades are the BCA Green Mark Platinum award, the highest rating given to green buildings in Singapore, and the Special Jury Award at the MIPIM Asia Awards 2009, cited by the jury as a building of exceptional quality and lauded for its approach to sustainable development.

In July, 11 Tampines Concourse was unveiled as the first CarbonNeutral® development in Singapore and Asia Pacific. Carbon emissions from the three-storey, 108,000 square feet building's construction and ongoing operations will be measured and off-set to "net zero" annually through the purchase of carbon credits which will fund pre-Clean Development Mechanism (CDM) projects in Asia.

The highly-anticipated City Square Mall, Singapore's first eco-mall, was soft-launched in September. The 700,000 square feet mall is home to some 200 shops and over 50 F&B choices, with state-of-the-art green features projected to reduce its energy usage by almost 40% compared to designs using standard industry codes. This mall is also a BCA Green Mark Platinum project.

LOCAL ACQUISITIONS & INVESTMENTS

In line with CDL's strategy to build value into, and replenish its land bank, the Company, through its wholly-owned subsidiary Sunny Vista Developments Pte. Ltd., and Hong Realty (Private) Limited, made a successful bid of $143.68 million for a 22,700 square metre site at Chestnut Avenue in August 2009. CDL is currently working on fine-tuning the details of this 99-year leasehold development for residential use, with a maximum allowable gross floor area of 47,671 square metres. It is slated for a possible launch in 2010.

CDL has taken a leading role in the development of the iconic South Beach project, Singapore's landmark commercial and lifestyle development comprising hotels, offices, shops and residences. The consortium, comprising subsidiaries of CDL, Dubai World and El-Ad Group, announced that it had secured fresh funds via the combination of a $800 million bank loan and $400 million in secured convertible notes. This was used to refinance the $1.2 billion bridging loan facility which matured in June 2009.

In another significant development, Citydev Nahdah Pte. Ltd., a wholly-owned special purpose company of CDL, issued $100 million in notes under its $1 billion Islamic Trust Certificate Program established on 19 November 2008 under the *Shariah* financing principle of *ijarah*. The Notes, which will mature on 22 July 2010, bear a fixed periodic distribution amount of 3.25% per annum, payable semi-annually in arrears. The net proceeds from the Certificates will be used to fund the *Shariah*-compliant general corporate purposes of CDL and/or its subsidiaries.

EXCELLENCE IN HOSPITALITY

In 2009, Millennium & Copthorne Hotels plc (M&C) launched Studio M, a new international hotel brand aimed at savvy business and leisure travelers, with the opening of the first hotel in Singapore in the second quarter of 2010.

The opening of the 5-star, 306-room Millennium Hotel Wuxi and the 5-star 360-room Millennium Hotel Chengdu serves to further strengthen M&C's firm foothold in China.

Exemplifying M&C's commitment to hospitality excellence, Millennium Hongqiao Shanghai received its 5-star certification from the Chinese National Tourism Administration, the highest honour in the country's burgeoning hotel industry. It also bagged the 2009 International Hotel Group Distinguished Career Award.

In addition, the Grand Millennium Beijing swept industry awards administered by Hotel Modernisation Magazine under the auspices of the International Hotel & Restaurant Association, taking home China's Most Attractive Business Hotel Award and the Best Foreign Hotelier Award.

Corporate Social Responsibility Report

A DEFINING YEAR IN CSR FOR CDL

On behalf of the Board, I am pleased to present CDL's Corporate Social Responsibility (CSR) Report for 2009.

In 2009, global leaders have had their hands full tackling the financial turmoil and dealing with pressing environmental issues raised at the Copenhagen Conference. In spite of these challenges and a difficult business climate, CDL remained steadfast in sustaining its CSR efforts, emerging stronger and making improvements in its financial, environmental and social performance.

A COMMITMENT TO SUSTAINABILITY

"Metamorphosis" is CDL's second dedicated report on sustainability and describes its business activities, taking into consideration the well-being of the community and environment from which it operates. The Report can be downloaded from the CDL website at www.cdl.com.sg/sustainabilityreport2009

CDL's continued pursuit to voluntarily publish its second dedicated Sustainability Report has led to new benchmarks of CSR excellence. Checked by the Global Reporting Initiative, CDL's Sustainability Report 2009 achieved a higher Level B+ and was also independently assured to validate its accuracy and reliability. This is an improvement from the Level C report achieved in 2008. The Report detailed CDL's targets and performance as well as plans for future progress.

For the first time, CDL was included in the prestigious 2010 Global 100 Most Sustainable Corporations in the World by Corporate Knights, a magazine for clean capitalism. Announced annually at the World Economic Forum, this sixth edition of the Global 100 list has established a new standard of transparency for such rankings. The 100 companies span across 24 countries globally and CDL is honoured to be one of the only 13 companies from Asia on the list.

CDL was also the highest ranked company from Singapore in the Asian Sustainability Rating by CSR Asia, having achieved a laudable 22nd place amongst 200 largest listed companies spanning across 10 countries in Asia Pacific. In addition to improving its overall score from the year before, CDL was also ranked a note-worthy 2nd in the environment section. CDL also remains one of few Singapore companies to continue its disclosure of carbon footprint in the Carbon Disclosure Project.

CDL's CSR Milestones in 2009/10
2010 Global 100 Most Sustainable Corporations in the World • CDL was one of only 13 companies from Asia to be listed in this prestigious global ranking by Corporate Knights Magazine which is announced annually at the World Economic Forum
Association of Chartered Certified Accountants (ACCA) Singapore Awards for Sustainability Reporting 2008 • Accorded the Merit Award in 2009 for its inaugural Social and Environmental Report 2008 – the first CSR report published by a Singapore company to be successfully checked by the Global Reporting Initiative (GRI) at Level C • The CDL Sustainability Report 2009 was independently assured and checked at Level B+ by GRI
Anti-Corruption & Compliance Declaration • Amongst the 17 founding signatories of Southeast Asia's first anti-corruption declaration to stamp out graft
Asia Responsible Entrepreneurship Awards 2009 • Presented with the Green Leadership Award in recognition of its leadership in sustainable and responsible business practices
Asian CSR Awards 2009 • Best Workplace Practices Category Winner for its Workplace Health programme "Healthy Mind, Happy Life!"
Asian Sustainability Rating • In a study on CSR disclosure, CDL was the highest ranked company from Singapore – 22nd amongst the 200 largest listed companies in 10 Asia Pacific countries with an improved score (66.1%: 2008, 74.5%: 2009) • CDL was also ranked 2nd in the environment section
bizSAFE Mentor Certification • For sharing its Workplace Safety and Health system and practices with participating small and medium enterprises in 2010. In 2008, CDL was recognised as the first developer to be a bizSAFE partner by Ministry of Manpower

CDL's CSR Milestones in 2009/10
Building and Construction Authority (BCA) Awards 2009 • First and only Platinum winner of the BCA Built Environment Leadership Award for excellence and leadership in the development of Singapore's built environment • 10 BCA Green Mark Awards for Buildings, 1 Green Mark Award (Office Interior), 2 Construction Excellence Awards, 3 Design and Engineering Safety Awards and 1 Universal Design Award
CarbonNeutral® Development • 11 Tampines Concourse is the first CarbonNeutral® development in Singapore and Asia Pacific
City Sunshine Club (CSC) • Initiated by CDL Managing Director Mr Kwek Leng Joo in 1999, CSC celebrated 10 years of staff voluntarism
CSR Recognition Award • For its sustained commitment towards CSR. CDL is also a pioneer member of the Singapore Compact and a UN Global Compact Signatory in Singapore
Employer Award for Disability Employment and Inclusion • In recognition of its contribution to the removal of barriers and improved inclusion of disabled people in the workplace
Friend of the Arts Award (Since 1997) • On the honours roll for the 13th consecutive year
FTSE4Good Index Series (Since 2002) • Amongst an elite group of companies worldwide that meets globally recognised corporate responsibility standards
Green Office Label Certification (Since 2005) • In recognition of its commitment to environmental protection at the workplace, CDL's office premise were recertified again for another two-year term
LEED (Leadership in Energy and Environmental Design) Certification • 7 & 9 Tampines Grande is the first completed commercial development in Singapore to achieve the Gold rating under the Core & Shell Category. The Gold certification is the second highest rating awarded by LEED, an international programme for the design, construction and operation of high performance green buildings
Royal Society for the Prevention of Accidents (RoSPA) • The only private property developer in Singapore to be conferred the RoSPA Gold Award for excellence in Occupational Health and Safety management in the workplace for four consecutive years
Singapore Quality Class (SQC) • Awarded the SQC certification attesting to its overall business excellence standard – the first and only private property developer to achieve this
Workplace Safety and Health Awards 2009 • A third-time recipient of the Developer Award conferred by the Ministry of Manpower and remains the only private property developer to receive this honour

At the inaugural International Singapore Compact CSR Summit, CDL shared its experience in how corporations can integrate CSR into their business for sustainability and success

DIRECT ENGAGEMENT WITH ITS STAKEHOLDERS

The management has also been directly engaging key stakeholders, including investors, the media, business peers, and the community-at-large. CDL has been invited to share its CSR experience and strategy for sustainability in many conferences and platforms such as the inaugural International Singapore Compact CSR Summit, SPRING Singapore's Business Excellence Global Conference, International Green Building Conference 2009, National University of Singapore (NUS) CSR Student Movement, NUS MBA-CSR course and Aiesec SMU Summer Conference 2009.

In line with its efforts to uphold high standards of corporate transparency and disclosure, the Group continued to ensure the timely release of its financial results, conducted briefings for analysts and media during the half-year and full-year results and participated in various investor conferences and one-to-one meetings where there are opportunities for active two-way dialogue with the top management. Shareholders also have direct access to the top management during the Annual General Meeting where the Group's business plans are shared. Presentations from such events may also be easily accessed via the SGXNET and the Group's website.

To enhance and improve communication channels, CDL's website also underwent a makeover and now boasts improved features such as expanded financial content including updates on stock price as well as extensive environmental performance information. Investors can also register for email alerts.

EMPOWERING ITS PEOPLE

CDL strives to be an employer of choice and create a conducive environment which empowers, nurtures and values its employees. More employee information can be obtained in the Human Resource Review on page 48.

RISK MANAGEMENT

Since 2002, CDL has established a formal risk management framework to enable significant business risks to be identified, assessed, monitored, managed and reviewed regularly. More information on the risk management framework can be obtained from pages 49 and 50.

CAPACITY BUILDING FOR THE PROPERTY INDUSTRY

With more than 45 years of experience in the business, CDL has always been a cutting-edge pioneer known for developing iconic and quality properties which incorporate new living concepts and innovative technology.

For leading the industry by example, CDL was the first and only developer to be accorded the BCA Built Environment Leadership Platinum Award by the Building and Construction Authority (BCA) for excellence and leadership in shaping a safe, high-quality, sustainable and friendly built environment in Singapore.

Continuing its focus on developing and managing green buildings, CDL set new industry milestones in 2009 with its newly completed commercial developments. It integrated

Leading the built environment as the first and only Platinum winner of the BCA Built Environment Leadership Award, Group General Manager Mr Chia Ngiang Hong receives the award from Guest-of-Honour, Ms Grace Fu, Senior Minister of State for National Development and Education, at the BCA Awards ceremony

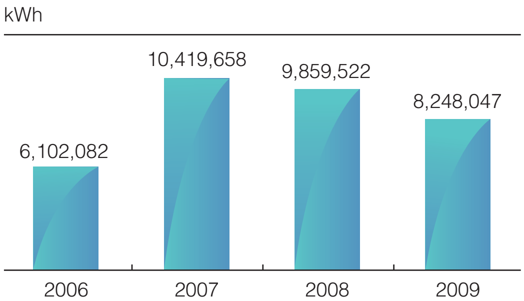
state-of-the-art solar technologies, including Singapore's first Solar Air-conditioning System at 7 & 9 Tampines Grande and the establishment of 11 Tampines Concourse as the first CarbonNeutral® development in Singapore and Asia Pacific. By investing in these capacity building initiatives, CDL hopes to enhance the industry's green expertise and encourage others to explore more sustainable technologies. 7 & 9 Tampines Grande is the first completed commercial development in Singapore to achieve the internationally recognised LEED Gold certification in the Core & Shell Category and is testament to CDL's commitment in developing buildings in Singapore that meet international green standards.

As a green advocate, CDL approximates that some 10,265 tonnes of carbon emissions or $4 million in electricity will be saved annually from the 10 Green Mark awarded buildings in 2009 (estimated figure upon completion of the new and existing buildings). Having been named BCA Green Mark Champion in 2008, CDL is the most decorated Green Mark private developer with over 30 BCA Green Mark awards under its belt to date. It remains committed to achieving a minimum BCA Green Mark Gold rating for all new developments and incorporating more innovative green features to complement the nation's pledge towards sustainable development.

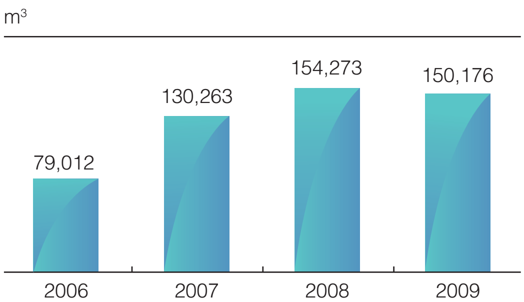
Notably, CDL's collective efforts in resource conservation have resulted in improved environmental performance in 2009. Significant improvements of between 2% and 18% have been achieved across the business operations including Property Development and Project Management, Property & Facilities Management and Corporate Office.

CDL'S ENVIRONMENTAL DATA

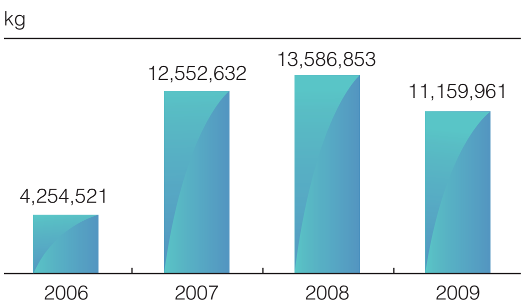
Projects Division



Energy



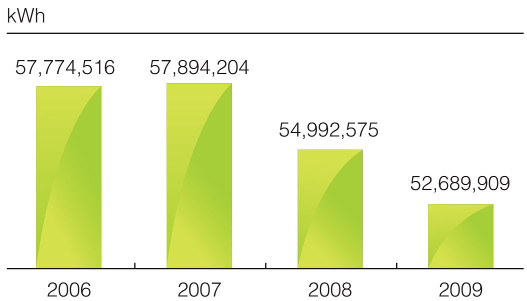
Water



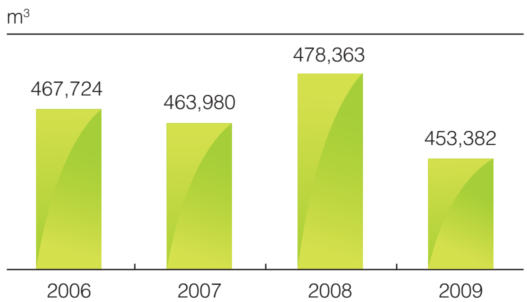
Construction Waste Generated

(1) From November 2009, we have included the electricity and water data of three new buildings (City Square Mall, Tampines Concourse and Tampines Grande) in the reporting.
(2) The energy data for the buildings includes (but is not limited to) the Mechanical and Electrical Services provided in the buildings, e.g., lifts, air-conditioning and ventilation fans (where applicable), pumps and lighting in all common areas of the entire building. Tenants are charged individually for the use of electricity within their office.
(3) The water data includes the total amount of water used in the building.

Property & Facilities Management Division[1]

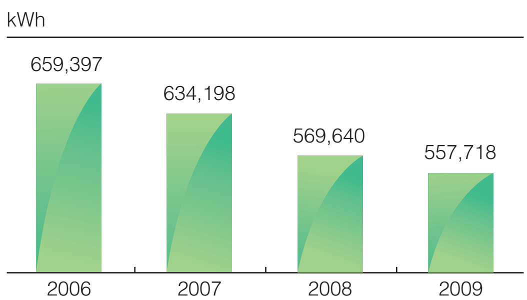


Total Energy Used at 19 CDL Building[2]

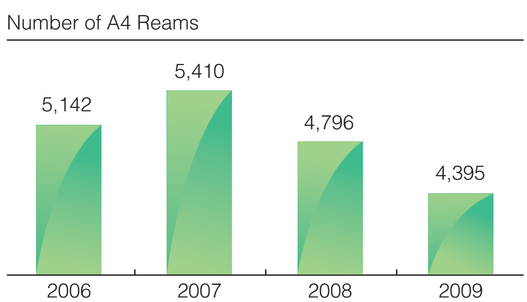


Total Water Used at 19 CDL Building[3]

Corporate Office



Energy



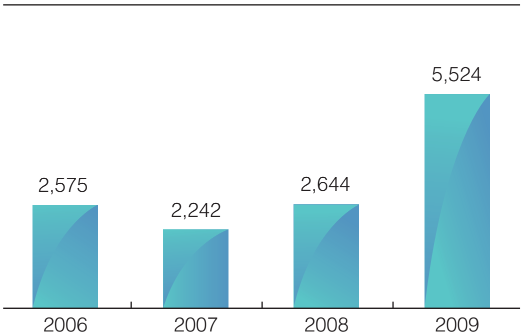
Paper

GIVING BACK TO THE COMMUNITY

CDL's CSR philosophy extends beyond philanthropy and stems from a long tradition of reaching out to the community. It remains strategic in its community contributions; concentrating on the four key areas of the environment, youth development, the less fortunate and the arts.

2009 was a milestone year as CDL's employee volunteer platform, City Sunshine Club (CSC), celebrated its 10th anniversary with a plethora of community activities. This has resulted in a record–breaking doubling of employee volunteer manhours in 2009.

Total Manhours



Employee Volunteer Manhours

Combating Climate Change

CDL's community efforts for the environment have grown from strength to strength and CDL has been actively engaged in the development and collaboration of extensive green programmes targeted at different stakeholders.

Project Eco-Office, an outreach programme initiated and launched by CDL in June 2002, promotes green resource management amongst business community in the work place. In 2005, the Green Office Label was launched to recognise companies which have implemented successful green initiatives in the office. The programme has seen more offices being certified annually with an encouraging 39 in 2009 – a significant increase from 15 in 2008. The companies awarded in 2009 stem from both private and public sectors, including DBS Bank, Republic Polytechnic, ComfortDelGro Corporation Limited and Ministry of Manpower amongst others. CDL, a pioneer awardee, also received its re-certification.

CDL doubled its efforts in the global Earth Hour campaign, organised by the World Wildlife Fund, with the inclusion of 11 CDL commercial properties compared to five buildings the year before. Under its influence, a 99% tenant participation was also achieved. All façade building lights and main lights in the common areas were turned off on Saturday, 28 March 2009 from 8.30 pm to 9.30 pm as a gesture to combat global warming. CDL also supported Environmental Challenge Organisation (ECO)'s Earth Hour @ The Heartlands initiative which spurred the community to turn off their lights at home and participate in a variety of eco-activities at various venues.

City Square Mall, Singapore's first eco-mall opened its doors in late 2009. It aims to reach out to its tenants and community-at-large to raise their level of eco-consciousness through innovative eco-programmes and initiatives. For instance, there are screens around the Mall displaying real-time performance of energy consumption, carbon dioxide level, solar energy amount, humidity level and temperature etc to raise shoppers' eco-awareness. Eco-features are also labelled to provide shoppers with an eco-learning experience. City Green, the first public park to be integrated with a mall in Singapore, was also designed to provide a learning experience about ecology and the natural environment.

Guest-of-Honour Dr Amy Khor (fifth from left) with Ms Esther An, CDL's Head of CSR, teachers and students of Catholic High School (Primary) at the CGS Schools' Carnival 2009

As an affirmation of its commitment to organise and host green community events, the Mall signed on as the first corporate partner to join the Central Singapore Community Development Council's Partnership to Activate the Community to Treasure the environment or P.A.C.T.. Green events held in 2009 include Central Singapore's CGS 2010 Carnival and a Green Building Exhibition by BCA which even showcased a model "green" home of the future.

Participation in the National Environment Agency (NEA)'s Clean and Green Singapore (CGS) programme remained a key feature in CDL's environmental outreach efforts. Having been part of the Corporate and School Partnership (CASP) programme which encourages corporate companies to groom young environmental leaders from schools to initiate joint environmental programmes since 2005, CDL received a certificate of Sustained Partnership in 2009.

CDL continued to support its six adopted schools, namely Maris Stella High School (Primary and Secondary), CHIJ St. Nicholas Girls' School (Primary and Secondary) and Catholic High School (Primary and Secondary), at the CGS Schools' Carnival, presenting a wide range of remarkable environmental projects. In particular, Catholic High School (Primary)'s Rainwater Harvesting Project stood out and was awarded second place for Best Project in the Primary category.

Backing green efforts by tertiary institutions, CDL sponsored the National University of Singapore (NUS) Green Carnival, which brought the urgent message of environmental conservation to over 30,000 NUS undergraduates, staff and academics, through student-initiated environmental projects that promotes energy conservation, recycling and the uptake of other green habits.

For over a decade, CDL has remained a corporate patron of China Exploration & Research Society (CERS), supporting their nature and cultural conservation projects. Promoting the protection and conservation of nature, CDL has also maintained its sponsorship of Nature Society (Singapore)'s "Nature Watch" magazine.

In the 13th instalment of CDL Nature Series Calendar 2010 titled "In Harmony...Naturally – Create, Conserve, Construct", CDL's latest BCA Green Mark awarded developments were showcased. The Calendar, which is distributed to CDL's business associates and employees, imparts the Group's philosophy of conserving natural wonders while creating construction marvels.

Nurturing Youth Talent

In the year under review, CDL also specifically focused on social and economic development projects in Singapore and abroad that were spearheaded by the youth in Singapore.

CDL supported two worthy projects proposed by students from the Singapore Management University (SMU). Project Aphireak, organised by 17 students from Apsara Cambodia, a SMU student association with the support of National Youth Council's Youth Expedition Project (YEP), aimed to empower the community in Kongleng Phe Village in the Province of Kampong Chnnang by providing an alternative source of income to the villagers via eco-tourism. Working with a local NGO, the students assisted in the construction of a home-stay facility for tourists and helped co-train the community in the planning, running, and management of the facility. The impact of this economic development project in Cambodia is estimated to directly and indirectly benefit 110 families from three adjacent villages.

In Project Lyssna, seven SMU students conducted a food collection drive in the Joo Chiat district, for needy residents identified by Covenant Family Services Centre. In addition to sponsoring the logistical expenses of the project, CDL also extended supermarket vouchers valued at $50 to each needy family. Project Lyssna collected a total of $2,210 worth of food, and distributed them to 35 families.

As part of Catholic Junior College's Community Involvement Programme, some 50 students engaged in refurbishment works at the Darul Fallah Orphanage in Batam, Indonesia. Over four days, the students rolled up their sleeves to repaint the classrooms and dormitories, provided new furniture, as well as prepared and distributed much-needed stationery items and notebooks to the 585 children there. CDL supported this meaningful student-run project, which helped to improve the living and learning conditions for the children at the orphanage.

In Singapore, as part of its sustained efforts to assist underprivileged children from Dreams @ Kolam Ayer, CSC partnered student teachers from National Institute of Education (NIE) in a motivational two-day Camp Cheer with the aim of inculcating positive values, increasing their self-esteem and helping these children realise their self-worth and potential.

CDL employees and their Special Olympian friends are in a celebratory mood after completing the 60-storey relay race at Republic Plaza.

CDL renewed its support for the NTU National Vertical Marathon organised by students from the Nanyang Technological University (NTU) Sports Club. Held at CDL's flagship building Republic Plaza for the third consecutive year, the event attracted a record total of 1,638 participants. In addition to sponsoring the venue, CDL sponsored the CDL Corporate Challenge category to encourage its office tenants, partners and business associates to adopt a healthy lifestyle by participating in the vertical marathon. CDL volunteers also stepped up to the Special Olympics Challenge, with some 40 employees together with their families, playing buddies to 36 Special Olympians in completing the 60-storey relay race to the top of the building.

A strong culture of voluntarism and giving is shared by all CDL employees. CDL senior management and employees give their 100% towards the refurbishment works at Children's Aid Society.

Extending a Hand to the Needy

In spite of the recovering economy towards the second half of 2009, many in Singapore are still very much affected by the downturn. Extraordinary natural disasters also called for extraordinary measures of support which CDL readily answered to.

To commemorate the 10th anniversary of CSC, CDL dedicated a community and staff day themed "Sunshine Makeover" on Saturday, 15 August, involving all employees in the refurbishment and repair work of two beneficiaries, one for the elderly and another for children.

Refurbishment works for Man Fut Tong Nursing Home comprised the painting of an outdoor recreation area (including a cheerful mural) and five physiotherapy rooms, the repair of warped flooring in two wards and planting activities at the central courtyard garden. In addition, CDL employees also befriended and entertained the residents and day-patients.

At the Children's Aid Society, refurbishment work included the painting of a lively mural, basketball court lines, staircase railings and even old playground equipment. CDL employees also installed new notice boards and playframe on the ground floor play area as well as swept and tidied the open field.

In support of long-time corporate partner, Assisi Hospice, a charity organisation that provides palliative care to adults and children suffering from cancer and other life-limiting illnesses, CDL, together with its sister hotels in Singapore, took up a 37-metre long pavilion offering delectable delicacies and hotel specialties for the young and old at the Assisi Hospice Charity Fun Day. The event raised over $650,000, well over the target of $500,000.

Other CSC highlights in 2009 include distributing red packets and oranges to the elderly at Henderson Home to celebrate Chinese New Year, a four-day "Eat-in-for-Charity" fundraising campaign in aid of Heart-to-Heart Service, in recognition of pioneer volunteer Sister Teresa Hsu's lifetime commitment to voluntarism; and bringing over 80 elderly befriendees to City Square Mall for lunch and shopping.

A Gold Sponsor at the inaugural Asia Humanitarian Forum, a public educational platform to promote both humanitarian and environmental causes to the community, CDL also co-presented a photography exhibition by Ernest Goh titled "Altered Land", a chronicle of black and white photographs of the destruction wrecked by the tsunami at Banda Acheh in 2004, and the reconstruction and rebuilding efforts which followed.

CDL also lent its support to local peace-building social enterprise Café Diplo in organising "Haiti Haiti", a charity concert at City Square Mall aimed at raising funds towards humanitarian relief efforts in earthquake-stricken Haiti. Launching a donation drive amongst staff soon after the disaster, which was matched dollar for dollar by the Group, CDL raised a total of $30,000 in just three days for World Vision's Haiti Earthquake Relief Fund. This was followed by "Haiti Haiti 2" at Chinatown Point, with all donations going towards providing relief supplies to victims of the Haiti Earthquake that struck on 12 January 2010.

Promoting the Arts

The 4th CDL Singapore Sculpture Award & Exhibition was held in 2009 with a site provided at the redeveloped Bishan Park by the National Parks Board for the display of the winning sculpture.

This iconic work, "An Enclosure for a Swing" by architect/artist Kelvin Lim, was the Open Category Winner at The 4th CDL Singapore Sculpture Award.

The winning works and selected entries from the competition were showcased at the Singapore Art Museum in July 2009. Sculptor Yeo Chee Kiong, winner of The 2nd CDL Singapore Sculpture Award, was the curator of the Exhibition. Yeo's winning work, "The Wind, Her Rain, And A Cloud Meets With A Tree In The Monsoon Season", has been commissioned and will be unveiled at City Green, the urban park adjoining City Square Mall in early 2010.

CDL also supported "These Things Must Be Done To Get On In Life" Exhibition held at Post-Museum. This visual arts exhibition featured 3D and multimedia art installations by various dynamic local artists, including Tan Wee Lit, winner of The 3rd CDL Singapore Sculpture Award.

In celebration of its 150th Anniversary, the Singapore Botanic Gardens was spruced up with nature-inspired sculptures. Titled "Nature Borne" and supported by CDL, the exhibition featured works by 10 visual artists from Singapore and South Korea.

In August 2009, CDL supported The Straits Times 7.59 Series Photo Exhibition. A private auction and sale proceeds from the exhibition raised $10,500 for The Straits Times School Pocket Money Fund. CDL also supported the 21st Singapore International Photo-Art Exhibition 2009 held at Kreta Ayer Community Club organised by the Photo-Art Association of Singapore, as well as the 20th International Salon of Colour Photography 2009 at The Arts House organised by the Singapore Colour Photographic Society.

LOOKING AHEAD

I hope this Report has provided an insight to CDL's CSR and sustainability performance in 2009. For more detailed information, please visit www.cdl.com.sg.

In 2010, CDL will continue to work hard to refine its best practices with a view to elevate its CSR standards and performance. CDL is committed to playing a positive role in the society and at the same time building an enduring and sustainable organisation.

Kwek Leng Joo
Managing Director

Human Resource Review

A happy, dynamic and highly-committed workforce – CDL, the company of choice for employees.

CDL recognises that people are our most valuable assets, which is why we believe in nurturing capabilities, bringing out the best in our employees and rewarding top performers. We also advocate a positive workplace culture and emphasise a healthy lifestyle and Work-Life harmony.

With over 300 employees in Singapore, CDL has been a signatory of the Employers' Pledge of Fair Employment Practices with The Tripartite Alliance for Fair Employment Practices since 2008.

CULTIVATING & RETAINING TALENT

CDL's multi-pronged approach for talent cultivation and retention aims to develop and realise employees' potential. Employees are equipped with the tools and knowledge to excel in their roles through various training and development programmes.

This strategy has seen much success, especially in the area of talent retention: CDL's employee turnover in 2009 was 10.7%, significantly lower than the national average of 16.2% (as at 3rd quarter 2009).

ENGAGING OUR EMPLOYEES

CDL believes in engaging and cultivating satisfied, motivated and committed employees. Various employee engagement programs incorporating Work-Life Harmony, Workplace Health and Staff Bonding help to create a conducive working environment.

Promulgating Work-Life Harmony

CDL values its employees and recognises that their well-being directly impacts the organisation's performance. By providing a healthy Work-Life culture, we help employees harmonise their personal and professional commitments, while maximising their productivity.

CDL has embarked on various Work-Life benefits and programmes, including flexi-work arrangements, whereby employees may choose their working hours within management-set limits and permanent part-time work arrangements. June was designated as "CDL Family Month", with a series of family-life activities such as "Eat with your Family" day, family themed talks and family outings. We also organised the 'Little Ones @ Work' Programme, providing employees with the opportunity to bring their children to the office for a better appreciation and understanding of their workplace.

CDL continues to uphold the principles and values of the Work-Life Excellence Award that it received in 2008 from the Tripartite Committee on Work-Life strategy, for implementing and sustaining effective Work-Life strategies.

Promoting Workplace Health

Throughout the year, CDL carried out a series of health-related programmes, planned and implemented by a dedicated Work-Life committee comprising employee representatives across all departments.

We implemented the "Your Health, Your Wealth" programme in 2009 and introduced various activities such as lunch-time workout to inculcate in our employees the importance of healthy living, both body and mind, and to encourage them to keep fit by adopting some forms of exercise.

As a recipient of the Platinum Singapore H.E.A.L.T.H (Helping Employees Achieve Life-Time Health) Award since 2008, we continue our efforts to promote health, fitness and wellness amongst staff. We were crowned the winner in the Best Workplace Practices category at the Asian CSR Awards 2009, for our Workplace Health Project, the only Singapore company to be awarded.

Empowering Employees and Building Closer Ties

CDL endeavours to cultivate a workplace culture based on collaboration and trust. We encourage open communication and bonding through employee engagement, starting from the first day an employee joins CDL.

In addition to a New Hires' Orientation programme, which familiarises new employees with CDL's corporate culture and ethics, there are regular dialogue sessions held by the Managing Director and senior management.

Other internal platforms to encourage feedback and open communication include "VoiceBox", a suggestion forum where employees can provide feedback, and "CDL Insight", a monthly forum to enhance communication and understanding as well as exchanging of ideas amongst departments.

To build a sense of belonging and camaraderie amongst employees, employee-managed committees such as Staff Connect (SC) and City Sunshine Club (CSC) organised several social and volunteering activities such as the CDL Community and Staff Day 2009, to reinforce employees' team bonding and encourage community work with beneficiaries in the spirit of volunteerism.

Risk Management

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

To assist the Board in its risk management oversight, the Audit Committee reports to the Board on matters relating to the risk management policies and systems of the Company. A Risk Management Committee ("RM Committee"), whose members comprise senior management, is responsible for maintaining the processes which will provide the Board with a systematic and enterprise-wide view of the risks involved in property investment, development and management activities. The RM Committee reports quarterly to the Audit Committee on the overall strategic and operational risks positions, including mitigating measures, treatment plans and the occurrence or potential occurrence of significant risk events. These processes are put in place to manage and monitor the Company's risk management activities on a regular and timely basis.

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

The following types of risks are managed within the Company's formal risk management framework:

OPERATING RISKS

The risk management framework is integrated into the management processes at operational levels, with the respective management at divisional and departmental levels being responsible for identifying, assessing, mitigating and managing the operating risks within each of their functional areas. The implementation and use of a system of internal controls, and operating, reporting and monitoring processes and procedures (including processes involving due diligence and collation of market intelligence and feedback), supported by information technology systems and constant development of human resource skills through recruitment and training, are important elements of the risk management framework, to mitigate risks relating to product and service quality assurance management, costs control management, design and product innovation, market intelligence, marketing / sales and leasing management, financial control management and regulatory compliances in the Company's operations. The maintenance of adequate insurance coverage for the Company's assets, and the protection of and continued investment in the security and integrity of its information technology systems and database which are highly integrated with its business processes, are also part of the Company's control processes for the protection of its assets.

INVESTMENT AND PORTFOLIO RISKS

Risk evaluation forms an integral aspect of the Company's investment strategy. Balancing risk and return across asset types and geographic regions are primary considerations to achieve continued corporate profitability and portfolio growth. This risk assessment includes macro and project specific risks analysis encompassing rigorous due diligence, financial modeling and sensitivity analysis on key investment assumptions and variables. Each investment proposal is objectively evaluated to fit the corporate strategy and investment objective. Potential business synergies, including collaboration risks assessments, are identified early to ensure business partnership objectives and visions are well-aligned and collaboration partners are like-minded and compatible.

TREASURY AND FINANCIAL RISKS

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

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

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

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

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

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

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

Foreign Currency Risk - The Group is exposed to foreign currency risks on sales, purchases and borrowings that are denominated in a currency other than the respective functional currency of the Group's entities.

The Group manages its foreign exchange exposure by a policy of matching receipts and payments, and asset purchases and borrowings in each individual currency. Forward foreign exchange contracts are used purely as a hedging tool, where an active market for the relevant currencies exists, to minimise the Group's exposure to movements in exchange rates on firm commitments and specific transactions.

Wherever necessary, the Group finances its property, plant and equipment purchases by using the relevant local currency cash resources and arranging for bank facilities denominated in the same currency. This enables the Group to limit translation exposure to its balance sheet arising from consolidation of the Group's overseas net assets.

HUMAN RESOURCE RISKS

The Company recognises human resource as an important contributing factor towards the stable growth of the Company, and accordingly efforts are taken to enhance the processes for recruitment, compensation, training and development of employees. Identification of core competencies is critical in the employee selection and development processes, and the implementation of performance assessment and management programs, coupled with career development and training programs, are part of the Company's human resource strategy to improve work performance, maximise competencies, increase staff commitment and retention, and develop further an effective succession planning program within the organisation. The management also supports work-life harmony programs and family-friendly policies as part of its efforts to help employees achieve a balanced life between work and family and at the same time create a quality workplace.

CRISIS RISKS

Operating in an environment with potential threats of terrorism, epidemic outbreaks and information systems failure, the management has put in place a company-wide Business Continuity Plan ("BCP") to mitigate the risks of interruption and catastrophic loss to its operations and information database arising from such potential threats. A Business Continuity Management Committee ("BCP Committee"), whose members comprise senior management, is responsible for overseeing the maintenance of the BCP. Procedures and processes of the BCP include identification of alternate recovery centers, operational procedures to enable communication, continuity of critical business functions and recovery of database in the event of a crisis incident. Periodic incident management drills are conducted to familiarise employees with the emergency response and crisis management plans of the Company. The plans to carry out periodic tests on BCP as well as the results of these tests are reviewed by the BCP Committee annually and reported to the Audit Committee.

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

Singapore Market Review

Unveiled amidst great fanfare, over 90% of the units released at Hundred Trees were snapped up during the soft launch weekend.

RESIDENTIAL

Following the global economic crisis in 2008 leading to Singapore's first technical recession since 2002, the economy started showing signs of recovery when Gross Domestic Product (GDP) for Q2 2009 expanded by 20.7% compared to the previous quarter. The Ministry of Trade and Industry (MTI) announced that the Singapore economy contracted by 2.0% in 2009, compared with 1.2% GDP growth in 2008.

Despite being in the midst of an economic recession in 2009, the mid and mass market segment of the private residential market was robust. The Urban Redevelopment Authority's (URA) real estate statistics show that developers sold 14,688 units in 2009, the second highest number of new homes, and nearly 3.5 times the 2008 figure and close to the all time high of 14,811 units in 2007. In 2009, prices of private residential properties increased by 1.8%, compared with a decline of 4.7% in 2008.

In 2009, prices of private apartments dropped by 1.8% in the Core Central Region (CCR) while those in the Rest of Central Region (RCR) and Outside Central Region (OCR) increased by 3.0% and 11.8% respectively. CCR comprises the prime districts 9, 10, 11, Downtown Core and Sentosa Cove, while RCR refers to the area within the Central Region that is outside CCR.

Several new private residential project launches in 2009 were well received. For example, Hundred Trees, a 396-unit private residential project developed by CDL, met with overwhelming response from buyers, with over 90% of the 350 launched units sold over one weekend in September 2009. Similarly, Optima @ Tanah Merah, a private residential project developed by another subsidiary company of the Hong Leong Group, achieved close to 100% sales of its 297 units in July 2009.

In view of the strong demand for private housing and improved conditions in the property market, the Government announced on 14 September 2009 the removal of the Interest Absorption Scheme (IAS) and Interest-Only Housing Loans (IOL), and the reinstatement of the Confirmed List for the 1H 2010 Government Land Sales (GLS) Programme.

The Singapore government has forecasted a GDP growth of 4.5% to 6.5% in 2010. With the improvement in economic prospects, low interest rate environment, as well as the opening of the two Integrated Resorts to further cement Singapore's reputation as a world-class global city, attractive to foreign funds and high net worth individuals, Singapore's residential property market is well positioned to perform well in 2010, especially in the high end luxury segment which is still 15.2% off the peak prices in 2007/2008.

According to URA real estate statistics, rentals of private residential properties decreased by 14.6% in 2009. Leasing activity is expected to pick up in 2010 as more firms consider reactivating hiring plans amid the improving business climate and confidence, as well as the influx of foreigners seeking employment in Singapore.

OFFICE

Against the backdrop of a weakening economy in 2009, the office market experienced downward pressure for both leasing activity and rentals. Statistics released by URA showed that islandwide occupancy rate dropped to 87.9% in Q4 2009 compared to 91.2% a year ago. Similarly, rentals of office space decreased by 23.6% for the whole of 2009. Grade A offices in the Central Business District (CBD) were hit hard by the global financial crisis. According to CB Richard Ellis (CBRE) market report, Grade A office space rents eroded by a substantial 46% year-on-year to $8.10 per square foot per month in Q4 2009. The URA Office Price Index for 2009 registered a 16.35% drop year-on-year.

As the economic outlook improved in the second half of 2009, activity surrounding premises planning and relocation alternatives increased. After three consecutive quarters of negative take-up from Q4 2008 to Q2 2009, the office sector witnessed a positive take up of about 0.05% (3,000 square metres) and 0.47% (28,000 square metres) in Q3 2009 and Q4 2009 respectively.

Governments around the world, including Singapore have rolled out sizeable fiscal stimulus packages in 2009 to help businesses and individuals combat the recession. In 2010, the Singapore government will continue to help businesses by extending several government packages and financing schemes which were introduced at the onset of the global economic downturn. These include the Jobs Credit Scheme (JCS) aimed at supporting the economy and employment, as well as the Special Risk-sharing Initiative (SRI) aimed at easing credit for businesses. These measures will help Singapore businesses remain competitive, ensuring access to credit is available for financing of economic activities, as well as lowering costs of businesses.

City Square Mall, Singapore's first eco-Mall, is part of an integrated development comprising residential, commercial and a public park.

According to CBRE's market report, about 7.1 million square feet of new supply of office space is expected between 2010 and 2014. Notwithstanding this impending supply, one should not underestimate the pace at which space could be absorbed when market recovery gathers pace. In light of the expected economic recovery in 2010, business sentiment and confidence is likely to continue to strengthen. Companies are likely to start planning for the recovery by embarking on expansion plans. There could also potentially be new business set-ups if economic recovery remains on track. Singapore's jump from 10th to 4th position in a recent ranking of global financial centres by the World Economic Forum, would stand the island in good stead to benefit from any new regional set-ups by financial institutions, both local and foreign. New major office developments that are slated for completion in 2010 include Marina Bay Financial Centre (Phase 1), 50 Collyer Quay and Mapletree Business City.

RETAIL

2009 was a year of evolving retail landscape in Singapore which saw the completion of more than 1.7 million square feet of retail floor space. Despite the lacklustre economic conditions, several new and prominent retail malls were completed in the Orchard Road area, including Ion Orchard, Orchard Central, 313@Somerset and Mandarin Gallery. Other existing malls like The Heeren and Paragon underwent A&A works to stay abreast with the changing retail landscape and trends. Together with the completion of Singapore Tourism Board's $40 million makeover of Orchard Road, the overall shopping experience in Singapore's premier shopping belt was brought to a whole new level.

The suburban and city fringe areas also witnessed the debut of new malls like Iluma at Victoria Street and Tampines 1 at Tampines Central 1 in 2009. City Square Mall, Singapore's first Eco-Mall and developed by CDL, was completed in Q3 2009. The 700,000 square feet mall at Kitchener Road offers an array of green features and is the first commercial development in Singapore to be accorded a Building and Construction Authority (BCA) Green Mark Platinum Award.

According to URA statistics, vacancy rate islandwide was at 5.7% as at Q4 2009 and overall rentals for shop space have declined by 7.4% year-on-year, with median rental for retail space in Orchard Planning Area reaching $10.16 per square foot per month. A separate report by Colliers International indicated that the average monthly gross rents for prime retail space in Orchard decline by 9.7% year-on-year to about $38.50 per square foot by end of 2009.

2010 is expected to be a better and more exciting year for Singapore's retail property market as the Singapore Tourism Board (STB) projects higher tourist arrivals. Consumers and visitors can look forward to a more interesting and vibrant retail scene as the opening of new malls in the two Integrated Resorts have created opportunities for new players to enter the market, and for existing ones to expand their footprint. In anticipation of better times ahead, the luxury retail segment is poised for further growth, driven by expansion of luxury retailers in the market. The two Integrated Resorts will also bring in well-heeled tourists with high spending power. On the supply front, a market report by Colliers International indicated over three million square feet of retail space is expected to enter the market between 2010 and 2012. New malls expected to be completed in 2010 include Marina Bay Shoppes in the upcoming Marina Bay Sands Integrated Resort (800,000 square feet), retail space at Resorts World at Sentosa (330,000 square feet) and Nex at Serangoon Central (618,000 square feet).

HOTEL

The Singapore tourism industry had a challenging year in 2009 amid the global economic downturn. According to the latest STB statistics, visitor arrivals to Singapore from January to December 2009 period totalled 9.7 million, a decline of 4.3% when compared to 2008. However, this is still approximately 2% higher than STB's target of 9.5 million visitor arrivals.

According to the Ministry of Trade & Industry (MTI), Asian Development Bank upgraded growth projections for Asia from 6% to 6.4% in 2010 and commented that the region will be "poised to lead the recovery". With intra-regional travel accounting for more than 80% of travel traffic in the Asia-Pacific, the projected higher economic growth and potential increase in outbound travel in Asia bodes well for Singapore.

The recently concluded 2009 Singapore GP Season featured the world premiere of F1 Rocks™ at Fort Canning Park. Altogether, the Formula One race and its surrounding festivities provided an unrivalled opportunity to showcase Singapore as a vibrant and exciting destination to a global audience. With the two integrated resorts completing in 1H 2010, coupled with the first Youth Olympics to be held in August 2010, as well as Singapore's continual efforts to establish itself as an international hub for healthcare, education and finance, the hotel and tourism sector is expected to perform better in 2010.

Calendar of Financial Events

FINANCIAL YEAR ENDED 31 DECEMBER 2009

DATE	EVENT
	Announcement of Results:
11 May 2009	Announcement of First Quarter Results
13 August 2009	Announcement of Second Quarter and Half Year Results
12 November 2009	Announcement of Third Quarter and Nine-Month Results
25 February 2010	Announcement of Fourth Quarter and Full Year Results
	Books Closure and Dividend Payment Dates:
12 June 2009	Books Closure Date for Preference Dividend^
30 June 2009	Payment of Preference Dividend^
11 December 2009	Books Closure Date for Preference Dividend^
31 December 2009	Payment of Preference Dividend^
7 May 2010	Books Closure Date for proposed 2009 Final Ordinary Dividend*
21 May 2010	Proposed payment of 2009 Final Ordinary Dividend*
	Shareholders' Meeting:
28 April 2010	47th Annual General Meeting

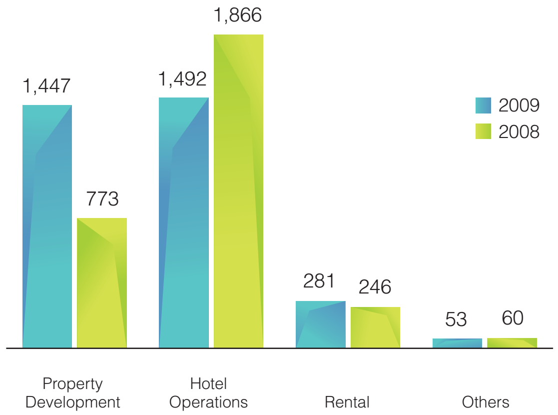
^ The Preference Dividend is paid semi-annually in arrears.
* The declaration and payment of the 2009 Final Ordinary Dividend is subject to approval of shareholders at the 47th Annual General Meeting.

FINANCIAL YEAR ENDING 31 DECEMBER 2010

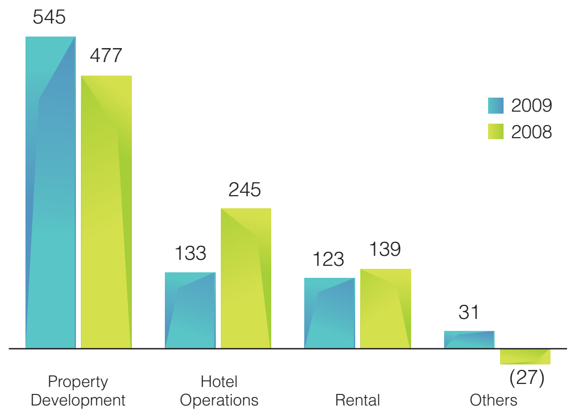
DATE	EVENT
	Announcement of Results:
May 2010	Proposed Announcement of First Quarter Results
August 2010	Proposed Announcement of Second Quarter and Half Year Results
November 2010	Proposed Announcement of Third Quarter and Nine-Month Results
February 2011	Proposed Announcement of Fourth Quarter and Full Year Results
	Shareholders' Meeting:
April 2011	48th Annual General Meeting

Financial Review

REVENUE BY ACTIVITY



PROFIT BEFORE INCOME TAX BY ACTIVITY*



* Includes share of after-tax profit of associates and jointly-controlled entities.

PROPERTY DEVELOPMENT

Revenue surged by 87.2% for FY 2009 to $1,447.0 million (FY 2008: $773.1 million) whilst pre-tax profits for FY 2009 were higher by 14.2% at $544.7 million (FY 2008: $476.9 million).

The increase in revenue for FY 2009 was mainly due to maiden contributions from The Arte at Thomson, Shelford Suites and Livia in 2009 and higher contributions from Cliveden at Grange, One Shenton, The Solitaire and Tribeca due to more advanced stage of construction. This was, however, partially offset by lower contributions from Botannia and City Square Residences which had obtained Temporary Occupation Permit in 2009. In accordance with the Group's policy of equity accounting for the results of its jointly-controlled entities, whilst revenue from The Sail @ Marina Bay, The Oceanfront @ Sentosa Cove, Ferraria Park and St. Regis Residences, had not been consolidated into the Group's total revenue, the Group's share of profits arising from these joint venture developments had been included in pre-tax profit.

The increase in pre-tax profit of FY 2009 was in tandem with the increase in revenue but was partially offset by lower contributions from St. Regis Residences, The Oceanfront @ Sentosa Cove, The Sail @ Marina Bay and Ferraria Park.

HOTEL OPERATIONS

Revenue decreased by 20.0% for FY 2009 to $1,492.0 million (FY 2008: $1,866.0 million) and pre-tax profit decreased by 45.6% for FY 2009 to $133.1 million (FY 2008: $244.7 million).

The decreases in both revenue and pre-tax profit for FY 2009 were largely due to the difficult global economic conditions, particularly in the first half of 2009, which led to the decline in the Group's RevPAR. The gain of £31.4 million (approximately S$73.2 million) on the aborted sale of CDL Hotels (Korea) Limited recorded in Q4 2008 had also further attributed to the decline. This was, however, partially mitigated by lower impairment losses made on hotel assets and loan to a joint venture in Bangkok.

RENTAL PROPERTIES

Revenue increased by 13.9% for FY 2009 to $280.8 million (FY 2008: $246.5 million) on the back of higher rental rates locked in by the Group on office rental leases when the office market was more robust.

Pre-tax profit had, however, decreased by 11.6% to $123.0 million (FY 2008: $139.2 million).

Despite the increase in revenue and lower impairment losses for FY 2009, pre-tax profit for full year decreased on account of the absence of a gain recognised on sale of Commerce Point in Q3 2008 and lower profit contribution from CDL Hospitality Trusts.

OTHERS

Revenue comprises mainly building maintenance contracts, project management fee, hospitality related services, club operations and dividend income. This decreased by 11.2% for FY 2009 to $53.0 million (FY 2008: $59.7 million) on account of lower management fees income earned but partially mitigated by higher dividend income received.

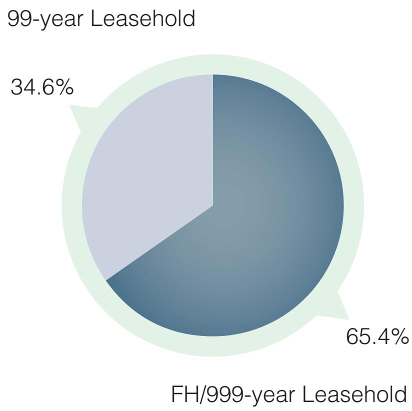
Whilst revenue had decreased, pre-tax profits for FY 2009 of $30.8 million were achieved as compared to pre-tax losses of $27.0 million for FY 2008. This was largely due to mark-to-market gains on financial assets held for trading resulting from the rally in global stock market, contrary to mark-to-market losses recorded in FY 2008.

Property Portfolio Analysis

Land Bank as at 1 January 2010

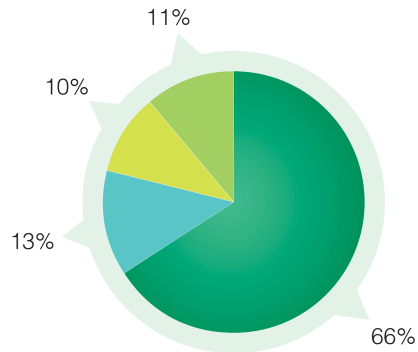
ANALYSIS BY TENURE

Total: 3.4 million square feet



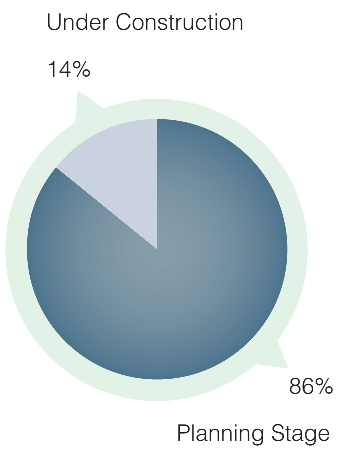
ANALYSIS BY SECTOR

Total: 3.4 million square feet

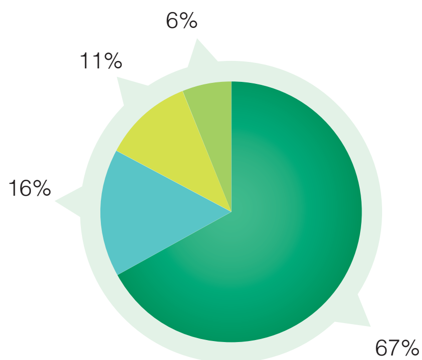


ANALYSIS BY DEVELOPMENT STAGE

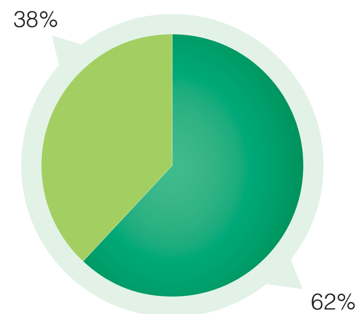
Total: 3.4 million square feet



Planning Stage
Breakdown by Sector
Total: 2.9 million square feet



Under Construction
Breakdown by Sector
Total: 0.5 million square feet



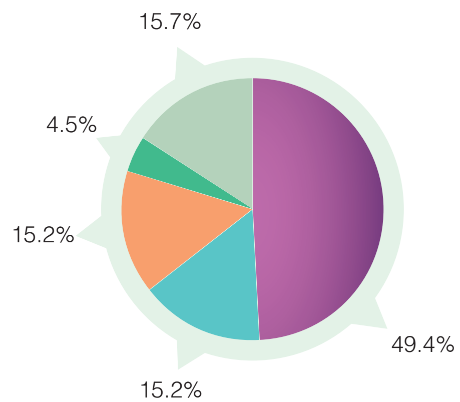
- Residential
- Industrial
- Residential-Overseas
- Commercial & Hotel Projects

Property Portfolio Analysis

Investment Properties as at 1 January 2010

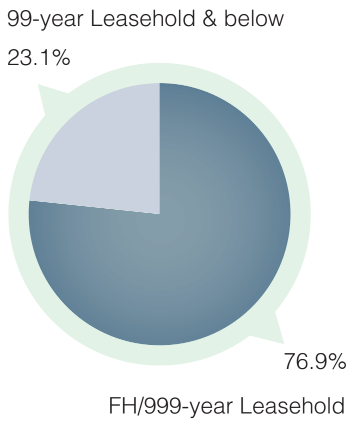
ANALYSIS BY SECTOR

Total lettable: 7.0 million square feet

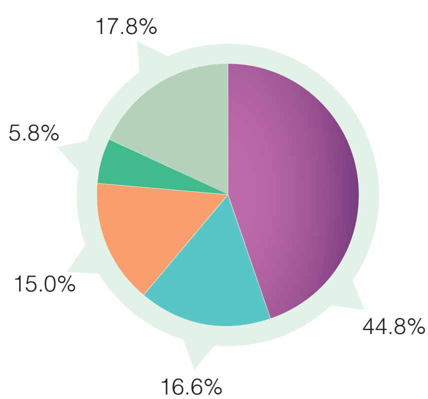


ANALYSIS BY TENURE

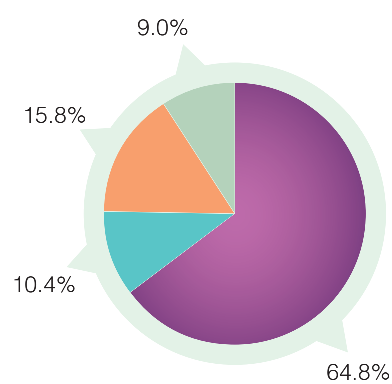
Total lettable: 7.0 million square feet



FH/999-year Leasehold
Breakdown by Sector
Total lettable area: 5.4 million square feet



FH/99-year Leasehold & below
Breakdown by Sector
Total lettable area: 1.6 million square feet



- Office
- Industrial
- Retail
- Residential
- Others

Major Properties

COMMERCIAL PROPERTIES	TENURE	SITE AREA (SQ. METRES)	APPROXIMATE LETTABLE/STRATA/ GROSS FLOOR AREA (SQ. METRES)	EFFECTIVE GROUP INTEREST (%)
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	73,015	100
Central Mall comprises a cluster of conservation shophouses at Havelock Road/Magazine Road.	99-year lease wef 15.05.1993	4,806	5,103	100
Central Mall (Office Tower) is a 7-storey office-cum-retail building located at Havelock Road/ Magazine Road.	Freehold	2,828	12,206	100
New Tech Park is a high-technology industrial park at Lorong Chuan, off Braddell Road.	999-year lease	39,798	56,230	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	14,601	100
City Square Mall is a 11-storey shopping mall located at the junction of Serangoon and Kitchener Road.	Freehold	14,920	41,322	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	33,251	100
Plaza-By-The-Park is an 11-storey commercial building located at 51 Bras Basah Road.	999-year lease	4,972	22,417	100
Chinatown Point is a 25-storey commercial complex comprising two 5-storey shopping podium blocks, a 20-storey office tower and two basement levels. It is located at New Bridge Road in Chinatown. The Group owns 287 strata-titled units.	99-year lease wef 12.11.1980	9,206	16,898	100
Palais Renaissance is a 16-storey retail-cum-office complex with 3 basements located at Orchard Road.	Freehold	3,175	10,237	100
GB Building is a 28-storey office building located at 143 Cecil Street. The Group owns 13 strata-titled units.	99-year lease wef 12.10.1982	2,583	7,650	100
Delfi Orchard is an 11-storey commercial-cum-residential complex located at Orchard Road. The Group owns 124 strata-titled units.	Freehold	1,882	6,253	100

COMMERCIAL PROPERTIES	TENURE	SITE AREA (SQ. METRES)	APPROXIMATE LETTABLE/STRATA/ GROSS FLOOR AREA (SQ. METRES)	EFFECTIVE GROUP INTEREST (%)
Citilink Warehouse Complex is an 8-storey warehouse located at Pasir Panjang Road.The Group owns 62 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	12,483	100
Pantech 21 is a computer centre located at Pandan Loop.	99-year lease wef 27.01.1984	6,900	12,916	100
City Industrial Building is an 11-storey flatted factory building at Tannery Lane.	Freehold	3,150	11,841	100
Tanglin Shopping Centre is a shopping-cum-office complex situated at Tanglin Road within the Orchard Road tourist district. The Group owns 83 strata-titled units and 325 car park lots.	Freehold	6,365	6,285	54
The Arcade is a 20-storey office-cum-shopping complex situated at Collyer Quay within the Central Business District. The Group owns 19 strata-titled units.	999-year lease	2,035	4,411	100
Katong Shopping Centre is a 7-storey shopping-cum-office complex situated along Mountbatten Road. The Group owns 60 strata-titled units and 323 car park lots.	Freehold	8,167	8,280	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	8,341	100
The Corporate Office is a 21-storey office building situated at the junction of Robinson Road and McCallum Street, within the Central Business District.	Freehold	1,490	10,210	99
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	8,000	27,104	100
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	9,775	100

Major Properties

COMMERCIAL PROPERTIES	TENURE	SITE AREA (SQ. METRES)	APPROXIMATE LETTABLE/STRATA/ GROSS FLOOR AREA (SQ. METRES)	EFFECTIVE GROUP INTEREST (%)
HOTELS				
Grand Copthorne Waterfront is a 30-storey, 574-room hotel-cum-retail waterfront development, located at Havelock/Kim Seng Road, along the Singapore River.	Freehold (Retail) Freehold reversionary interest (Hotel)	10,860	2,835 (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
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
OVERSEAS PROPERTIES				
Umeda Pacific Building is an 11-storey commercial building located in the prime business district of Osaka, Japan.	Freehold	887	6,396	100
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	78,345	17
Exchange Tower is a 42-storey retail-cum-office building located in the prime business district at Sukhumvit Road, Bangkok, Thailand.	Freehold	6,464	40,927	39
Tianjin City Tower is a 36-storey office building located at Junyi Road, Tianjin, China.	50 years	4,678	35,485	100
Iris Congress Hotel comprises a 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
The Biltmore Court & Tower is situated at 500/520 South Grand Avenue, Los Angeles, CA 90071. Comprising the Court which has 21,133 square metres of Class "B" lettable office space within the Biltmore hotel structure and the Tower which has 12,116 square metres of Class "A" office space. 299 car park spaces are allocated to the two office spaces.	Freehold	4,417	34,249	54
Humen International Cloth Centre comprises 145 commerical units and 11 serviced apartments located in Boyong Village, Guangdong, China.	Leasehold expiring 2063	42,293	3,466	21
Fuogang City Spring comprises 367 commerical units and 12 residential blocks under development located in Shijiao District, Guangdong, China.	Leasehold expiring 2075	52,257	21,629	21

Major Properties For Development and/or Resale

DESCRIPTION & LOCATION	SITE AREA (SQ. METRES)	TENURE	EFFECTIVE GROUP INTEREST (%)
RESIDENTIAL			
The Albany & Thomson Mansions + State Land	6,747	Freehold	100
Anderson 18	10,414	Freehold	50
Buckley Mansion/9 Buckley Road	6,347	Freehold	100
Chestnut Avenue	22,700	99 years	60
Concorde Residences, Balestier Court & Bright Building + State Land	5,625	Freehold	100
Futura	8,086	Freehold	100
Jalan Kolam Ayer, JB, Malaysia	24,739	Freehold	100
Jalan Waspada, JB, Malaysia	6,368	Freehold	100
Lucky Tower	15,718	Freehold	100
Pasir Ris Land Parcels 2 and 3 + State Land	72,008	99 years	51
Pasir Ris Land Parcels 4 and 5	84,102	999 years	51
15, 19 & 21 Swiss Club Road	19,842	Freehold	100
Tampines Road/Upper Changi Road North	58,245	Freehold	33
INDUSTRIAL DEVELOPMENT			
Jalan Lam Huat	15,564	Freehold	100
100F Pasir Panjang Road	2,900	Freehold	100
100G Pasir Panjang Road	11,219	Freehold	99
421 Tagore Avenue	13,314	Freehold	100
COMMERCIAL/HOTEL			
Quayside Isle Collection (Retail)	8,332	99 years	100
MIXED DEVELOPMENT			
South Beach Project	34,959	99 years	33

Major Properties In The Course of Development

DESCRIPTION	LOCATION	SITE AREA (SQ. METRES)	GROSS FLOOR AREA (SQ. METRES)	TENURE	EFFECTIVE GROUP INTEREST (%)	APPROXIMATE PERCENTAGE COMPLETION (%)	EXPECTED COMPLETION DATE
RESIDENTIAL DEVELOPMENT							
The Arte	Jalan Datoh	16,706	46,778	Freehold	100	80	2010
The Oceanfront @ Sentosa Cove	Sentosa Cove	18,316	45,789	99 years	50	93	2010
Tribeca	Havelock Road/ Kim Seng Road	5,485	22,413	Freehold	100	89	2010
Cliveden at Grange	Grange Road/ Jalan Arnap	12,857	27,000	Freehold	100	50	2011
Livia	Pasir Ris Drive 1	41,581	87,244	99 years	51	30	2011
One Shenton	Shenton Way	3,875	47,644	99 years	100	64	2011
Shelford Suites	Shelford Road	7,113	9,958	Freehold	100	45	2011
Wilkie Studio	Upper Wilkie Road	2,876	5,057	Freehold	100	77	2011
The Residences at W Singapore Sentosa Cove	Oceanway	23,263	37,221	99 years	100	54	2012
Boulevard Hotel Site	Cuscaden Road/ Orchard Boulevard	12,127	37,352	Freehold	40	*	2013
The Gale	Flora Road	25,004	35,005	Freehold	33	*	2013
Volari	Balmoral Road	9,493	15,189	Freehold	100	*	2013
Hundred Trees	West Coast Drive	24,860	43,730	956 years	100	*	2014
Oseania Resort	Ancol, Jakarta	22,698	70,435	Leasehold	30	*	-
COMMERCIAL DEVELOPMENT							
W Singapore Sentosa Cove	Oceanway	17,016	23,805	99 years	100	13	2012

* work less than 10% completed

HOTELS*	TENURE	SITE AREA (SQ. METRES)	NUMBER OF ROOMS	EFFECTIVE GROUP INTEREST (%)
ASIA				
Hotel Nikko Hong Kong 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	463	26
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	13
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	390	43
The Heritage Hotel Manila Roxas Boulevard at corner of EDSA Pasay City, Metropolitan Manila, Philippines	Fee Simple	9,888	450	35
Copthorne Orchid Hotel Penang Tanjung Bungah, 11200 Penang, Malaysia	Freehold	10,329	307	54
Grand Millennium Kuala Lumpur 160 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia	Freehold	7,899	459	54
Copthorne Orchid Hotel Singapore 214 Dunearn Road, Singapore	Freehold	16,629	440	54
Studio M 3 Nanson Road, Singapore (expected to soft open Quarter 2 2010)	99-year lease commencing February 2007	2,932	365	54
Millennium Seoul Hilton 395 Namdaemun-ro 5-Ga, Chung-gu, Seoul, South Korea	Freehold	18,760	681	54
Grand Hyatt Taipei Taipei World Trade Centre, Sung Shou Road, Taipei, Taiwan	50-year term extendable to 80-year term wef 07.03.1990	14,317	856	44
Grand Millennium Sukhumvit Bangkok 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	5,053	325	27
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	521	16
West Coast Resort Hainan Yingbin Peninsula, Hainan Province, China	60-year lease expiring January 2067	N.A. Strata Title	281 and 16 villas	21

* Hotel information as at 26 February 2010

Major Properties

HOTELS*	TENURE	SITE AREA (SQ. METRES)	NUMBER OF ROOMS	EFFECTIVE GROUP INTEREST (%)
EUROPE				
Millennium Bailey's Hotel London Kensington 140 Gloucester Road, London SW7 4QH, England	Freehold	1,923	211	54
Millennium Hotel London Mayfair Grosvenor Square, Mayfair, London W1K 2HP, England	Leasehold to year 2096	4,260	336	54
Millennium Hotel London Knightsbridge 17 Sloane Street, Knightsbridge, London SW1X 9NU, England	Leasehold to year 2091	809	222	54
Millennium Gloucester Hotel & Conference Center London Kensington Harrington Gardens, London SW7 4LH, England	Freehold	6,348	610	54
Millennium Hotel Glasgow George Square, Glasgow G2 1DS, Scotland	Leasehold to year 2109	9,398	117	54
Millennium Hotel Paris Opéra 12 Boulevard Haussmann, 75009 Paris, France	Freehold	1,093	163	54
Millennium Hotel Paris Charles de Gaulle Zone Hoteliere, Allée du Verger, 95700 Roissy-en-France, France	Freehold	11,657	239	54
Millennium Hotel & Resort Stuttgart Plieninger Strasse 100, 70567 Stuttgart, Germany	Short Leasehold to year 2011	39,094	451	54
Copthorne Hotel Hannover Würzburger Strasse 21, 30800 Hannover-Laatzen, Germany	Short Leasehold to year 2014	13,165	222	54
Copthorne Hotel Aberdeen 122 Huntly Street, Aberdeen AB10 1SU, Scotland	Freehold	1,302	89	45

* Hotel information as at 26 February 2010

HOTELS*	TENURE	SITE AREA (SQ. METRES)	NUMBER OF ROOMS	EFFECTIVE GROUP INTEREST (%)
EUROPE (continued)				
Copthorne Hotel Birmingham Paradise Circus, Birmingham B3 3HJ, England	Freehold	2,188	212	54
Copthorne Hotel Cardiff-Caerdydd Copthorne Way, Culverhouse Cross, Cardiff CF5 6DH, Wales	Freehold	26,305	135	54
Copthorne Hotel & Resort Effingham Park London Gatwick West Park Road, Copthorne, West Sussex RH10 3EU, England	Freehold	161,878	122	54
Copthorne Hotel London Gatwick Copthorne Way, Copthorne, West Sussex RH10 3PG, England	Freehold	404,694	227	54
Copthorne Hotel Manchester Clippers Quay, Salford Quays, Manchester M50 3SN, England	Leasehold to year 2135	9,800	166	54
Copthorne Hotel Merry Hill-Dudley The Waterfront, Level Street, Brierley Hill, Dudley, West Midlands DY5 1UR, England	Freehold	13,734	138	54
Copthorne Hotel Newcastle The Close, Quayside, Newcastle upon Tyne NE1 3RT, England	Freehold	9,200	156	51
Copthorne Hotel Plymouth Armada Way, Plymouth PL1 1AR, England	Leasehold to year 2110	1,853	135	54
Copthorne Hotel Slough-Windsor Cippenham Lane, Slough, Berkshire SL1 2YE, England	Freehold	6,880	219	54
Copthorne Tara Hotel London Kensington Scarsdale Place, Kensington, London W8 5SR, England	Freehold	19,860	833	54

* Hotel information as at 26 February 2010

HOTELS*	TENURE	SITE AREA (SQ. METRES)	NUMBER OF ROOMS	EFFECTIVE GROUP INTEREST (%)
NORTH AMERICA				
Millennium Broadway Hotel New York 145 West 44th Street, New York, NY 10036-4012, USA	Freehold	2,122	750	54
Millenium Hilton 55 Church Street, New York, NY 10007, USA	Freehold	1,680	569	54
Millennium Alaskan Hotel Anchorage 4800 Spenard Road, Anchorage, AK 99517-3236, USA	Freehold	20,639	248	54
Millennium Biltmore Hotel Los Angeles 506 South Grand Avenue, Los Angeles, CA 90071, USA	Freehold	11,331	683	54
Millennium Bostonian Hotel Boston 26 North Street, At Faneuil Hall Marketplace, Boston, MA 02109, USA	Freehold	2,796	201	54
Millennium Hotel Cincinnati 150 West Fifth Street, Cincinnati, OH 45202, USA	Freehold	6,839	872	54
Millennium Harvest House Boulder 1345 28th Street, Boulder, CO 80302-6899, USA	Freehold	64,019	269	54
Millennium Knickerbocker Hotel Chicago 163 East Walton Place, Chicago, IL 60611, USA	Freehold	2,007	306	54
Millennium Maxwell House Nashville 2025 Metro Center Boulevard, Nashville, TN 37228, USA	Leased to year 2030 (with two 10-year options)	36,421	287	54
Millennium Resort Scottsdale McCormick Ranch 7401 North Scottsdale Road, Scottsdale, AZ 85208, USA	Leased to year 2033 (with two 10-year options)	32,819	125	54
Millennium Hotel Minneapolis 1313 Nicollet Mall, Minneapolis, MN 55403, USA	Leased to year 2030 (with three 5-year options)	4,537	321	54
Millennium Hotel St. Louis 200 South 4th Street, St. Louis, MO 63102-1804, USA	Freehold	17,033	780	54
Millennium UN Plaza Hotel New York 1 UN Plaza, 44th Street at 1st Avenue, New York, 10017-3575, USA	Freehold/Leased to year 2079	4,554	427	54

* Hotel information as at 26 February 2010

HOTELS*	TENURE	SITE AREA (SQ. METRES)	NUMBER OF ROOMS	EFFECTIVE GROUP INTEREST (%)
NORTH AMERICA (continued)				
Millennium Hotel Durham 2800 Campus Walk Avenue, Durham, NC 27705-4479, USA	Freehold	42,814	313	54
Comfort Inn Beaver Creek 161 West Beaver Creek Boulevard, Avon, CO 81620-5510, USA	Freehold	11,209	146	54
Eldorado Hotel & Spa 309 West San Francisco Street, Santa Fe, NM 87501-2115, USA	Indirect Interest	7,349	219	11
Pine Lake Trout Club 17021 Chillicothe Road, Chagrin Falls, OH 44023-0282, USA	Freehold	331,121	6	54
Millennium Hotel Buffalo 2040 Walden Avenue, Buffalo, NY 14225-5186, USA	Leased to year 2012 (with two 10-year options)	31,726	300	54
Best Western Lakeside 7769 W Irlo Bronson Memorial Highway, Kissimmee, FL 34747-1750, USA	Freehold	93,796	651	54
NEW ZEALAND				
Millennium Hotel Christchurch 14 Cathedral Square, Christchurch, New Zealand	Leasehold to year 2010 (with a 5-year option)	1,417	179	38
Millennium Hotel Queenstown Corner Frankton Road & Stanley St., Queenstown, New Zealand	Freehold	7,453	220	26
Millennium Hotel Rotorua Corner Eruera & Hinemaru Streets, Rotorua, New Zealand	Freehold/ Perpetual leasehold land	10,109	227	38
Copthorne Hotel Auckland City 150 Anzac Avenue, Auckland, New Zealand	Perpetual/Leasehold land	2,495	110	26
Copthorne Hotel Auckland Harbour City 196-200 Quay Street, Auckland, New Zealand	Freehold	2,407	187	38

* Hotel information as at 26 February 2010

HOTELS*	TENURE	SITE AREA (SQ. METRES)	NUMBER OF ROOMS	EFFECTIVE GROUP INTEREST (%)
NEW ZEALAND (continued)				
Copthorne Hotel & Resort Bay of Islands Tau Henare Drive, Paihia, New Zealand	Leasehold to year 2021 (with a 30-year option)	62,834	180	19
Copthorne Hotel Christchurch Central 776 Colombo Street, Christchurch, New Zealand	Freehold	2,154	142	38
Copthorne Hotel Christchurch Durham Street Corner Durham & Kilmore Streets, Christchurch, New Zealand	Leasehold to year 2015	1,734	161	26
Copthorne Hotel Oriental Bay Wellington 100 Oriental Parade, Wellington, New Zealand	Freehold	3,904	118	26
Copthorne Hotel & Resort Queenstown Lakefront Corner Adelaide Street & Frankton Road, Queenstown, New Zealand	Freehold	18,709	241	38
Kingsgate Hotel Parnell Auckland 92-102 Gladstone Road, Parnell, Auckland, New Zealand	Leasehold to year 2010 (with a 2-year option)	7,650	114	26
Kingsgate Hotel Dunedin 10 Smith Street, Dunedin, New Zealand	Freehold	2,193	55	26
Kingsgate Hotel Greymouth 32 Mawhera Quay, Greymouth, New Zealand	Freehold/ Perpetual leasehold land	2,807	98	38
Kingsgate Hotel Rotorua Fenton Street, Rotorua, New Zealand	Freehold	35,935	136	26
Kingsgate Hotel Palmerston North 110 Fitzherbert Avenue, Palmerston North, New Zealand	Freehold	15,514	151	26
Kingsgate Hotel Terraces Queenstown 88 Frankton Road, Queenstown, New Zealand	Freehold	4,713	85	26
Kingsgate Hotel Te Anau 20 Lakefront Drive, Te Anau, New Zealand	Freehold	8,819	94	38

* Hotel information as at 26 February 2010

HOTELS*	TENURE	SITE AREA (SQ. METRES)	NUMBER OF ROOMS	EFFECTIVE GROUP INTEREST (%)
OWNED BY CDL HOSPITALITY TRUSTS				
ASIA				
Grand Copthorne Waterfront Hotel Singapore# 392 Havelock Road, Singapore	75-year leasehold interest commencing from 19.07.2006	10,860	574	21
M Hotel Singapore# 81 Anson Road, Singapore	75-year leasehold interest commencing from 19.07.2006	2,134	413	21
Copthorne King's Hotel Singapore 403 Havelock Road, Singapore	99-year leasehold interest commencing from 01.02.1968	5,637	310	21
Orchard Hotel Singapore# 442 Orchard Road, Singapore	75-year leasehold interest commencing from 19.07.2006	8,588@	653	21
Orchard Hotel Shopping Arcade, Singapore# 442 Orchard Road, Singapore	75-year leasehold interest commencing from 19.07.2006	5,462 (nett lettable area)	N.A.	21
Novotel Clarke Quay, Singapore 177A River Valley Road, Singapore	97 years and 30 days leasehold interest commencing from 02.04.1980	12,925	401	21
AUSTRALIA				
Novotel Hotel Brisbane 200 Creek Street Brisbane, Queensland	Volumetric freehold	1,956	296	21
Mercure & Ibis Hotel Brisbane 85-87 North Quay / 27 Turbot Street Brisbane, Queensland	Interconnected at ground level, situated on one freehold title	3,847	412	21
Mercure Hotel Perth 10 Irwin Street Perth, Western Australia	Strata freehold	757	239	21
Ibis Hotel Perth 334 Murray Street Perth, Western Australia	Freehold	1,480	192	21
NEW ZEALAND				
Rendezvous Hotel Auckland 71-87 Mayoral Drive, Auckland, New Zealand	Freehold	5,910	455	21

* Hotel information as at 26 February 2010
\# The Group has freehold reversionary interest of the property at the expiry of the 75-year lease
@ Including Orchard Hotel Shopping Arcade

STATUTORY REPORTS AND ACCOUNTS

Directors' Report

We are pleased to submit this report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2009.

Directors

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

Kwek Leng Beng (Executive Chairman)
Kwek Leng Joo (Managing Director)
Chee Keng Soon
Foo See Juan
Kwek Leng Peck
Han Vo-Ta
Tang See Chim
Yeo Liat Kok Philip (Appointed on 11 May 2009)

Arrangements to Enable Directors to Acquire Shares or Debentures

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.

Directors' Interests in Shares or Debentures

Except as disclosed in this report, 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 date of appointment, if later, 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.

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50, particulars of interests of directors who held office at the end of the financial year (including those of their spouses and infant children) in shares and/or share options in the Company and in related corporations are as follows:

	Holdings in which the director, his spouse and infant children 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 Joo	65,461	65,461
Kwek Leng Peck	43,758	43,758
Tang See Chim	11,000	11,000
Preference Shares		
Kwek Leng Beng	144,445	144,445
Kwek Leng Joo	100,000	100,000
Tang See Chim	4,000	4,000

Directors' Interests in Shares or Debentures (cont'd)

	Holdings in which the director, his spouse and infant children have a direct 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	2,320	2,320
Kwek Leng Joo	1,290	1,290
Kwek Leng Peck	10,921	10,921
Subsidiaries		
City e-Solutions Limited **Ordinary Shares of HK$1 each**		
Kwek Leng Beng	3,286,980	3,286,980
Kwek Leng Joo	1,436,000	1,436,000
Kwek Leng Peck	2,082,200	2,082,200
Foo See Juan	8,363	8,363
Millennium & Copthorne Hotels New Zealand Limited **Ordinary Shares**		
Kwek Leng Beng	3,000,000	3,000,000
Related Corporations		
Hong Leong Finance Limited **Ordinary Shares**		
Kwek Leng Beng	4,603,567	4,603,567
Kwek Leng Joo	703,610	703,610
Kwek Leng Peck	517,359	517,359
Foo See Juan	22,981	30,000
Options to subscribe for the following number of ordinary shares under the Hong Leong Finance Share Option Scheme 2001		
Kwek Leng Beng	2,800,000	3,160,000
Hong Leong Holdings Limited **Ordinary Shares**		
Kwek Leng Beng	259,000	259,000
Kwek Leng Joo	210,000	210,000
Kwek Leng Peck	381,428	381,428

Directors' Interests in Shares or Debentures (cont'd)

	Holdings in which the director, his spouse and infant children have a direct interest	
	At beginning of the year	At end of the year
Related Corporations (cont'd)		
Hong Leong Asia Ltd. **Ordinary Shares**		
Kwek Leng Beng	600,000	660,000
Kwek Leng Peck	1,000,000	1,430,000
Foo See Juan	20,000	50,000
Options to subscribe for the following number of ordinary shares under the Hong Leong Asia Share Option Scheme 2000		
Kwek Leng Beng	60,000	–
Kwek Leng Peck	850,000	420,000
Hong Realty (Private) Limited **Ordinary Shares**		
Kwek Leng Beng	1,110	1,110
Kwek Leng Joo	510	510
Kwek Leng Peck	150	150
Euroform (S) Pte. Limited **Ordinary Shares**		
Kwek Leng Joo	50,000	50,000
Sun Yuan Holdings Pte Ltd **Ordinary Shares**		
Kwek Leng Beng	15,000,000	15,000,000
Tasek Corporation Berhad **Ordinary Shares of RM1 each**		
Kwek Leng Beng	248,400	–
Hong Leong-Summit Pte Ltd **(Liquidated on 18 November 2009)** **Ordinary Shares**		
Han Vo-Ta	920,000	–

Directors' Interests in Shares or Debentures (cont'd)

	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 2010.

Directors' Interests in Contracts

During the financial year, the Company and/or its related corporations have in the normal course of business entered into transactions with directors and/or their affiliated parties, being related parties and parties in which some of the directors are deemed to have an interest, with the directors having disclosed their interests in such transactions pursuant to Section 156 of the Companies Act, Chapter 50. Such transactions may comprise loans, deposits, provision of nominee and corporate advisory services, foreign exchange transactions, insurance transactions, property-related transactions, construction-related transactions, industrial-related transactions, consumer-related transactions, investing in real estate used for hospitality and/or hospitality-related purposes, purchase/sale of investments or investment products, property, industrial and consumer biodegradable and non-biodegradable products, goods including vehicles, parts and accessories and provision and receipt of after-sales services, hotel-related transactions, procurement services, information technology services, e-commerce-related transactions, management and consultancy services and/or other transactions carried out on normal commercial terms and in the normal course of business of the Company and/or its related corporations.

However, the directors have neither received nor become entitled to receive any benefit arising out of these transactions other than those to which they may be entitled as customers, suppliers, directors and members of these corporations.

Except as disclosed above and in the accompanying financial statements, and except for remuneration and professional fees received from the related corporations, since the end of the last financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company and/or its related corporations with the director, or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Share Options

By the Company

The City Developments Share Option Scheme 2001 (CDL Scheme), which was approved by shareholders of the Company on 30 January 2001, is administered by a committee comprising the following members (Scheme Committee):

Chee Keng Soon (Chairman)
Kwek Leng Joo
Foo See Juan
Tang See Chim

Directors' Report

Share Options (cont'd)

By the Company (cont'd)

(a) Under the terms of the CDL Scheme, the Scheme Committee may make offers of the grant of options to:

(i) Group Employees and Parent Group Employees (both as defined in the CDL Scheme) which may be exercisable during an option exercise period commencing from the date that the option vests and expiring on the day preceding the tenth anniversary of its date of grant; and

(ii) Non-Executive Directors, Parent Group Non-Executive Directors and Associated Company Employees (all three as defined in the CDL Scheme) which may be exercisable during an option exercise period commencing from the date that the option vests and expiring on the day preceding the fifth anniversary of its date of grant.

Options granted under the CDL Scheme may have subscription prices that are, at the Scheme Committee's discretion, (i) Market Price Options; or (ii) Discount Price Options; or (iii) Incentive Price Options (all three as defined in the CDL Scheme).

The aggregate number of ordinary shares over which options may be granted under the CDL Scheme on any date, when added to the number of ordinary shares issued and issuable in respect of all options granted under the CDL Scheme, shall not exceed 8% of the total number of issued ordinary shares, excluding treasury shares, in the capital of the Company on the day preceding the relevant date of grant. The aggregate number of ordinary shares which may be offered by way of grant of options to Parent Group Employees and Parent Group Non-Executive Directors collectively under the CDL Scheme shall not exceed 20% of the total number of ordinary shares available under the CDL Scheme.

(b) No options have been granted since the commencement of the CDL Scheme.

(c) There were no unissued shares of the Company under option as at the end of the financial year.

(d) The CDL Scheme shall continue to be in force at the discretion of the CDL Scheme Committee for a maximum period of 10 years commencing from its adoption on 30 January 2001.

By Subsidiaries

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 Executive Share Option Scheme;
(iii) Millennium & Copthorne Hotels Sharesave Schemes 1996 and 2006; and
(iv) Millennium & Copthorne Hotels 2006 Long Term Incentive 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 Connal Rankin (Chairman), Christopher Keljik, His Excellency Shaukat Aziz and Nicholas George.

Share Options (cont'd)

By Subsidiaries (cont'd)

Millennium & Copthorne Hotels plc (M&C) (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 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).

(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) 17,591 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 463,310 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:

Share Options (cont'd)

By Subsidiaries (cont'd)

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

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

Date granted	Balance at beginning of year	Exercised during the year	Cancelled/ Lapsed/ Forfeited during the year	Balance at end of year	Exercised price per share £	Exercise period
Part I						
10.03.2003	12,000	(1,292)	–	10,708	1.9350	10.03.2006 – 09.03.2013
16.03.2004	10,285	–	–	10,285	2.9167	16.03.2007 – 15.03.2014
24.03.2005	15,058	–	–	15,058	3.9842	24.03.2008 – 23.03.2015
Part II						
10.03.2003	223,867	(16,299)	(29,857)	177,711	1.9350	10.03.2006 – 09.03.2013
16.03.2004	59,558	–	–	59,558	2.9167	16.03.2007 – 15.03.2014
24.03.2005	189,990	–	–	189,990	3.9842	24.03.2008 – 23.03.2015
	510,758	(17,591)	(29,857)	463,310		

(ii) Millennium & Copthorne Hotels Executive Share Option Scheme

(a) The Millennium & Copthorne Hotels Executive Share Option Scheme (M&C 1996 Scheme) is divided into two parts, Part A which was approved by the United Kingdom Inland Revenue under Schedule 9 of the United Kingdom Income and Corporation Taxes Act 1988 on 12 April 1996 and Part B, which was an unapproved executive share option scheme designed for the United Kingdom (UK) and non-UK executives of M&C.

(b) The M&C 1996 Scheme is administered by M&C's Remuneration Committee.

(c) Under the terms of Part A of the M&C 1996 Scheme, the board may offer any full time director or employee of M&C and its subsidiaries (M&C Group) (other than anyone within two years of retirement, or anyone who has a material interest in a close company and is thereby rendered ineligible under Paragraph 8, Schedule 9 of the United Kingdom Income and Corporation Taxes Act 1988), to participate in Part A of the M&C 1996 Scheme.

A person is eligible to be granted an option under Part B if he is a director or employee of any member of the M&C Group which is required to devote the whole or substantially the whole of his working time to the service of any member of the M&C Group.

Where an option has been exercised under Part B, the board may elect to pay cash to the executive concerned instead of issuing ordinary shares.

(d) No option shall be granted under the M&C 1996 Scheme in the period of 5 calendar years beginning with the year 1996 which would, at the time they are granted, cause the number of shares in M&C which shall have been or may be issued in pursuance of options granted in that period, or shall have been issued in that period otherwise than in pursuance of options, under the M&C 1996 Scheme or under any other employees' share option scheme adopted by M&C to exceed such number as representing 5% of the ordinary share capital of M&C in issue at that time.

Share Options (cont'd)

By Subsidiaries (cont'd)

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

(ii) Millennium & Copthorne Hotels Executive Share Option Scheme (cont'd)

(e) No option shall be granted under the M&C 1996 Scheme in any year which would, at the time they are granted, cause the number of shares in M&C which shall have been or may be issued in pursuance of options granted in the period of 10 calendar years ending with that year, or have been issued in that period otherwise than in pursuance of options, under the M&C 1996 Scheme or under any other employees' share scheme adopted by M&C to exceed such number as representing 10% of the ordinary share capital of M&C in issue at that time.

(f) The total subscription price payable for ordinary shares under options granted in any 10-year period (leaving out of account options which have been exercised) to any person under the M&C 1996 Scheme may not exceed four times the higher of the executive's total annual remuneration at that time and the total remuneration paid by the M&C Group to the executive in the preceding 12 months.

(g) 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) no ordinary shares of £0.30 each in M&C were issued under the subscription rights set out in the M&C 1996 Scheme.

As at the end of the financial year, there were no unissued shares under options pursuant to the M&C 1996 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	Cancelled/ Lapsed/ Forfeited during the year	Balance at end of year	Exercised price per share £	Exercise period
Part B						
15.03.2002	88,941	–	(88,941)	–	3.2250	15.03.2005 – 14.03.2009

(iii) Millennium & Copthorne Hotels Sharesave Schemes 1996 and 2006

(a) The Millennium & Copthorne Hotels Sharesave Schemes 1996 and 2006 (M&C Sharesave Schemes) are the United Kingdom Inland Revenue approved schemes 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 Schemes, 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 first such scheme was introduced in 1996 with a life of ten years. A replacement 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 Schemes provide 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 at normal retirement age, redundancy, injury, disability or by the employees' estate in the event of their death.

Share Options (cont'd)

By Subsidiaries (cont'd)

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

(iii) Millennium & Copthorne Hotels Sharesave Schemes 1996 and 2006 (cont'd)

(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 £250 per month.

(f) During the financial year under review, (i) 271,743 options were granted to subscribe for ordinary shares of £0.30 each in M&C; and (ii) 17,157 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 Schemes.

As at the end of the financial year, there were 366,739 unissued shares under options pursuant to the M&C Sharesave Schemes. 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	Cancelled/ Lapsed/ Forfeited during the year	Balance at end of year	Exercised price per share £	Exercise period
20.04.2004	25,427	–	(9,500)	(2,794)	13,133	2.3400	01.07.2009 – 31.12.2009
23.03.2005	10,885	–	–	(10,885)	–	3.0800	01.07.2008 – 31.12.2008
23.03.2005	23,600	–	–	(12,445)	11,155	3.0800	01.07.2010 – 31.12.2010
19.06.2006	31,516	–	(7,191)	(4,486)	19,839	3.2500	01.08.2009 – 31.01.2010
19.06.2006	26,837	–	–	(4,455)	22,382	3.2500	01.08.2011 – 31.01.2012
26.03.2007	15,866	–	–	(6,682)	9,184	5.2000	01.07.2010 – 31.12.2010
26.03.2007	10,760	–	–	(3,962)	6,798	5.2000	01.07.2012 – 31.12.2012
20.03.2008	63,540	–	(434)	(26,130)	36,976	3.2800	01.07.2011 – 31.12.2011
20.03.2008	34,512	–	–	(28,369)	6,143	3.2800	01.07.2013 – 31.12.2013
01.04.2009	–	210,168	(32)	(28,957)	181,179	1.5400	01.08.2012 – 31.01.2013
01.04.2009	–	61,575	–	(1,625)	59,950	1.5400	01.08.2014 – 31.01.2015
	242,943	271,743	(17,157)	(130,790)	366,739		

(iv) Millennium & Copthorne Hotels 2006 Long Term Incentive Plan

The Millennium & Copthorne Hotels 2006 Long Term Incentive Plan (LTIP) was approved at the M&C 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 are determined by M&C's Remuneration Committee.

Vesting of Performance Share Awards is subject to the achievement of stretching performance targets. Consistent with the performance measures for M&C's executive share options schemes, earnings per share (EPS) targets have been chosen so that participants are incentivised to deliver significant earnings growth which, in turn, should return substantial shareholder value.

Share Options (cont'd)

By Subsidiaries (cont'd)

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

(iv) Millennium & Copthorne Hotels 2006 Long Term Incentive Plan (cont'd)

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 after award. Performance Share Awards will vest on the third anniversary of the award being made, subject to the EPS growth targets being met. Awards will not be subject to re-testing.

During the financial year under review, Performance Share Awards were made over 1,603,727 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 forfeited during the year	Balanced at end of year	Vesting date
01.09.2006	162,722	–	(158,482)	(4,240)	–	01.09.2009
27.03.2007	142,887	–	(36,577)	(1,253)	105,057	27.03.2010
18.09.2007	54,222	–	–	(25,547)	28,675	18.09.2010
25.06.2008	717,772	–	–	(129,428)	588,344	25.06.2011
30.03.2009	–	1,603,727	–	(106,521)	1,497,206	30.03.2012
	1,077,603	1,603,727	(195,059)	(266,989)	2,219,282	

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.

(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.

As at the end of the financial year, there were no unissued shares under options pursuant to the CES Scheme.

Share Options (cont'd)

By Subsidiaries (cont'd)

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 Committee

The Audit Committee comprises 4 non-executive members of the Board, all of whom are independent. The members of the Audit Committee at the date of this report are:

Chee Keng Soon (Chairman)
Foo See Juan
Han Vo-Ta
Tang See Chim

The Audit Committee met 8 times during the financial year ended 31 December 2009 and performed the functions set out in Section 201B(5) of the Companies Act, Chapter 50. In performing its functions, the Audit 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 Committee also reviewed the consolidated financial statements and the financial statements of the Company for the financial year ended 31 December 2009 as well as the auditors' report thereon.

The Audit Committee has 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.

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

Kwek Leng Joo
Managing Director

Singapore
16 March 2010

Statement by Directors

In our opinion:

(a) the financial statements set out on pages 83 to 175 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2009 and the results, statement of changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act, Chapter 50 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors

Kwek Leng Beng
Executive Chairman

Kwek Leng Joo
Managing Director

Singapore
16 March 2010

Independent Auditors' Report

Members of the Company
City Developments Limited

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 2009, the income statement, 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 notes, as set out on pages 83 to 175.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards. This responsibility includes:

(a) 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 profit and loss accounts and balance sheets and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

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 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 and fair presentation of the financial statements 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:

(a) 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 to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2009 and the results, changes in equity and cash flows of the Group for the year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries 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 Certified Public Accountants

Singapore
16 March 2010

Statements of Financial Position

As at 31 December 2009

	Note	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Non-current assets					
Property, plant and equipment	3	**3,616,768**	4,161,527	**8,010**	166,945
Investment properties	4	**3,063,766**	2,312,675	**540,212**	277,115
Investments in:					
- subsidiaries	5	**–**	–	**2,259,199**	2,258,199
- associates	6	**345,725**	348,644	**–**	–
- jointly-controlled entities	7	**675,702**	693,860	**36,360**	35,204
Financial assets	8	**393,660**	162,718	**33,543**	23,387
Other non-current assets	9	**121,243**	18,569	**638,260**	105,218
		8,216,864	7,697,993	**3,515,584**	2,866,068
Current assets					
Development properties	10	**3,278,635**	2,920,056	**1,157,075**	1,534,891
Consumable stocks		**10,143**	11,220	**–**	–
Financial assets	8	**32,671**	19,727	**–**	–
Assets classified as held for sale	11	**14,782**	–	**–**	–
Trade and other receivables	12	**757,820**	1,098,648	**2,592,156**	2,592,840
Cash and cash equivalents	15	**981,486**	775,882	**407,571**	159,490
		5,075,537	4,825,533	**4,156,802**	4,287,221
Total assets		**13,292,401**	12,523,526	**7,672,386**	7,153,289
Equity attributable to equity holders of the Company					
Share capital	16	**1,991,397**	1,991,397	**1,991,397**	1,991,397
Reserves	17	**3,981,077**	3,438,311	**2,622,005**	2,417,943
		5,972,474	5,429,708	**4,613,402**	4,409,340
Minority interest		**1,691,707**	1,592,609	**–**	–
Total equity		**7,664,181**	7,022,317	**4,613,402**	4,409,340
Non-current liabilities					
Interest-bearing borrowings	19	**3,197,816**	3,286,610	**1,753,286**	1,640,280
Employee benefits	23	**40,682**	27,259	**–**	–
Other liabilities	24	**89,301**	84,388	**92,542**	26,343
Provisions	25	**1,818**	2,400	**–**	–
Deferred tax liabilities	26	**433,797**	410,616	**81,889**	65,922
		3,763,414	3,811,273	**1,927,717**	1,732,545
Current liabilities					
Trade and other payables	27	**795,599**	641,218	**777,938**	469,481
Interest-bearing borrowings	19	**818,312**	860,063	**244,962**	490,068
Employee benefits	23	**15,383**	14,536	**2,067**	1,804
Other liabilities	24	**75**	2,099	**–**	–
Provision for taxation		**230,528**	167,130	**106,300**	50,051
Provisions	25	**4,335**	4,890	**–**	–
Liabilities classified as held for sale	11	**574**	–	**–**	–
		1,864,806	1,689,936	**1,131,267**	1,011,404
Total liabilities		**5,628,220**	5,501,209	**3,058,984**	2,743,949
Total equity and liabilities		**13,292,401**	12,523,526	**7,672,386**	7,153,289

The accompanying notes form an integral part of these financial statements.

Consolidated Income Statement

Year ended at 31 December 2009

	Note	Group 2009 $'000	Group 2008 $'000
Revenue	28	**3,272,825**	2,945,229
Cost of sales		**(1,637,637)**	(1,271,410)
Gross profit		**1,635,188**	1,673,819
Other operating income	29	**7,896**	138,083
Administrative expenses		**(460,566)**	(504,569)
Other operating expenses		**(375,612)**	(527,523)
Profit from operating activities		**806,906**	779,810
Finance income		**31,844**	30,760
Finance costs		**(70,077)**	(115,273)
Net finance costs	29	**(38,233)**	(84,513)
Share of after-tax profit of associates		**17,437**	19,006
Share of after-tax profit of jointly-controlled entities		**45,478**	119,504
Profit before income tax		**831,588**	833,807
Income tax expense	30	**(160,956)**	(152,132)
Profit for the year	29	**670,632**	681,675
Attributable to owners of the Company:			
- Ordinary shareholders		**580,517**	568,038
- Preference shareholders		**12,904**	12,906
		593,421	580,944
Minority interest		**77,211**	100,731
Profit for the year		**670,632**	681,675
Earnings per share			
- Basic	31	**63.8 cents**	62.5 cents
- Diluted	31	**61.6 cents**	60.9 cents

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

Year ended 31 December 2009

	Group	
	2009	2008
	$'000	$'000
Profit for the year	**670,632**	681,675
Other comprehensive income		
Actuarial (losses)/gains on defined benefit plans	**(10,892)**	1,553
Change in fair value of equity investments available for sale	**17,567**	(26,876)
Exchange differences on hedges of net investment in foreign entities	**(21,964)**	43,069
Exchange differences on monetary items forming part of net investment in foreign entities	**920**	(13,913)
Exchange differences realised on disposal of a jointly-controlled entity and an associate	**96**	–
Share of other reserve movements of associates	**11**	(340)
Translation differences arising on consolidation of foreign entities	**74,297**	(313,694)
Other comprehensive income for the year, net of income tax	**60,035**	(310,201)
Total comprehensive income for the year	**730,667**	371,474
Attributable to:		
Owners of the Company	**613,057**	424,795
Minority interest	**117,610**	(53,321)
Total comprehensive income for the year	**730,667**	371,474

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

Year ended 31 December 2009

	Share capital $'000	Captial reserve $'000	Hedging reserve $'000	Fair value reserve $'000
Group				
At 1 January 2008	1,991,397	147,132	(189)	26,857
Total comprehensive income for the year	–	–	(179)	(26,876)
Transactions with owners, recorded directly in equity				
Change of interest in subsidiaries	–	1,547	–	–
Net return of capital to minority interest	–	–	–	–
Share-based payment transactions	–	–	–	–
Dividends (Note 32)	–	–	–	–
At 31 December 2008	1,991,397	148,679	(368)	(19)

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

Year ended 31 December 2009

Share option reserve $'000	Foreign currency translation reserve $'000	Accumulated profits $'000	Total attributable to equity holders of the Company $'000	Minority interest $'000	Total equity $'000
4,964	36,166	2,992,457	5,198,784	1,717,613	6,916,397
–	(129,910)	581,760	424,795	(53,321)	371,474
–	–	–	1,547	(5,049)	(3,502)
–	–	–	–	(24,835)	(24,835)
(651)	–	–	(651)	(587)	(1,238)
–	–	(194,767)	(194,767)	(41,212)	(235,979)
4,313	(93,744)	3,379,450	5,429,708	1,592,609	7,022,317

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

Year ended 31 December 2009

	Share capital $'000	Captial reserve $'000	Hedging reserve $'000	Fair value reserve $'000
Group				
At 1 January 2009	1,991,397	148,679	(368)	(19)
Total comprehensive income for the year	–	–	374	17,567
Transactions with owners, recorded directly in equity				
Change of interest in subsidiaries	–	(1,090)	(6)	–
Net capital contribution from minority interest	–	–	–	–
Share-based payment transactions	–	–	–	–
Dividends (Note 32)	–	–	–	–
At 31 December 2009	1,991,397	147,589	–	17,548

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

Year ended 31 December 2009

Other reserve	Share option reserve	Foreign currency translation reserve	Accumulated profits	Total attributable to equity holders of the Company	Minority interest	Total equity
$'000	$'000	$'000	$'000	$'000	$'000	$'000
–	4,313	(93,744)	3,379,450	5,429,708	1,592,609	7,022,317
(268)	–	7,784	587,600	613,057	117,610	730,667
–	75	2,871	5,253	7,103	(7,103)	–
–	–	–	–	–	583	583
–	3,708	–	–	3,708	3,360	7,068
–	–	–	(81,102)	(81,102)	(15,352)	(96,454)
(268)	8,096	(83,089)	3,891,201	5,972,474	1,691,707	7,664,181

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

Year ended 31 December 2009

	Note	Group 2009 $'000	Group 2008 $'000
Operating Activities			
Profit before income tax		831,588	833,807
Adjustments for:			
Depreciation and amortisation		134,362	132,036
Dividend income		(9,042)	(7,262)
Equity settled share-based transactions		3,674	2,996
Finance costs		70,077	115,273
Finance income		(31,844)	(30,760)
(Gain)/loss on liquidation and disposal of jointly-controlled entities and an associate		(1,126)	29
Impairment losses on an investment property and property, plant and equipment		10,470	71,305
Impairment losses on loan to a jointly-controlled entity		3,016	19,456
Loss/(profit) on sale of property, plant and equipment and investment properties		590	(48,259)
Profit from aborted sale of a subsidiary		–	(73,241)
Profit on disposal of interest in a subsidiary		–	(29)
Property, plant and equipment and investment properties written off		478	23,016
Share of after-tax profit of associates		(17,437)	(19,006)
Share of after-tax profit of jointly-controlled entities		(45,478)	(119,504)
Units in an associate received and receivable in lieu of fee income		(6,456)	(7,373)
Operating profit before working capital changes		942,872	892,484
Changes in working capital:			
Development properties		20,453	(340,768)
Stocks, trade and other receivables		(31,896)	(87)
Trade and other payables		119,102	(21,901)
Employee benefits		7,884	(13,112)
Cash generated from operations		1,058,415	516,616
Income tax paid		(72,399)	(78,789)
Cash flows from operating activities		986,016	437,827
Investing Activities			
Acquisition of minority interests		–	(4,876)
Acquisition of subsidiaries (net of cash acquired)	35	(35,043)	–
Capital expenditure on investment properties		(241,943)	(18,855)
Dividends received:			
- an associate		28,033	32,255
- financial investments		9,042	7,262
- jointly-controlled entities		248,850	27,050
Interest received		8,143	20,989
Increase of investments in associates		–	(63,926)
Increase of investments in jointly-controlled entities		(98)	(58,264)
Payments for purchase of property, plant and equipment		(62,158)	(442,804)
(Purchase)/disposal of financial assets		(215,961)	19,108
Proceeds from liquidation and disposal of jointly-controlled entities and an associate		6,680	–
Proceeds from sale of property, plant and equipment and investment properties		690	182,179
Proceeds less expenses from aborted sale of a subsidiary		–	73,241
Cash flows used in investing activities carried forward		(253,765)	(226,641)

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows
Year ended 31 December 2009

	Note	Group 2009 $'000	Group 2008 $'000
Cash flows used in investing activities brought forward		**(253,765)**	(226,641)
Financing Activities			
Advances from related parties		**35,965**	111,982
Capital contribution by/(return of capital to) minority shareholders (net)		**583**	(23,456)
Dividends paid		**(96,454)**	(235,979)
Finance lease payments		**(7)**	(196)
Interest paid (including amounts capitalised as property, plant and equipment and development properties)		**(94,799)**	(124,634)
(Repayment of)/net proceeds from revolving credit facilities and short-term bank borrowings		**(142,799)**	62,338
Payment of financing transaction costs		**(15,054)**	(2,682)
Proceeds from bank borrowings		**311,246**	381,953
Proceeds from issuance of bonds and notes		**400,000**	326,387
Repayment of bank borrowings		**(382,085)**	(389,017)
Repayment of bonds and notes		**(542,155)**	(223,604)
Repayment of other long-term liabilities		**(2,482)**	(2,487)
Cash flows used in financing activities		**(528,041)**	(119,395)
Net increase in cash and cash equivalents		**204,210**	91,791
Cash and cash equivalents at beginning of the year		**769,859**	710,566
Effect of exchange rate changes on balances held in foreign currencies		**6,065**	(32,498)
Cash and cash equivalents at end of the year	15	**980,134**	769,859

Significant non-cash transactions

(i) Management fee income of $6,456,000 (2008: $7,373,000) is received and receivable by the Group in the form of units in an associate.

(ii) Dividends amounting to $10,929,000 (2008: $15,368,000) were paid by a subsidiary to its minority shareholders in the form of scrip dividends.

(iii) An amount owing from a jointly-controlled entity totalling $223,029,000 (2008: $Nil) was capitalised as part of Group's cost of investment in that entity.

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 16 March 2010.

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 consultancy services and providers of information technology and procurement services.

The consolidated financial statements for the year ended 31 December 2009 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 jointly-controlled entities.

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 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 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)

In particular, information about significant areas of estimation uncertainty and 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 areas:

Note 2.2	Assessment of ability to control or exert significant influence over partly-owned investments
Note 2.18	Measurement of profit attributable to properties under development
Note 2.21	Estimation of provisions for current and deferred taxation
Note 3 and 4	Measurement of recoverable amounts of hotels 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
Note 10	Measurement of realisable amounts of development properties
Note 23	Valuation of defined benefit employee obligations
Note 37	Valuation of financial instruments that are not actively traded

Changes in accounting policies

Starting as of 1 January 2009 on adoption of new and revised FRSs, the Group has changed its accounting policies in the following areas:

(i) Determination and presentation of operating segments

From 1 January 2009, the Group determines and presents operating segments based on the information that is provided internally to the Board of Directors (BOD), who is the Group's chief operating decision maker. This change in accounting policy is due to the adoption of FRS 108 *Operating Segments*. Operating segments were previously determined and presented in accordance with FRS 14 *Segment Reporting*.

Comparative segment information has been re-presented in conformity with the transitional requirements of such standard. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

(ii) Presentation of financial statements

The Group applies revised FRS 1 *Presentation of Financial Statements* (2008), which became effective as of 1 January 2009. As a result, the Group presents in the consolidated statement of changes in equity all changes in equity relating to transactions with owners, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income.

Comparative information has been re-presented so that it is also in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

(iii) Classification of properties under construction or development for future use as investment properties

The Group applies Amendments to Financial Reporting Standard (FRS) 40 – *Investment Property* which became effective on 1 January 2009. As a result, the Group has reclassified the carrying value of properties which are under construction or development for future use as investment properties from property, plant and equipment to investment properties. This amendment has been applied prospectively from 1 January 2009 in accordance with the Amendments to FRS 40. Accordingly, comparative information has not been reclassified.

2 Summary of significant accounting policies (cont'd)

Changes in accounting policies (cont'd)

(iv) Financial instruments: Disclosures

The Group applies Amendments to FRS 107 *Financial Instruments: Disclosures*, which became effective on 1 January 2009. The amended standard requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements relating to items recorded at fair value are classified by the source of inputs using a three level fair value hierarchy, by class, for all financial instruments recognised at fair value. In addition, reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The Group has presented the fair value measurement disclosures as required by the Amendments. Comparative information has not been presented. The liquidity risk disclosures are not significantly impacted by the amendments.

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, except as explained above.

2.2 Consolidation

Business combinations

Business combinations are accounted for under the purchase method. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

The excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is credited to the income statement in the period of the acquisition.

Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Where the accounting policies of subsidiaries are different from those adopted by the Group, adjustments have been made to their financial statements in order that accounting policies are consistently applied in the consolidated financial statements.

Associates and jointly-controlled entities

Associates are companies in which the Group has significant influence, but not control, over their financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Jointly-controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Associates and jointly-controlled entities are accounted for using the equity method. The consolidated financial statements include the Group's share of the income, expenses and equity movements of associates and jointly-controlled entities, 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 associate or a jointly-controlled entity, the carrying amount of that interest (including any long-term interests that, in substance, form part of the Group's net investment in the associate or jointly-controlled entity) is reduced to nil 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.

Jointly-controlled assets

Joint venture arrangements which involve the use of the assets that are jointly-controlled (whether or not owned jointly), without the establishment of a separate entity, are referred to as jointly-controlled assets. The Group recognises its interests in jointly-controlled assets using proportionate consolidation.

2 Summary of significant accounting policies (cont'd)

2.2 Consolidation (cont'd)

Jointly-controlled assets (cont'd)

The Group combines its share of each of the assets, liabilities, income and expenses of the joint venture with the similar items, line by line, in its consolidated financial statements. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The joint venture is proportionately consolidated until the date on which the Group ceases to have joint control over the jointly-controlled assets.

Acquisitions of minority interests

Acquisitions of minority interests are accounted for as equity transactions. Any difference between the amount by which the minority interests are adjusted and the consideration paid is recognised directly in equity.

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 associates and jointly-controlled entities 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, associates and jointly-controlled entities by the Company

Investments in subsidiaries, associates and jointly-controlled entities are stated in the Company's statement of financial position at cost less accumulated impairment losses.

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 date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currencies at the exchange rates at the reporting 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 translated to the functional currencies at the exchange rates at the date on which their fair values were determined. Foreign currency differences arising on translation are recognised in the income statement, except for differences arising on the translation 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 (see below) or qualifying cash flow hedges, 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, including 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, excluding foreign operations in hyperinflationary economies, 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 closing rate. 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. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserve is transferred to the income statement as part of profit or loss on disposal.

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 a net investment in a 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 foreign currency translation reserve is transferred to income statement as part of profit or loss on disposal.

Hedge of net investment in a foreign operation

Foreign currency differences arising on the translation 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 the income statement. When the hedged net investment is disposed of, the cumulative amount in the foreign currency translation reserve is transferred to the income statement as an adjustment to the profit 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, and 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 the income statement.

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 the income statement when incurred.

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 the income statement 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 Summary of significant accounting policies (cont'd)

2.5 Intangible assets

Goodwill

Goodwill and negative goodwill arise on the acquisition of subsidiaries, associates and jointly-controlled entities.

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 the income statement 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.

Acquisitions on or after 1 January 2005

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 jointly-controlled entities is presented together with investments in associates and jointly-controlled entities.

Goodwill is measured at cost less accumulated impairment losses, and tested for impairment (Note 2.12). Negative goodwill is recognised immediately in the income statement.

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 are amortised in the income statement on a straight-line basis over their estimated useful lives of 15 years, from the date on which they are available for use.

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, or used in the production nor those used for the supply of goods or services, or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation

No depreciation is provided on freehold and 999-year leasehold land included in the investment properties.

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives (or lease terms, if shorter) of each component of the investment properties.

2 Summary of significant accounting policies (cont'd)

2.6 Investment properties (cont'd)

Depreciation (cont'd)

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 97 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 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 except for investment properties, the leased assets are not recognised in the statement of financial position.

2.8 Financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables and deposits 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. 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.

2 Summary of significant accounting policies (cont'd)

2.8 Financial instruments (cont'd)

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 the income statement as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in the income statement.

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 trade and other receivables excluding prepayments.

Cash and cash equivalents comprise cash balances and bank deposits. 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 for the purpose of the statement of cash flow.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. The Group's investments in certain equity securities and certain debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note 2.12) 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 transferred to the income statement.

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 impairment losses.

Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities 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 liability when its contractual obligations are discharged or 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 categories of non-derivative financial liabilities: borrowings and trade and other payables excluding deferred income.

2 Summary of significant accounting policies (cont'd)

2.8 Financial instruments (cont'd)

Non-derivative financial liabilities (cont'd)

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

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. 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.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the income statement when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in other comprehensive income and presented in the hedging reserve in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the income statement.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in other comprehensive income and presented in the hedging reserve in equity remains there until the forecast transaction affects the income statement. When the hedged item is a non-financial asset, the amount recognised in other comprehensive income is transferred to the carrying amount of the asset when the asset is recognised. If the forecast transaction is no longer expected to occur, then the balance in other comprehensive income is recognised immediately in the income statement. In other cases the amount recognised in other comprehensive income is transferred to the income statement in the same period that the hedged item affects the income statement.

Separable embedded derivatives

Changes in the fair value of separable embedded derivatives are recognised immediately in the income statement.

Other non-trading derivatives

When a derivative financial instrument is not held for trading, and is not designated in a qualifying hedge relationship, all changes in its fair value are recognised immediately in the income statement.

2.9 Interest-free intercompany loans

Loans to subsidiaries

In the Company's statement of financial position, interest-free intercompany loans to subsidiaries are stated at fair value at inception, except as described below. The difference between the fair values and the loan amounts at inception is recognised as additional investments in the Company's financial statements. Subsequently, these loans are measured at amortised cost using the effective interest method.

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)

2.9 Interest-free intercompany loans (cont'd)

Loans from subsidiaries

In the Company's financial statements, interest-free intercompany loans from subsidiaries are stated at fair value at inception. The difference between the fair values and the loan amounts at inception is recognised as distribution income in the Company's profit or loss. Subsequently, these loans are measured at amortised cost using the effective interest method.

Such balances are eliminated in full in the Group's consolidated financial statements.

2.10 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 plus, where appropriate, a portion of attributable profit, and estimated net realisable value, net of progress billings. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

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.

2.11 Consumable stocks

Consumable stocks comprise principally food and beverage and other hotel related consumable stocks. 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 selling expenses.

2.12 Impairment

Impairment of financial assets

A financial asset not carried at fair value through profit or loss 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 one or more loss events have had a negative effect 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 the income statement.

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 the income statement. 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 the income statement.

2 Summary of significant accounting policies (cont'd)

2.12 Impairment (cont'd)

Impairment of financial assets (cont'd)

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 the income statement. For available-for-sale financial assets that are equity securities, an impairment loss once recognised in the income statement is not reversed through the income statement. Any subsequent increase in fair value of such assets is recognised in other comprehensive income.

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 the income statement. 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 amount 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.

2.13 Non-current assets classified as held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on *pro rata* basis, except that no loss is allocated to consumable stocks, financial assets, deferred tax assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in the income statement. Gains are not recognised in excess of any cumulative impairment loss.

2.14 Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options 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 Summary of significant accounting policies (cont'd)

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 the income statement 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 discount rate is the yield at the reporting date on AA credit rated bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the total of any unrecognised past service costs and present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the income statement.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income in the period in which they arise.

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 related assets is deducted. The discount rate is the yield at the reporting date on AA credit rated bonds that have maturity dates approximating the terms of the Group's obligations. Any actuarial gains and losses are recognised in the income statement in the period in which they arise.

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 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 vesting 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 outcome.

2 Summary of significant accounting policies (cont'd)

2.15 Employee benefits (cont'd)

Share-based payment transactions (cont'd)

Share-based payment arrangements in which the Group receives goods or services as consideration for its equity instruments of the Group entites 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.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

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.

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 Company'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 Summary of significant accounting policies (cont'd)

2.18 Revenue recognition

Development properties for sale

The Group recognises income on property development projects when the risks and rewards of ownership have been transferred to the buyer. In cases where the Group is obliged to perform any significant acts after the transfer of legal title or an equitable interest, revenue is recognised as the acts are performed based on the percentage of completion method under Recommended Accounting Practice (RAP) 11 *Pre-completion Contracts for the Sale of Development Property* issued by the Institute of Certified Public Accountants of Singapore in October 2005. Under RAP 11, when (a) construction is beyond a preliminary stage, (b) the minimum down payment criterion is met, (c) sale prices are collectible, and (d) aggregate sales proceeds and costs can be reasonably estimated, the percentage of completion method is an allowed alternative. If any of the above criteria are not met, pre-completion proceeds received are accounted for as deposits until such criteria are met.

Under the percentage of completion method, 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 for each contract. Profits are recognised only in respect of finalised sales agreements to the extent that such profits relate to the progress of the construction work.

The Group's current policy of recognising revenue using the percentage of completion method on its development projects in Singapore is an allowed alternative under RAP 11. The impact on the financial statements, had revenue on the Singapore projects been recognised using the completion of construction method, is as follows:

	Group	
	2009	**2008**
	$'000	**$'000**
Decrease in revenue	**613,299**	436,173
Decrease/(increase) in profit for the year	**198,267**	(19,113)
Decrease in opening accumulated profits	**480,545**	499,658
Decrease in development properties as at 1 January	**422,313**	239,884
Decrease in development properties as at 31 December	**630,253**	422,313
Decrease in investments in jointly-controlled entities as at 1 January	**133,009**	306,584
Decrease in investments in jointly-controlled entities as at 31 December	**173,822**	133,009

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 the income statement when the shareholder's right to receive payment is established.

2.19 Operating leases

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease payments made. Contingent rentals are charged to the income statement in the accounting period in which they are incurred.

2 Summary of significant accounting policies (cont'd)

2.20 Finance income and costs

Finance income comprises mainly interest income on funds invested, mark-to-market gain on financial assets at fair value through the income statement and gain on hedging instruments that are recognised in the income statement. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense on borrowings, amortisation of transactions costs capitalised, mark-to-market loss on financial assets at fair value through the income statement and loss on hedging instruments that are recognised in the income statement. All borrowing costs are recognised in the income statement 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.

2.21 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement 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 receivables 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 the following temporary differences: the initial recognition of goodwill, 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, and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. 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 income 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.

2.22 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 period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, which comprise non-redeemable convertible non-cumulative preference shares and unquoted convertible notes issued by a jointly-controlled entity.

2.23 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues 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

	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 2008	2,863,623	1,239,300	387,068	1,067,460	17,194	5,574,645
Additions	49,301	15,027	216,575	55,565	57,470	393,938
Disposals	(536)	(65)	–	(10,959)	–	(11,560)
Written off during the year	–	–	–	(33,222)	(16)	(33,238)
Reclassifications and transfers	390,980	(347,198)	4,137	20,525	(68,444)	–
Transfers from development properties	1,262	–	55,029	–	–	56,291
Transfers to investment properties	–	–	–	(422)	–	(422)
Translation differences on consolidation	(255,419)	(183,330)	(11,180)	(113,150)	(3,004)	(566,083)
At 31 December 2008	3,049,211	723,734	651,629	985,797	3,200	5,413,571
Transfers to investment properties on the adoption of *Amendments to FRS 40*	–	(10,299)	(564,573)	–	–	(574,872)
Additions	3,020	436	36,689	14,818	3,190	58,153
Disposals	(485)	(144)	–	(40,239)	–	(40,868)
Written off during the year	(38)	–	–	(2,787)	–	(2,825)
Reclassifications and transfers	6,967	(203)	(1,298)	(965)	(4,501)	–
Translation differences on consolidation	20,389	33,600	(48)	21,418	132	75,491
At 31 December 2009	3,079,064	747,124	122,399	978,042	2,021	4,928,650
Accumulated depreciation and impairment losses						
At 1 January 2008	420,903	121,440	–	774,503	–	1,316,846
Charge for the year	18,156	7,634	–	59,989	–	85,779
Disposals	(478)	(76)	–	(10,190)	–	(10,744)
Written off during the year	–	–	–	(10,268)	–	(10,268)
Impairment losses	43,140	2,947	19,562	342	–	65,991
Reversal of impairment loss	–	(3,680)	–	–	–	(3,680)
Transfers to investment properties	–	–	–	(87)	–	(87)
Reclassifications	(14,905)	13,588	–	1,317	–	–
Translation differences on consolidation	(78,718)	10,255	(3,694)	(119,636)	–	(191,793)
At 31 December 2008	388,098	152,108	15,868	695,970	–	1,252,044
Transfers to investment properties on the adoption of *Amendments to FRS 40*	–	(596)	(11,901)	–	–	(12,497)
Charge for the year	18,654	6,613	–	53,626	–	78,893
Disposals	(138)	–	–	(39,450)	–	(39,588)
Written off during the year	–	–	–	(2,560)	–	(2,560)
Impairment losses	2,124	–	–	–	–	2,124
Reclassifications	1,483	(79)	–	(1,404)	–	–
Translation differences on consolidation	11,918	83	(106)	21,571	–	33,466
At 31 December 2009	422,139	158,129	3,861	727,753	–	1,311,882
Carrying amount						
At 1 January 2008	2,442,720	1,117,860	387,068	292,957	17,194	4,257,799
At 31 December 2008	2,661,113	571,626	635,761	289,827	3,200	4,161,527
At 31 December 2009	2,656,925	588,995	118,538	250,289	2,021	3,616,768

During the financial year, interest capitalised as cost of property, plant and equipment amounted to $383,000 (2008: $3,367,000).

3 Property, plant and equipment (cont'd)

	Freehold land and buildings $'000	Freehold properties under development $'000	Furniture, fittings and equipments $'000	Total $'000
Company				
Cost				
At 1 January 2008	2,570	96,225	26,235	125,030
Additions	–	63,148	1,717	64,865
Disposals	–	–	(25)	(25)
Written off during the year	–	–	(4,410)	(4,410)
At 31 December 2008	2,570	159,373	23,517	185,460
Transfers to investment properties on the adoption of *Amendments to FRS 40*	–	(158,149)	–	(158,149)
Additions	–	–	1,422	1,422
Disposals	–	–	(259)	(259)
Written off during the year	–	–	(292)	(292)
Reclassification	1,224	(1,224)	–	–
At 31 December 2009	3,794	–	24,388	28,182
Accumulated depreciation				
At 1 January 2008	–	–	20,828	20,828
Charge for the year	–	–	2,109	2,109
Disposals	–	–	(25)	(25)
Written off during the year	–	–	(4,397)	(4,397)
At 31 December 2008	–	–	18,515	18,515
Charge for the year	–	–	2,025	2,025
Disposals	–	–	(259)	(259)
Written off during the year	–	–	(109)	(109)
At 31 December 2009	–	–	20,172	20,172
Carrying amount				
At 1 January 2008	2,570	96,225	5,407	104,202
At 31 December 2008	2,570	159,373	5,002	166,945
At 31 December 2009	3,794	–	4,216	8,010

In 2008, interest capitalised as cost of property, plant and equipment amounted to $726,000.

3 Property, plant and equipment (cont'd)

Property, plant and equipment with the following carrying values were acquired under finance lease arrangements:

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Furniture, fittings and equipment	4	10	3	8

In 2009, upon the Group assessing the carrying value of its property, plant and equipment for indications of impairment, the carrying amounts of certain property, plant and equipment were written down by $2,124,000 (2008: $62,311,000). The impairment losses were included in "other operating expenses".

An impairment loss of $2,124,000 was recognised on a piece of freehold land located in India held by a subsidiary. The estimates of the recoverable amount was based on the prevailing market value of the land determined by a professional valuer.

In 2008, impairment losses of $24,852,000 were recognised in respect of freehold land located in United States of America and India held by a subsidiary. The estimates of recoverable amounts were based on the prevailing market value of the land determined by professional valuers. The remaining impairment losses charged of $41,139,000 and an impairment loss reversed of $3,680,000 were in relation to certain hotel properties held by a subsidiary. The estimates of recoverable amounts were based on the value-in-use of the said properties determined by either professional valuers or management of the subsidiary using discount rates ranging from 9.5% to 12.8% per annum as applicable to the nature and location of the assets in question.

Included in property, plant and equipment are certain hotel properties of the Group with carrying value totalling $523,836,000 (2008: $445,811,000) which are mortgaged to certain financial institutions to secure credit facilities (refer to Notes 20 and 21 for more details of the facilities).

4 Investment properties

	Group $'000	Company $'000
Cost		
At 1 January 2008	3,081,049	337,408
Additions	18,855	332
Transfers from property, plant and equipment	422	–
Disposals	(139,378)	–
Written off during the year	(310)	(177)
Translation differences on consolidation	17,769	–
At 31 December 2008	2,978,407	337,563
Transfers from property, plant and equipment on adoption of *Amendments to FRS 40*	574,872	158,149
Additions	272,657	111,856
Transfers to assets classified as held for sale	(16,348)	–
Written off during the year	(436)	(7)
Translation differences on consolidation	(6,613)	–
At 31 December 2009	3,802,539	607,561
Accumulated depreciation and impairment losses		
At 1 January 2008	612,796	55,466
Charge for the year	46,246	5,113
Transfers from property, plant and equipment	87	–
Disposals	(6,274)	–
Written off during the year	(264)	(131)
Impairment losses	8,994	–
Translation differences on consolidation	4,147	–
At 31 December 2008	665,732	60,448
Transfers from property, plant and equipment on adoption of *Amendments to FRS 40*	12,497	–
Charge for the year	55,457	6,908
Transfers to assets classified as held for sale	(1,566)	–
Written off during the year	(223)	(7)
Impairment losses	8,346	–
Translation differences on consolidation	(1,470)	–
At 31 December 2009	738,773	67,349
Carrying amount		
At 1 January 2008	2,468,253	281,942
At 31 December 2008	2,312,675	277,115
At 31 December 2009	3,063,766	540,212
Fair value		
At 31 December 2008	5,933,130	707,521
At 31 December 2009	6,651,673	1,096,013

4 Investment properties (cont'd)

Investment properties comprise commercial, residential and industrial properties that are leased to external customers. Generally, each of the leases is fixed for a period of 2 to 3 years or more, and subsequent renewals are negotiated at prevailing market rates and terms.

The fair values of investment properties located in Singapore are 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 value of investment properties located overseas is determined by independent licensed appraisers who have appropriate recognised professional qualification 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.

In 2009, upon the Group and the Company identifying indications of impairment and thereafter assessing the carrying values of their investment properties, the Group recognised impairment losses of $8,346,000 (2008: $8,994,000) as a result of a deterioriation in the property market in Japan. The estimate of the recoverable amount of the said property in Japan was based on its fair value less costs to sell as determined by an independent licensed appraiser. The impairment losses are included in "other operating expenses".

Investment properties of the Group with a total carrying amount of $1,186,859,000 (2008: $1,094,793,000) are mortgaged to certain financial institutions to secure credit facilities (refer to Notes 20 and 21 for more details of the facilities).

5 Investments in and balances with subsidiaries

	Note	Company 2009 $'000	Company 2008 $'000
Investments in subsidiaries			
Unquoted shares, at cost		**2,259,512**	2,258,512
Discount implicit in non-current inter-company balances		**7,095**	7,095
Impairment losses		**(7,408)**	(7,408)
		2,259,199	2,258,199
Balances with subsidiaries			
Amounts owing by subsidiaries			
- trade, interest-free		**2,703**	2,219
- non-trade, interest-free		**1,015,436**	762,501
- non-trade, interest-bearing		**1,813,122**	1,558,101
		2,831,261	2,322,821
Impairment losses		**(44,363)**	(36,822)
		2,786,898	2,285,999
Receivable within 1 year	12	**2,148,638**	2,180,781
Receivable after 1 year	9	**638,260**	105,218
		2,786,898	2,285,999

5 Investments in and balances with subsidiaries (cont'd)

	Note	Company 2009 $'000	Company 2008 $'000
Amounts owing to subsidiaries			
- trade, interest-free		**637**	46
- non-trade, interest-free		**391,876**	120,399
- non-trade, interest-bearing		**229,454**	174,093
		621,967	294,538
Repayable within 1 year	27	**560,843**	294,538
Repayable after 1 year	24	**61,124**	–
		621,967	294,538

In 2008, the Company assessed the carrying amount of its investments in subsidiaries which had been previously impaired. Based on this assessment, the Company reversed impairment losses of $618,000 on its investments in certain subsidiaries to reflect the value of the underlying properties held by these subsidiaries. The recoverable amounts of the investments were estimated using the value-in-use method based on management's estimates of the future underlying cash flows of the subsidiaries and a discount rate of 6.0% per annum.

The amounts owing by and to subsidiaries are unsecured. In respect of interest-bearing amounts owing by and to subsidiaries, interest was charged at 0.61% to 13.00% (2008: 0.93% to 2.96%) and at 0.35% to 3.57% (2008: 0.35% to 3.22%) per annum respectively. The 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 $607,819,000 (2008: $66,518,000) 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. The remaining non-current receivables from subsidiaries are not expected to be repaid within the next one year.

Impairment losses

The change in impairment losses in respect of amounts owing by subsidiaries during the year is as follows:

	Company 2009 $'000	Company 2008 $'000
At 1 January	**36,822**	35,029
Charge of impairment losses	**7,541**	1,793
At 31 December	**44,363**	36,822

Further details regarding subsidiaries are set out in Note 40.

6 Investments in and balances with associates

	Note	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Investments in associates		**345,725**	348,644	**–**	–
Balances with associates					
Amounts owing by associates					
- trade		**410**	418	**–**	–
- non-trade		**135**	8,001	**–**	–
		545	8,419	**–**	–
Receivable:					
- Within 1 year	12	**545**	2,135	**–**	–
- After 1 year	9	**–**	6,284	**–**	–
		545	8,419	**–**	–
Amounts owing to an associate payable within 1 year					
- trade	27	**6,143**	5,790	**10**	5

The amounts owing by and to associates are unsecured and interest free.

The amounts presented as receivable or repayable within 1 year are repayable on demand.

In 2008, the non-current amount owing by associates of $6,284,000 relate to a foreign currency denominated loan to an associate for which settlement was neither planned nor likely to occur in the foreseeable future. As the amount was in substance a part of the Group's net investment in the entity, it was stated at cost less accumulated impairment losses.

Included in the Group's investments in associates is an investment in the quoted equity of an associate with a carrying value of $278,546,000 (2008: $279,057,000) and whose fair value as at the reporting date based on published price quotations is $567,975,000 (2008: $234,816,000).

Summarised aggregated financial information relating to the associates, which is not adjusted for the percentage of ownership held by the Group, is as follows:

	2009 $'000	2008 $'000
Total assets	**1,333,332**	1,376,375
Total liabilities	**413,168**	439,199
Revenue	**136,632**	145,046
Profit after tax	**44,209**	49,866

Further details regarding the associates are set out in Note 40.

7 Investments in and balances with jointly-controlled entities

	Note	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Investments in jointly-controlled entities					
Investments in jointly-controlled entities		**675,702**	693,860	**37,360**	37,385
Impairment losses		**–**	–	**(1,000)**	(2,181)
		675,702	693,860	**36,360**	35,204
Balances with jointly-controlled entities					
Amounts owing by jointly-controlled entities					
- trade, interest-free		**1,679**	4,777	**798**	789
- non-trade, interest-bearing		**532,227**	533,837	**296,961**	306,246
- non-trade, interest-free		**24,403**	248,408	**–**	–
		558,309	787,022	**297,759**	307,035
Impairment losses		**(71,610)**	(65,765)	**(46,797)**	(50,001)
		486,699	721,257	**250,962**	257,034
Receivable:					
- Within 1 year	12	**394,927**	715,821	**250,962**	257,034
- After 1 year	9	**91,772**	5,436	**–**	–
		486,699	721,257	**250,962**	257,034
Amounts owing to jointly-controlled entities payable within 1 year					
- non-trade, interest-free	27	**20,301**	20,633	**–**	–

The amounts owing by and to jointly-controlled entities are unsecured. In respect of interest-bearing amounts, interest at rates ranging from 0.75% to 4.75% (2008: 1.50% to 4.75%) per annum and 1.50% to 2.50% (2008: 1.50% to 2.50%) per annum were charged by the Group and the Company respectively.

The amounts presented as receivable or repayable within 1 year are repayable on demand. Included in non-current amounts owing by jointly-controlled entities are loans to jointly-controlled entities with carrying amounts of $62,512,000 (2008: $5,436,000) for which settlement is neither planned nor likely to occur in the foreseeable future. As the amounts are in substance a part of the Group's net investment in the entities, they are stated at cost less accumulated impairment losses.

The change in impairment losses in respect of balances with jointly-controlled entities is as follows:

	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
At 1 January	**65,765**	48,793	**50,001**	43,630
Charge/(write-back) of impairment losses	**3,016**	19,456	**(3,189)**	6,371
Translation differences on consolidation	**2,829**	(2,484)	**(15)**	–
At 31 December	**71,610**	65,765	**46,797**	50,001

7 Investments in and balances with jointly-controlled entities (cont'd)

In total, the Group's share of the jointly-controlled entities' results, assets, liabilities and commitments is as follows:

	2009 $'000	2008 $'000
Results		
Revenue and other operating income	287,187	609,203
Cost of sales and other expenses	(221,360)	(438,023)
Profit before income tax	65,827	171,180
Income tax expense	(14,952)	(42,854)
Minority interest	(5,397)	(8,822)
Profit for the year	45,478	119,504
Assets and liabilities		
Non-current assets	587,185	581,268
Current assets	1,719,912	2,148,628
Total assets	2,307,097	2,729,896
Current liabilities	(423,233)	(1,405,975)
Non-current liabilities	(1,208,162)	(630,061)
Total liabilities	(1,631,395)	(2,036,036)
Commitments		
Development expenditure contracted but not provided for in the financial statements	60,388	48,060
Capital expenditure contracted but not provided for in the financial statements	2,965	–
Non-cancellable operating lease payables	–	2,252
Non-cancellable operating lease receivables	12,608	11,151

Further details regarding jointly-controlled entities are set out in Note 40.

8 Financial assets

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Non-current financial assets				
Unquoted equity investments available for sale				
- fellow subsidiaries	3,365	3,363	3,290	3,290
- non-related companies	140,873	128,430	1,340	1,340
Impairment losses	(5,204)	(5,254)	–	–
	139,034	126,539	4,630	4,630
Financial assets designated at fair value through profit or loss				
- unquoted convertible notes of a jointly-controlled entity	198,697	–	–	–
	337,731	126,539	4,630	4,630
Quoted equity investments available for sale				
- fellow subsidiaries	34,385	22,307	28,913	18,757
- non-related companies	21,544	13,872	–	–
	55,929	36,179	28,913	18,757
Total	393,660	162,718	33,543	23,387

	Group	
	2009	2008
	$'000	$'000
Current financial assets		
Equity investments held for trading		
- quoted	24,877	13,846
- unquoted	7,794	5,881
	32,671	19,727

Included in quoted equity investments held for trading are investments in shares of listed subsidiaries with a total carrying value of $9,603,000 (2008: $5,376,000) which are held by the Group for trading purposes.

Included in unquoted investments available for sale are investments with a total carrying amount of $129,192,000 (2008: $111,647,000) which are measured at cost less impairment losses as the fair values cannot be determined reliably. As a result, the variability in the range of reasonable fair value estimates derived from valuation techniques is expected to be significant. The Group does not intend to dispose of these investments in the foreseeable future.

Impairment losses on available-for-sale equity investments are recognised when there is a significant or prolonged decline in the fair value of such investments below their cost.

The Group has not reclassified any investments between various categories during the year.

9 Other non-current assets

	Note	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Amounts owing by:					
- subsidiaries	5	–	–	638,260	105,218
- associates	6	–	6,284	–	–
- jointly-controlled entities	7	91,772	5,436	–	–
Deferred tax assets	26	2,339	2,427	–	–
Deposits		4,551	4,389	–	–
Intangible assets		19	33	–	–
Interest receivables		17,309	–	–	–
Other receivables		5,253	–	–	–
		121,243	18,569	638,260	105,218

10 Development properties

	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Properties in the course of development, at cost	3,382,141	2,575,614	1,347,312	1,376,936
Attributable profit	649,031	387,525	306,954	248,187
	4,031,172	2,963,139	1,654,266	1,625,123
Progress billings	(1,181,969)	(731,420)	(728,866)	(458,919)
	2,849,203	2,231,719	925,400	1,166,204
Properties for development and resale representing mainly land, at cost	123,406	212,639	–	–
Completed units, at cost	238,830	271,803	87,551	87,551
	3,211,439	2,716,161	1,012,951	1,253,755
Allowance for foreseeable losses	(76,919)	(76,919)	–	–
	3,134,520	2,639,242	1,012,951	1,253,755
Share of jointly-controlled assets				
Properties in the course of development, at cost	161,448	281,131	161,448	281,445
Attributable profit	16,965	49,837	16,965	49,837
	178,413	330,968	178,413	331,282
Progress billings	(95,995)	(118,460)	(95,995)	(118,460)
	82,418	212,508	82,418	212,822
Properties for development and resale representing mainly land, at cost	57,936	56,733	57,936	56,733
Completed units, at cost	3,761	11,573	3,770	11,581
	144,115	280,814	144,124	281,136
Total development properties	3,278,635	2,920,056	1,157,075	1,534,891
During the year, interest capitalised (net of interest income) as cost of development properties amounted to	21,085	29,847	9,745	16,025

10 Development properties (cont'd)

The Group uses the percentage of completion method to recognise revenue on its development projects in Singapore. The impact on the financial statements, had revenue on the Singapore development projects been recognised using the completion of construction method, is set out in Note 2.18.

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.

Development properties of the Group and the Company with a carrying amount of $923,051,000 (2008: $364,049,000) and $134,905,000 (2008: $135,966,000) are mortgaged to financial institutions to secure credit facilities (refer to Note 20).

11 Non-current assets classified as held for sale

During the year, the Group entered into a sale and purchase contract and an option agreement to sell two of its investment properties. The option to purchase in respect of one investment property was exercised by the purchaser subsequent to the reporting date. The transactions are expected to be completed within 6 months from the reporting date. The investment properties relate to the rental properties segment.

At 31 December 2009, the assets and liabilities associated with the above investment properties of the Group have been presented in the statement of financial position as "Assets classified as held for sale" and "Liabilities classified as held for sale".

	Group	
	2009 $'000	2008 $'000
Assets classified as held for sale		
Investment properties	14,782	–
Liabilities classified as held for sale		
Rental and other deposits	574	–

12 Trade and other receivables

	Note	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Trade receivables		**150,140**	156,035	**62,626**	57,599
Impairment losses		**(3,060)**	(4,643)	**(16)**	(271)
		147,080	151,392	**62,610**	57,328
Other receivables		**17,458**	24,435	**2,149**	8,675
Impairment losses		**(802)**	(234)	**(1,695)**	(1,444)
		16,656	24,201	**454**	7,231
Deposits and prepayments		**47,985**	87,836	**455**	453
Tax recoverable		**15,120**	15,616	**–**	–
Accrued receivables	13	**135,421**	101,543	**129,028**	90,012
Amounts owing by:					
- subsidiaries	5	**–**	–	**2,148,638**	2,180,781
- associates	6	**545**	2,135	**–**	–
- jointly-controlled entities	7	**394,927**	715,821	**250,962**	257,034
- fellow subsidiaries	14	**86**	104	**9**	1
		757,820	1,098,648	**2,592,156**	2,592,840

The maximum exposure to credit risk for trade receivables, other receivables, accrued receivables and amounts owing by subsidiaries, associates, jointly-controlled entities and fellow subsidiaries at the reporting date by business segment is set out below:

	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Property development	**572,274**	845,739	**1,699,142**	1,808,719
Hotel operations	**94,441**	117,857	**–**	431
Rental properties	**13,788**	12,997	**617,252**	559,952
Others	**14,212**	18,603	**275,307**	223,285
	694,715	995,196	**2,591,701**	2,592,387

Impairment losses

The aging of trade receivables at the reporting date is:

	Gross 2009 $'000	Impairment losses 2008 $'000	Gross 2009 $'000	Impairment losses 2008 $'000
Group				
Not past due	**76,922**	146	**86,419**	43
Past due 0 – 30 days	**34,365**	28	**40,307**	70
Past due 31 – 60 days	**10,655**	690	**15,475**	994
Past due 61 – 90 days	**4,249**	794	**4,299**	1,417
More than 90 days	**23,949**	1,402	**9,535**	2,119
	150,140	3,060	**156,035**	4,643
Company				
Not past due	**38,032**	–	**52,369**	–
Past due 0 – 30 days	**7,371**	–	**228**	–
Past due 31 – 60 days	**1,225**	–	**4,102**	1
Past due 61 – 90 days	**2,314**	–	**180**	–
More than 90 days	**13,684**	16	**720**	270
	62,626	16	**57,599**	271

12 Trade and other receivables (cont'd)

The change in impairment losses in respect of trade and other receivables during the year is as follows:

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
At 1 January	**4,877**	4,621	**1,715**	1,514
Charge of impairment losses	**466**	1,386	**12**	270
Impairment losses utilised	**(1,533)**	(486)	**–**	(1)
Translation differences on consolidation	**52**	(644)	**(16)**	(68)
At 31 December	**3,862**	4,877	**1,711**	1,715

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.

13 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 the progress of the construction work. Upon receipt of the Temporary Occupation Permit, the balance of sales consideration to be billed is included as accrued receivables.

14 Amounts owing by and to fellow subsidiaries

		Group		Company	
	Note	2009	2008	2009	2008
		$'000	$'000	$'000	$'000
Amounts owing by fellow subsidiaries:					
- trade, interest-free		**86**	25	**9**	1
- non-trade, interest-free		**–**	79	**–**	–
	12	**86**	104	**9**	1
Amounts owing to fellow subsidiaries:					
- trade, interest-free		**13**	7	**13**	7
- non-trade, interest-free		**177**	384	**–**	–
- non-trade, interest-bearing		**24,242**	–	**–**	–
	27	**24,432**	391	**13**	7

Fellow subsidiaries are subsidiaries of the immediate holding company which are subject to common control. The amounts owing by and to fellow subsidiaries are unsecured. In respect of interest-bearing amounts, interest is charged at 2.50% per annum.

15 Cash and cash equivalents

	Note	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Amounts held under the Singapore development project rules, withdrawals from which are restricted to project-related payments		**293,703**	135,387	**213,897**	120,140
Fixed deposits placed with financial institutions which are:					
- fellow subsidiaries		**10,441**	31,438	**–**	–
- others		**476,560**	449,025	**190,733**	36,982
		487,001	480,463	**190,733**	36,982
Cash at banks and in hand		**200,782**	160,032	**2,941**	2,368
Cash and cash equivalents		**981,486**	775,882	**407,571**	159,490
Bank overdrafts	19	**(1,352)**	(6,023)		
Cash and cash equivalents in the consolidated statement of cash flows		**980,134**	769,859		

16 Share capital

	Company 2009 Number of shares	Company 2009 $'000	Company 2008 Number of shares	Company 2008 $'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.

16 Share capital (cont'd)

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 the 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 2009, a maximum number of 44,998,898 (2008: 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 Companies Act and as set out in the Company's Articles of Association.

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 minority 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	
	2009 $'000	2008 $'000
Total borrowings	**4,034,228**	4,153,466
Cash and cash equivalents	**(981,486)**	(775,882)
Net debt	**3,052,742**	3,377,584
Total capital employed	**7,664,181**	7,022,317
Net debt equity ratio	**0.40**	0.48

No changes were made to the above objectives, policies and process during the years ended 31 December 2008 and 2009.

17 Reserves

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Capital reserve	**147,589**	148,679	**63,743**	63,743
Hedging reserve	**–**	(368)	**–**	–
Fair value reserve	**17,548**	(19)	**14,936**	6,428
Other reserve	**(268)**	–	**–**	–
Share option reserve	**8,096**	4,313	**–**	–
Foreign currency translation reserve	**(83,089)**	(93,744)	**–**	–
Accumulated profits	**3,891,201**	3,379,450	**2,543,326**	2,347,772
	3,981,077	3,438,311	**2,622,005**	2,417,943

The capital reserve comprises mainly negative goodwill on the consolidation of subsidiaries.

The hedging reserve in 2008 comprised the Group's share of the hedging reserve of an associate which related to the effective portion of the cumulative net change in fair value of cash flow hedging instruments relating to hedged transactions that had 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.

Other reserve comprises the share of other reserves of an associate.

The share option reserve comprises the cumulative value of employee services received for the issue of share options.

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.

The accumulated profits of the Group include profits of $202,816,000 (2008: $408,179,000) attributable to associates and jointly-controlled entities.

18 Equity compensation benefits

By the Company

Under the terms of the City Developments Share Option Scheme 2001 (CDL Scheme), offers of the grant of options may be made to:

(i) Group Employees and Parent Group Employees (both as defined in the CDL Scheme) which may be exercisable during an option exercise period commencing from the date that the option vests and expiring on the day preceding the tenth anniversary of its date of grant; and

18 Equity compensation benefits (cont'd)

By the Company (cont'd)

(ii) Non-Executive Directors, Parent Group Non-Executive Directors and Associated Company Employees (all three as defined in the CDL Scheme) which may be exercisable during an option exercise period commencing from the date that the option vests and expiring on the day preceding the fifth anniversary of its date of grant.

Options granted under the CDL Scheme may have subscription prices that are, at the Scheme Committee's discretion, (i) Market Price Options; or (ii) Discount Price Options; or (iii) Incentive Price Options (all three as defined in the CDL Scheme).

The aggregate number of ordinary shares over which options may be granted under the CDL Scheme on any date, when added to the number of ordinary shares issued and issuable in respect of all options granted under the CDL Scheme, shall not exceed 8% of the total number of issued ordinary shares, excluding treasury shares, in the capital of the Company on the day preceding the relevant date of grant. The aggregate number of ordinary shares which may be offered by way of grant of options to Parent Group Employees and Parent Group Non-Executive Directors collectively under the CDL Scheme shall not exceed 20% of the total number of ordinary shares available under the CDL Scheme.

No options have been granted since the commencement of the CDL Scheme.

There were no unissued shares of the Company under option as at the end of the financial year.

The CDL Scheme shall continue to be in force at the discretion of the CDL Scheme Committee for a maximum period of 10 years commencing from its adoption on 30 January 2001.

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 Executive Share Option Scheme;

(iii) Millennium & Copthorne Hotels Sharesave Schemes 1996 and 2006; and

(iv) Millennium & Copthorne Hotels 2006 Long-Term Incentive 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.

(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 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).

18 Equity compensation benefits (cont'd)

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

(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 Executive Share Option Scheme

(a) The Millennium & Copthorne Hotels Executive Share Option Scheme (M&C 1996 Scheme) is divided into two parts, Part A which was approved by the United Kingdom Inland Revenue under Schedule 9 of the United Kingdom Income and Corporation Taxes Act 1988 on 12 April 1996 and Part B, which is an unapproved executive share option scheme designed for the United Kingdom (UK) and non-UK executives of M&C.

(b) Under the terms of Part A of the M&C 1996 Scheme, the board may offer any full time director or employee of M&C and its subsidiaries (M&C Group) (other than anyone within two years of retirement, or anyone who has a material interest in a close company and is thereby rendered ineligible under Paragraph 8, Schedule 9 of the United Kingdom Income and Corporation Taxes Act 1988), to participate in Part A of the M&C 1996 Scheme.

A person is eligible to be granted an option under Part B if he is a director or employee of any member of the M&C Group which is required to devote the whole or substantially the whole of his working time to the service of any member of the M&C Group.

Where an option has been exercised under Part B, the board may elect to pay cash to the executive concerned instead of issuing ordinary shares.

(c) No option shall be granted under the M&C 1996 Scheme in the period of 5 calendar years beginning with the year 1996 which would, at the time they are granted, cause the number of shares in M&C which shall have been or may be issued in pursuance of options granted in that period, or shall have been issued in that period otherwise than in pursuance of options, under the M&C 1996 Scheme or under any other employees' share option scheme adopted by M&C to exceed such number as representing 5% of the ordinary share capital of M&C in issue at that time.

(d) No option shall be granted under the M&C 1996 Scheme in any year which would, at the time they are granted, cause the number of shares in M&C which shall have been or may be issued in pursuance of options granted in the period of ten calendar years ending with that year, or have been issued in that period otherwise than in pursuance of options, under the M&C 1996 Scheme or under any other employees' share scheme adopted by M&C to exceed such number as representing 10% of the ordinary share capital of M&C in issue at that time.

(e) The total subscription price payable for ordinary shares under options granted in any ten-year period (leaving out of account options which have been exercised) to any person under the M&C 1996 Scheme may not exceed four times the higher of the executive's total annual remuneration at that time and the total remuneration paid by the M&C Group to the executive in the preceding twelve months.

18 Equity compensation benefits (cont'd)

(iii) Millennium & Copthorne Hotels Sharesave Schemes 1996 and 2006

(a) The Millennium & Copthorne Hotels Sharesave Schemes 1996 and 2006 (M&C Sharesave Schemes) are the United Kingdom Inland Revenue approved schemes 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 Schemes, M&C Group employees were to enter into a three-year or five-year savings contract, with an option to purchase shares at a pre-determined exercise price on maturity of the savings contract. The first such scheme was introduced in 1996 with a life of ten years. A replacement 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 Schemes provide 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 at normal retirement age, 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 £250 per month.

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

The Millennium & Copthorne Hotels 2006 Long-Term Incentive Plan (LTIP) was approved at the M&C 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 are determined by M&C's Remuneration Committee.

Vesting of Performance Share Awards is subject to the achievement of stretch performance targets. Consistent with the performance measures for M&C's executive share options schemes, earnings per share (EPS) targets have been chosen so that participants are incentivised to deliver significant earnings growth which, in turn, should return substantial shareholder value.

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 after the award. Performance Share Awards will vest on the third anniversary of the award being made, subject to the EPS growth targets being met. Awards are not subject to re-testing.

18 Equity compensation benefits (cont'd)

City e-Solutions Limited

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 sheet 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.

As at the end of the financial year, there were no unissued shares under options pursuant to the CES Scheme.

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 Pounds, 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 2008	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 2008	Options exercisable as at 31 December 2008	Exercise period
2008									
Part I									
10.03.2003	1.9350	14,637	–	(2,637)	–	–	12,000	12,000	10.03.2006 – 09.03.2013
16.03.2004	2.9167	10,285	–	–	–	–	10,285	10,285	16.03.2007 – 15.03.2014
24.03.2005	3.9842	30,116	–	–	(7,529)	(7,529)	15,058	15,058	24.03.2008 – 23.03.2015
Part II									
10.03.2003	1.9350	429,315	–	(205,448)	–	–	223,867	223,867	10.03.2006 – 09.03.2013
16.03.2004	2.9167	59,558	–	–	–	–	59,558	59,558	16.03.2007 – 15.03.2014
24.03.2005	3.9842	235,183	–	–	(6,314)	(38,879)	189,990	189,990	24.03.2008 – 23.03.2015
		779,094	–	(208,085)	(13,843)	(46,408)	510,758	510,758	

18 Equity compensation benefits (cont'd)

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

Date of grant of options	Exercise price per share £	Options outstanding as at 1 January 2009	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 2009	Options exercisable as at 31 December 2009	Exercise period
2009									
Part I									
10.03.2003	1.9350	12,000	–	(1,292)	–	–	10,708	10,708	10.03.2006 – 09.03.2013
16.03.2004	2.9167	10,285	–	–	–	–	10,285	10,285	16.03.2007 – 15.03.2014
24.03.2005	3.9842	15,058	–	–	–	–	15,058	15,058	24.03.2008 – 23.03.2015
Part II									
10.03.2003	1.9350	223,867	–	(16,299)	–	(29,857)	177,711	177,711	10.03.2006 – 09.03.2013
16.03.2004	2.9167	59,558	–	–	–	–	59,558	59,558	16.03.2007 – 15.03.2014
24.03.2005	3.9842	189,990	–	–	–	–	189,990	189,990	24.03.2008 – 23.03.2015
		510,758	–	(17,591)	–	(29,857)	463,310	463,310	

(ii) Millennium & Copthorne Hotels Executive Share Option Scheme

Date of grant of options	Exercise price per share £	Options outstanding as at 1 January 2008	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 2008	Options exercisable as at 31 December 2008	Exercise period
2008									
Part A									
05.03.1998	4.6087	6,509	–	–	–	(6,509)	–	–	05.03.2001 – 04.03.2008
Part B									
14.03.2001	4.3250	69,364	–	–	–	(69,364)	–	–	14.03.2004 – 13.03.2008
15.03.2002	3.2250	88,941	–	–	–	–	88,941	88,941	15.03.2005 – 14.03.2009
		164,814	–	–	–	(75,873)	88,941	88,941	
2009									
Part B									
15.03.2002	3.2250	88,941	–	–	–	(88,941)	–	–	15.03.2005 – 14.03.2009

18 Equity compensation benefits (cont'd)

(iii) Millennium & Copthorne Hotels Sharesave Schemes 1996 and 2006

Date of grant of options	Exercise price per share £	Options outstanding as at 1 January 2008	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 2008	Options exercisable as at 31 December 2008	Exercise period
2008									
21.05.2002	2.9200	2,267	–	–	–	(2,267)	–	–	01.07.2007 – 31.12.2007
28.04.2003	1.5040	55,909	–	(53,725)	(2,184)	–	–	–	01.07.2008 – 31.12.2008
20.04.2004	2.3400	3,704	–	–	–	(3,704)	–	–	01.07.2007 – 31.12.2007
20.04.2004	2.3400	25,427	–	–	–	–	25,427	–	01.07.2009 – 31.12.2009
23.03.2005	3.0800	32,165	–	(12,792)	(4,182)	(4,306)	10,885	10,885	01.07.2008 – 31.12.2008
23.03.2005	3.0800	28,965	–	–	(5,365)	–	23,600	–	01.07.2010 – 31.12.2010
19.06.2006	3.2500	47,503	–	(886)	(14,261)	(840)	31,516	–	01.08.2009 – 31.01.2010
19.06.2006	3.2500	33,771	–	–	(6,934)	–	26,837	–	01.08.2011 – 31.01.2012
26.03.2007	5.2000	29,741	–	–	(13,875)	–	15,866	–	01.07.2010 – 31.12.2010
26.03.2007	5.2000	18,945	–	–	(6,926)	(1,259)	10,760	–	01.07.2012 – 31.12.2012
20.03.2008	3.2800	–	81,856	–	(18,316)	–	63,540	–	01.07.2011 – 31.12.2011
20.03.2008	3.2800	–	36,560	–	(2,048)	–	34,512	–	01.07.2013 – 31.12.2013
		278,397	118,416	(67,403)	(74,091)	(12,376)	242,943	10,885	

Date of grant of options	Exercise price per share £	Options outstanding as at 1 January 2009	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 2009	Options exercisable as at 31 December 2009	Exercise period
2009									
20.04.2004	2.3400	25,427	–	(9,500)	–	(2,794)	13,133	13,133	01.07.2009 – 31.12.2009
23.03.2005	3.0800	10,885	–	–	–	(10,885)	–	–	01.07.2008 – 31.12.2008
23.03.2005	3.0800	23,600	–	–	(10,836)	(1,609)	11,155	–	01.07.2010 – 31.12.2010
19.06.2006	3.2500	31,516	–	(7,191)	(3,336)	(1,150)	19,839	19,839	01.08.2009 – 31.01.2010
19.06.2006	3.2500	26,837	–	–	(2,772)	(1,683)	22,382	–	01.08.2011 – 31.01.2012
26.03.2007	5.2000	15,866	–	–	(5,120)	(1,562)	9,184	–	01.07.2010 – 31.12.2010
26.03.2007	5.2000	10,760	–	–	(2,013)	(1,949)	6,798	–	01.07.2012 – 31.12.2012
20.03.2008	3.2800	63,540	–	(434)	(24,668)	(1,462)	36,976	–	01.07.2011 – 31.12.2011
20.03.2008	3.2800	34,512	–	–	(20,995)	(7,374)	6,143	–	01.07.2013 – 31.12.2013
01.04.2009	1.5400	–	210,168	(32)	(28,957)	–	181,179	–	01.08.2012 – 31.01.2013
01.04.2009	1.5400	–	61,575	–	(1,625)	–	59,950	–	01.08.2014 – 31.01.2015
		242,943	271,743	(17,157)	(100,322)	(30,468)	366,739	32,972	

18 Equity compensation benefits (cont'd)

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

Date of award	Balance at beginning of the 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
2008							
01.09.2006	200,855	–	(24,809)	(13,324)	–	162,722	01.09.2009
27.03.2007	184,008	–	(13,654)	(27,467)	–	142,887	27.03.2010
18.09.2007	75,012	–	–	(20,790)	–	54,222	18.09.2010
25.06.2008	–	734,587	–	(16,815)	–	717,772	25.06.2011
	459,875	734,587	(38,463)	(78,396)	–	1,077,603	
2009							
01.09.2006	162,722	–	(158,482)	(4,240)	–	–	01.09.2009
27.03.2007	142,887	–	(36,577)	(1,253)	–	105,057	27.03.2010
18.09.2007	54,222	–	–	(25,547)	–	28,675	18.09.2010
25.06.2008	717,772	–	–	(129,428)	–	588,344	25.06.2011
30.03.2009	–	1,603,727	–	(106,521)	–	1,497,206	30.03.2012
	1,077,603	1,603,727	(195,059)	(266,989)	–	2,219,282	

For options exercised during 2009, the weighted average share price at the date of exercise is £3.46 (2008: £3.79). Options were exercised on a regular basis throughout the year. The options outstanding as at 31 December 2009 had an exercise price in the range of £1.54 to £5.20 and a weighted average contractual life of 3 years (2008: 3 years).

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on a stochastic model.

The share option pricing model involves six variables, namely the exercise price, share price at grant date, expected life of option (note (a) below), expected volatility of share price (note (b) below), risk free interest rate and expected dividend yield (note (c) below).

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	Share price prevailing on date of grant	Exercise price	Fair value	Expected term (years)	Expected volatility	Expected dividend yield	Risk free interest rate
			£	£	£				
2008									
LTIP (directors)	25.06.2008	390,250	3.57	–	3.21	3	–	3.50%	–
LTIP (non-directors)	25.06.2008	344,337	3.57	–	3.21	3	–	3.50%	–
Sharesave Scheme (3 year)	20.03.2008	81,856	3.88	3.28	0.97	3.25	27.5%	3.22%	3.83%
Sharesave Scheme (5 year)	20.03.2008	36,560	3.88	3.28	1.09	5.25	28.1%	3.22%	3.92%
2009									
LTIP (directors)	30.03.2009	653,120	1.70	–	1.52	3	–	3.69%	–
LTIP (non-directors)	30.03.2009	950,607	1.70	–	1.52	3	–	3.69%	–
Sharesave Scheme (3 year)	01.04.2009	210,168	1.81	1.54	0.55	3.25	43.3%	3.45%	1.73%
Sharesave Scheme (5 year)	01.04.2009	61,575	1.81	1.54	0.54	5.25	36.0%	3.45%	2.34%

18 Equity compensation benefits (cont'd)

Note (a)

Directors: 30% exercise after 3 years if gain; 25% of the remainder in following years using reducing balance method; 1% exercise in years 4 to 10 (on reducing balance method) and the balance of options exercised at maturity (year 10) if "in the money".

Non-directors: 45% after 3 years if gain; 25% of the remainder in following years using reducing balance method; 10% exercise in years 1 to 3 (straight-line); 5% exercise on third anniversary; 5% exercise in years 4 to 10 (on reducing balance method) and the balance of options exercised at maturity (year 10) if "in the money".

Note (b)

The expected volatility is based upon the movement in the share price over a certain period until the grant date. The length of the period reviewed is commensurate with the expected term of the option granted.

Note (c)

The expected dividend yield is based upon dividends announced in the 12 months prior to grant calculated as a percentage of the share price on the date of grant.

19 Interest-bearing borrowings

		Group		Company	
	Note	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Term loans	20	**2,489,926**	2,288,968	**1,468,984**	1,460,455
Finance lease creditors		**4**	11	**3**	9
Bonds and notes	21	**1,524,846**	1,671,567	**529,261**	489,780
Bank loans	22	**–**	180,104	**–**	180,104
Bank overdrafts	15	**1,352**	6,023	**–**	–
		4,016,128	4,146,673	**1,998,248**	2,130,348
Repayable:					
- Within 1 year		**818,312**	860,063	**244,962**	490,068
- After 1 year but within 5 years		**3,197,816**	3,226,271	**1,753,286**	1,588,347
- After 5 years		**–**	60,339	**–**	51,933
		4,016,128	4,146,673	**1,998,248**	2,130,348

20 Term loans

		Group		Company	
	Note	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Secured		**880,794**	580,203	**92,155**	91,547
Unsecured		**1,609,132**	1,708,765	**1,376,829**	1,368,908
	19	**2,489,926**	2,288,968	**1,468,984**	1,460,455
Repayable:					
- Within 1 year		**298,891**	150,922	**84,969**	99,998
- After 1 year but within 5 years		**2,191,035**	2,129,640	**1,384,015**	1,360,457
- After 5 years		**–**	8,406	**–**	–
		2,489,926	2,288,968	**1,468,984**	1,460,455

20 Term loans (cont'd)

The term loans are obtained from banks and financial institutions.

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Secured term loans				
Repayable:				
- Within 1 year	**88,120**	42,509	**–**	–
- After 1 year but within 5 years	**792,674**	529,288	**92,155**	91,547
- After 5 years	**–**	8,406	**–**	–
	880,794	580,203	**92,155**	91,547

The secured term loans are generally secured by:

- a mortgage on a development property of the Company;
- mortgages on the borrowing subsidiaries' development, investment and hotel properties (see Notes 10, 4 and 3); and
- assignment of all rights and benefits to sale, lease and insurance proceeds in respect of development, investment and hotel properties.

The Group's secured term loans bear interest at rates ranging from 0.69% to 6.51% (2008: 1.08% to 7.50%) per annum during the year. The Company's secured term loan bears interest at rates ranging from 0.79% to 1.97% (2008: 1.21% to 2.15%) per annum during the year.

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Unsecured term loans				
Repayable:				
- Within 1 year	**210,771**	108,413	**84,969**	99,998
- After 1 year but within 5 years	**1,398,361**	1,600,352	**1,291,860**	1,268,910
	1,609,132	1,708,765	**1,376,829**	1,368,908

The Group's unsecured term loans bear interest at rates ranging from 0.26% to 6.17% (2008: 0.82% to 6.92%) per annum during the year. The Company's unsecured term loans bear interest at rates ranging from 0.66% to 2.71% (2008: 0.89% to 3.39%) per annum during the year.

21 Bonds and notes

	Note	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Secured		**408,154**	572,236	**–**	–
Unsecured		**1,116,692**	1,099,331	**529,261**	489,780
	19	**1,524,846**	1,671,567	**529,261**	489,780
Repayable:					
- Within 1 year		**518,065**	523,007	**159,990**	209,960
- After 1 year but within 5 years		**1,006,781**	1,096,627	**369,271**	227,887
- After 5 years		**–**	51,933	**–**	51,933
		1,524,846	1,671,567	**529,261**	489,780
Secured bonds and notes					
Repayable:					
- Within 1 year		**208,279**	149,984	**–**	–
- After 1 year but within 5 years		**199,875**	422,252	**–**	–
		408,154	572,236	**–**	–

Secured bonds and notes comprise the following:

(i) $58 million (2008: $72 million) non-guaranteed secured notes (Notes) issued by a subsidiary bearing interest at rates of 2.96% to 6.05% (2008: 5.77% to 6.39%) per annum during the year. The Notes are redeemable at their principal amounts in February 2010 and are secured by a mortgage on the land and hotel building of a subsidiary and an assignment of insurance proceeds in respect of insurance over the said property; and

(ii) $350 million (2008: $500 million) medium term notes (MTNs) which comprise 4 series (2008: 6 series) of notes issued by a subsidiary as part of a $700 million secured MTN programme established in 2001. The MTNs bear interest at rates ranging from 2.95% to 3.88% (2008: 2.95% to 3.88%) per annum and are 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 are redeemable at their principal amounts on their respective maturity dates from March 2010 to October 2011 (2008: January 2009 to October 2011).

	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Unsecured bonds and notes				
Repayable:				
- Within 1 year	**309,786**	373,023	**159,990**	209,960
- After 1 year but within 5 years	**806,906**	674,375	**369,271**	227,887
- After 5 years	**–**	51,933	**–**	51,933
	1,116,692	1,099,331	**529,261**	489,780

21 Bonds and notes (cont'd)

Unsecured bonds and notes comprise:

(i) $530 million (2008: $490 million) MTNs which comprise 8 series (2008: 8 series) of notes issued by the Company at various interest rates as part of a $1,500 million (2008: $1,500 million) unsecured MTN programme established in 1999. The MTNs bear interest at rates ranging from 3.10% to 5.50% (2008: 2.30% to 5.50%) per annum. Unless previously redeemed or purchased and cancelled, the MTNs are redeemable at their principal amounts on their respective maturity dates from February 2010 to November 2014 (2008: from February 2009 to November 2014);

(ii) $441 million (2008: $609 million) MTNs which comprise 8 series (2008: 12 series) of notes issued by a subsidiary as part of a $1 billion unsecured MTN programme established in 2002 bearing interest at rates ranging from 0.94% to 5.16% (2008: 1.50% to 5.76%) per annum. Unless previously redeemed or purchased and cancelled, the MTNs are redeemable at their principal amounts on their respective maturity dates from May 2010 to July 2013 (2008: from April 2009 to July 2013);

(iii) $150 million (2008: $Nil) Islamic Trust Certificates (Certificates) which comprise 2 series (2008: Nil) of certificates issued by a subsidiary (Issuer) under the *Shariah* financing principle of *Ijarah* as part of a $1 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 transaction as a financing arrangement. The Group's properties under *Ijarah* financing continue to be accounted as investment properties and development properties. The amounts paid and payable to the Certificate holders have been recorded as finance expense in the income statement.

The Certificates bear coupon rates of 3.25% and 3.565% per annum. Unless previously redeemed or purchased and cancelled, the Certificates are redeemable at their principal amounts on their respective maturity dates on July 2010 and December 2013.

22 Bank loans

		Group		Company	
	Note	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Bank loans (unsecured) repayable within 1 year	19	–	180,104	–	180,104

Interest is charged at 1.05% to 2.71% (2008: 0.83% to 2.85%) per annum during the year.

23 Employee benefits

	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Net liability for:				
- defined benefit obligations	**40,682**	27,264	**–**	–
- short-term accumulating compensated absences	**14,894**	14,356	**2,067**	1,804
- long service leave	**489**	175	**–**	–
	56,065	41,795	**2,067**	1,804
Repayable:				
- Within 1 year	**15,383**	14,536	**2,067**	1,804
- After 1 year	**40,682**	27,259	**–**	–
	56,065	41,795	**2,067**	1,804
Net liability for defined benefit obligations				
Present value of unfunded obligations	**13,247**	13,366	**–**	–
Present value of funded obligations	**94,788**	73,188	**–**	–
Fair value of plan assets	**(67,353)**	(59,290)	**–**	–
Liability for defined benefit obligations	**40,682**	27,264	**–**	–

	Group 2009 $'000	Group 2008 $'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations as at 1 January	**86,554**	125,680
Actuarial losses/(gains)	**16,414**	(18,704)
Benefits paid	**(7,956)**	(5,145)
Interest cost	**5,209**	6,303
Service cost	**3,840**	4,649
Translation differences on consolidation	**3,974**	(26,229)
Defined benefit obligations at 31 December	**108,035**	86,554
Changes in the fair value of plan assets		
Fair value of plan assets at 1 January	**59,290**	88,895
Expected return	**4,069**	5,339
Actuarial gains/(losses)	**1,970**	(16,297)
Contributions by employees	**226**	–
Contributions by employer	**7,021**	7,419
Benefits paid	**(7,956)**	(5,145)
Translation differences on consolidation	**2,733**	(20,921)
Fair value of plan assets at 31 December	**67,353**	59,290

23 Employee benefits (cont'd)

	Group	
	2009	2008
	$'000	$'000
The fair values of plan assets in each category are as follows:		
Equity	**36,293**	26,639
Bonds	**13,365**	14,027
Cash	**17,695**	18,624
Fair value of plan assets	**67,353**	59,290
Expense recognised in profit or loss		
Current service costs	**3,840**	4,649
Interest on obligations	**5,209**	6,303
Expected return on plan assets	**(4,069)**	(5,339)
Defined benefit obligation expenses	**4,980**	5,613
The expense is recognised in the following line items in the income statement:		
Cost of sales	**2,460**	2,571
Administrative expenses	**1,992**	2,508
Other operating expenses	**528**	534
Defined benefit obligation expenses	**4,980**	5,613
Actual return on plan assets	**6,039**	(10,958)
Actuarial losses recognised in other comprehensive income		
Cumulative amount at 1 January	**17,781**	20,188
Recognised during the year	**14,444**	(2,407)
Cumulative amount at 31 December	**32,225**	17,781

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 (the Millennium & Copthorne Pension Plan) for its UK employees, which was set up in 1993. The scheme is a funded defined benefit arrangement with different categories of membership. The Trustees of the Plan have appointed Newton Investment Management Limited, Legal and General Investment Management Limited and Ignis Asset Management Limited as the investment managers of the Millennium & Copthorne Pension Plan. The assets of the Millennium & Copthorne Pension Plan are held separately from those of the Group.

23 Employee benefits (cont'd)

United Kingdom (UK) (cont'd)

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 6 April 2008 and this has been updated on an approximate basis to 31 December 2009. The contributions of the Group during the year were 21.6% (2008: 20.5%) of pensionable salary, plus enhanced contributions of $3.2 million (£1.4 million) per annum to remove the Plan's deficit.

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 mortality, the discount rate and the rates of increase in salaries and pensions.

Korea

The Group makes contributions to a defined benefit pension plan for its employees in 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 2009. The contributions of the Group were 5.2% (2008: 8.8%) 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.

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 2009. The contributions of the Group were 6% (2008: 6%) 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 assets of each scheme have been taken at market value and the liabilities have been calculated using the following principal assumptions:

	2009 UK	2009 Korea	2009 Taiwan	2008 UK	2008 Korea	2008 Taiwan
Inflation rate	3.70%	–	–	3.10%	–	–
Discount rate*	5.70%	6.00%	2.25%	6.50%	7.75%	2.75%
Rate of salary increase	4.20%	4.00%	2.50%	3.60%	5.00%	3.00%
Rate of pension increases	3.70%	–	–	3.10%	–	–
Annual expected return on plan assets	6.70%	5.00%	2.25%	7.50%	5.00%	2.75%

* The discount rate used in respect of the UK pension scheme of 5.70% (2008: 6.50%) was based on the yield of the Merrill Lynch over-15 year AA rated corporate bond index.

23 Employee benefits (cont'd)

The life expectancies underlying the value of the accrued liabilities for the Millennium & Copthorne Pension Plan, based on retirement age of 65, are as follows:

	2009 Years	2008 Years
Males	25	25
Females	28	28

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 plan assets for 2009 of 6.7% (2008: 8.0%) has been calculated using a 7.1% (2008: 8.0%) return on equity representing 73.0% (2008: 66.7%) of the plan assets and a 5.7% (2008: 6.5%) return on bonds representing 27.0% (2008: 33.0%) of the plan assets.

Historical information

Trend analysis

Amounts for the current and previous four periods are as follows:

	2009 $'000	2008 $'000	2007 $'000	2006 $'000	2005 $'000
Present value of defined benefit obligations	(108,035)	(86,554)	(125,680)	(132,219)	(123,063)
Fair value of plan assets	67,353	59,290	88,895	87,041	77,186
Deficit in the plan	(40,682)	(27,264)	(36,785)	(45,178)	(45,877)
Experience adjustments on plan liabilities	(1,125)	3,347	(1,871)	2,158	(714)
Changes in assumptions underlying the present value of plan liabilities	(15,289)	15,357	5,574	(7,741)	(12,955)
Actual return less expected return on plan assets	1,970	(16,297)	(1,716)	1,131	6,388

24 Other liabilities

	Note	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Deferred real estate tax		**–**	1,928	**–**	–
Miscellaneous (principally deposits received and payables)		**10,582**	10,189	**–**	–
Rental deposits		**46,413**	38,181	**12,118**	6,646
Non-current retention sums payable		**32,381**	36,189	**19,300**	19,697
Amount owing to subsidiaries	5	**–**	–	**61,124**	–
		89,376	86,487	**92,542**	26,343
Repayable:					
- Within 1 year		**75**	2,099	**–**	–
- After 1 year		**89,301**	84,388	**92,542**	26,343
		89,376	86,487	**92,542**	26,343

25 Provisions

	Onerous contracts $'000	Capital expenditure $'000	Total $'000
Group			
At 1 January 2009	2,387	4,903	7,290
Provisions made	–	5,452	5,452
Provisions utilised	(569)	(6,523)	(7,092)
Translation differences on consolidation	129	374	503
At 31 December 2009	1,947	4,206	6,153
Current			4,335
Non-current			1,818
			6,153

The onerous contracts relate to an onerous lease and the balance will be released over the life of the lease until 2014.

The provisions for capital expenditure relate to the Group's obligations to incur capital expenditure under the terms of certain hotel operating agreements.

26 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 2008 $'000	Recognised in income statement (Note 30) $'000	Recognised in statement of comprehensive income (Note 30) $'000	Recognised directly in equity $'000	Translation differences on consolidation $'000
Group					
Deferred tax liabilities					
Property, plant and equipment	389,400	(33,431)	–	–	(24,737)
Investment properties	33,476	(1,276)	–	–	(1,395)
Financial assets	5,478	–	(4,065)	–	(2)
Development properties	43,437	39,720	–	–	–
Others	3,395	(425)	–	–	(1)
	475,186	4,588	(4,065)	–	(26,135)
Deferred tax assets					
Property, plant and equipment	(8)	11	–	–	(376)
Tax losses	(21,770)	740	–	–	437
Employee benefits	(11,306)	(497)	854	4,234	1,630
Others	(18,448)	(137)	–	–	3,251
	(51,532)	117	854	4,234	4,942
	423,654	4,705	(3,211)	4,234	(21,193)

At 31 December 2008	Recognised in income statement (Note 30)	Recognised in statement of comprehensive income (Note 30)	Recognised directly in equity	Translation differences on consolidation	At 31 December 2009
$'000	$'000	$'000	$'000	$'000	$'000
331,232	(9,459)	–	–	(779)	320,994
30,805	(435)	–	–	213	30,583
1,411	–	2,184	–	–	3,595
83,157	43,345	–	–	–	126,502
2,969	(1,097)	–	–	–	1,872
449,574	32,354	2,184	–	(566)	483,546
(373)	(203)	–	–	17	(559)
(20,593)	(3,340)	–	–	471	(23,462)
(5,085)	(1,093)	(3,673)	(3,395)	(1,015)	(14,261)
(15,334)	1,558	–	–	(30)	(13,806)
(41,385)	(3,078)	(3,673)	(3,395)	(557)	(52,088)
408,189	29,276	(1,489)	(3,395)	(1,123)	431,458

26 Deferred tax liabilities (cont'd)

Deferred tax liabilities of the Company are attributable to the following:

	Company	
	2009	2008
	$'000	$'000
Deferred tax liabilities		
Property, plant and equipment	**228**	455
Investment properties	**2,631**	2,918
Financial assets	**3,060**	1,411
Development properties	**74,132**	59,826
Others	**1,838**	1,312
	81,889	65,922

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:

		Group		Company	
	Note	2009	2008	2009	2008
		$'000	$'000	$'000	$'000
Deferred tax assets	9	**2,339**	2,427	**–**	–
Deferred tax liabilities		**(433,797)**	(410,616)	**(81,889)**	(65,922)
		(431,458)	(408,189)	**(81,889)**	(65,922)

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	
	2009	2008
	$'000	$'000
Deductible temporary differences	**76,562**	64,871
Tax losses	**147,196**	134,973
	223,758	199,844

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.

The tax losses with expiry dates are as follows:

	Group	
	2009	2008
	$'000	$'000
Expiry dates		
- Within 1 to 5 years	**5,011**	12,580

27 Trade and other payables

	Note	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Trade payables		**111,207**	86,409	**13,031**	14,294
Accruals		**471,283**	382,433	**175,760**	140,887
Deferred income		**50,787**	35,925	**–**	–
Other payables		**25,887**	47,995	**923**	902
Rental and other deposits		**48,650**	43,595	**5,350**	4,982
Retention sums payable		**36,909**	18,047	**22,008**	13,866
Amounts owing to:					
- subsidiaries	5	**–**	–	**560,843**	294,538
- an associate	6	**6,143**	5,790	**10**	5
- jointly-controlled entities	7	**20,301**	20,633	**–**	–
- fellow subsidiaries	14	**24,432**	391	**13**	7
		795,599	641,218	**777,938**	469,481

28 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 and net results from sale of investments but excludes intra-group transactions.

Property development income consists mainly of sale proceeds of commercial and residential properties and projects under development.

	Group 2009 $'000	Group 2008 $'000
Dividends from investments:		
- fellow subsidiaries		
- quoted	**217**	1,415
- unquoted	**1,688**	2,550
- others		
- quoted equity investments	**5,106**	2,760
- unquoted equity investments	**2,031**	537
Hotel operations	**1,491,998**	1,865,951
Property development	**1,447,014**	773,107
Rental and car park income from investment properties	**280,808**	246,466
Others	**43,963**	52,443
	3,272,825	2,945,229

29 Profit for the year

The following items have been included in arriving at profit for the year:

	Group 2009 $'000	Group 2008 $'000
Other operating income		
Gain on liquidation and disposal of jointly-controlled entities and an associate	**1,126**	346
Management fees and miscellaneous income	**6,770**	16,208
Profit from aborted sale of a subsidiary	**–**	73,241
Profit on disposal of a subsidiary	**–**	29
Profit on sale of property, plant and equipment and investment properties	**–**	48,259
	7,896	138,083
Staff costs		
Contributions to defined contribution plans	**25,935**	24,752
Equity settled share-based transactions	**3,674**	2,996
Increase in liability for defined benefit plans	**4,980**	5,613
Increase in liability for short-term accumulating compensated absences	**663**	86
Increase/(decrease) in liability for long service leave	**254**	(205)
Wages and salaries	**609,351**	696,319
	644,857	729,561
Less:		
Staff costs capitalised in:		
- development properties	**(2,068)**	(1,812)
- property, plant and equipment	**(188)**	(646)
- investment properties	**(484)**	–
	642,117	727,103
Other expenses		
Amortisation of intangible assets	**12**	11
Charge of impairment losses on:		
- trade and other receivables	**466**	1,386
- amounts owing by jointly-controlled entities	**3,016**	19,456
- investment properties (net)	**8,346**	8,994
- property, plant and equipment (net)	**2,124**	62,311
Depreciation of:		
- investment properties	**55,457**	46,246
- property, plant and equipment	**78,893**	85,779
Direct operating expenses arising from rental of investment properties (excluding depreciation)	**74,220**	72,197
Direct operating expenses arising from investment properties which are not leased	**24**	24
Exchange (gain)/loss (net)	**(6,848)**	7,902
Loss on sale of property, plant and equipment	**590**	–
Loss on liquidation of jointly-controlled entities	**–**	375
Non-audit fees:		
- auditors of the Company	**609**	813
- other auditors of the subsidiaries	**1,850**	2,573
Operating lease expenses	**97,652**	122,195
Property, plant and equipment and investment properties written off	**478**	23,016

29 Profit for the year (cont'd)

	Group 2009 $'000	Group 2008 $'000
Finance income		
Interest income		
- fellow subsidiaries	51	364
- fixed deposits with financial institutions	5,417	17,695
- jointly-controlled entities	8,009	12,333
- unquoted convertible notes of a jointly-controlled entity	5,166	–
- others	187	235
Mark-to-market gain on financial assets held for trading (net)	13,014	133
Total finance income	31,844	30,760
Finance costs		
Interest expense		
- banks	40,661	62,910
- bonds and notes	47,567	63,358
- fellow subsidiaries	209	–
- others	136	190
Amortisation of transaction costs capitalised	4,730	2,941
Mark-to-market loss on financial assets held for trading (net)	–	19,978
Change in fair value of financial assets designated at fair value through profit or loss	202	–
Total finance costs	93,505	149,377
Finance costs capitalised in development properties, property, plant and equipment and investment properties	(23,428)	(34,104)
Finance costs charged to income statement	70,077	115,273
Net finance costs	38,233	84,513

The above finance income and finance costs (including amounts capitalised) include the following interest income and expense in respect of assets and liabilities not at fair value through profit or loss:

	2009 $'000	2008 $'000
- Total interest income on financial assets	13,664	30,627
- Total finance costs on financial liabilities	69,875	95,295
Recognised in other comprehensive income		
Gain/(loss) in fair value of equity investments available for sale	17,567	(26,876)

Included in the mark-to-market gain on financial assets held for trading is a gain of $3,656,000 (2008: mark-to-market loss of $5,644,000) 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.

Finance costs of the Group and the Company have been capitalised at rates ranging from 0.59% to 3.57% (2008: 0.35% to 5.50%) and 0.59% to 2.11% (2008: 0.58% to 3.39%) per annum respectively for development properties, property, plant and equipment and investment properties.

30 Income tax expense

	Note	Group 2009 $'000	Group 2008 $'000
Current tax expense			
Current year		**126,263**	119,327
Underprovision in respect of prior years		**5,417**	28,100
		131,680	147,427
Deferred tax expense			
Movements in temporary differences		**46,243**	33,414
Effect of changes in tax rates and legislation		**(13,884)**	(5,254)
Overprovision in respect of prior years		**(3,083)**	(23,455)
	26	**29,276**	4,705
Total income tax expense		**160,956**	152,132

Income tax recognised in other comprehensive income

	2009 Before tax $'000	2009 Tax (expense)/ benefit $'000	2009 Net of tax $'000	2008 Before tax $'000	2008 Tax (expense)/ benefit $'000	2008 Net of tax $'000
Group						
Actuarial (losses)/gains on defined benefit plans	**(14,565)**	**3,673**	**(10,892)**	2,407	(854)	1,553
Change in fair value of equity investments available for sale	**19,751**	**(2,184)**	**17,567**	(30,941)	4,065	(26,876)
Exchange differences on hedges of net investment in foreign entities	**(21,964)**	**–**	**(21,964)**	43,069	–	43,069
Exchange differences on monetary items forming part of net investments in foreign entities	**920**	**–**	**920**	(13,913)	–	(13,913)
Exchange differences realised on disposal of a jointly-controlled entity and an associate	**96**	**–**	**96**	–	–	–
Share of other reserve movement of associates	**11**	**–**	**11**	(340)	–	(340)
Translation differences arising on consolidation of foreign entities	**74,297**	**–**	**74,297**	(313,694)	–	(313,694)
	58,546	**1,489**	**60,035**	(313,412)	3,211	(310,201)

30 Income tax expense (cont'd)

Reconciliation of effective tax rate

	Group 2009 $'000	2008 $'000
Profit before income tax	**831,588**	833,807
Income tax using the Singapore tax rate of 17% (2008: 18%)	**141,373**	150,085
Income not subject to tax	**(20,571)**	(69,673)
Expenses not deductible for tax purposes		
- expenses	**32,182**	37,191
- write-back	**(566)**	(270)
Effect of changes in tax rates and legislation	**(13,884)**	(5,254)
Effect of different tax rates in other countries	**14,640**	20,305
Effect of share of results of jointly-controlled entities	**2,767**	7,679
Unrecognised deferred tax assets	**6,078**	6,734
Tax effect of losses not allowed to be set off against future taxable profits	**1,123**	1,030
Tax incentives	**(183)**	(216)
Utilisation of previously unrecognised deferred tax assets	**(4,337)**	(124)
Underprovision in respect of prior years	**2,334**	4,645
	160,956	152,132

31 Earnings per share

Basic earnings per share is calculated based on:

	Group 2009 $'000	2008 $'000
Profit attributable to shareholders	**593,421**	580,944
Less:		
Dividends on non-redeemable convertible non-cumulative preference shares	**(12,904)**	(12,906)
Profit attributable to ordinary shareholders after adjustment of non-redeemable convertible non-cumulative preference dividends	**580,517**	568,038

31 Earnings per share (cont'd)

	Group 2009 Number of shares	Group 2008 Number of shares
Weighted average number of ordinary shares	**909,301,330**	909,301,330
Basic earnings per share	**63.8 cents**	62.5 cents

Diluted earnings per share is based on:

	Group 2009 $'000	Group 2008 $'000
Profit attributable to shareholders after adjustment for non-redeemable convertible non-cumulative preference dividends	**580,517**	568,038
Dividends on non-redeemable convertible non-cumulative preference shares	**12,904**	12,906
Less:		
Adjustment relating to dilutive instruments of a jointly-controlled entity	**(5,269)**	–
Net profit used for computing diluted earnings per share	**588,152**	580,944

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 2009 Number of shares	Group 2008 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	**61.6 cents**	60.9 cents

32 Dividends

	Company	
	2009	2008
	$'000	$'000
Special final tax exempt (one-tier) ordinary dividend paid of Nil cents (2008: 12.5 cents) per ordinary share in respect of financial year ended 31 December 2008	–	113,663
Final tax exempt (one-tier) ordinary dividend paid of 7.5 cents (2008: 7.5 cents) per ordinary share in respect of financial year ended 31 December 2008	**68,198**	68,198
Non-cumulative tax exempt (one-tier) preference dividend paid of 1.93 cents (2008: 1.94 cents) per preference share	**6,399**	6,419
Non-cumulative tax exempt (one-tier) preference dividend paid of 1.97 cents (2008: 1.96 cents) per preference share	**6,505**	6,487
	81,102	194,767

After the reporting date, the directors proposed the following ordinary dividends, which have not been provided for:

	Company	
	2009	2008
	$'000	$'000
Final tax exempt (one-tier) ordinary dividend of 8.0 cents (2008: 7.5 cents) per ordinary share	**72,744**	68,198

33 Commitments

The Group and the Company have the following commitments as at the reporting date:

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Development expenditure contracted but not provided for in the financial statements	**411,084**	852,632	**247,727**	519,557
Capital expenditure contracted but not provided for in the financial statements	**201,455**	501,272	–	94,780
Capital contribution to an associate and a jointly-controlled entity	–	22,636	–	–

33 Commitments (cont'd)

In addition, the Group and the Company have the following commitments:

(a) The Group holds 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	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Within 1 year	**68,229**	75,288	**7,545**	5,831
After 1 year but within 5 years	**204,483**	233,706	**3,346**	5,590
After 5 years	**624,766**	666,854	**–**	–
	897,478	975,848	**10,891**	11,421

Contingent rents, generally determined based on a percentage of gross revenue and gross operating profit of the relevant properties, of $33,482,000 (2008: $53,726,000) for the Group have been recognised as an expense in the income statement during the year.

(b) 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	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Within 1 year	**276,839**	222,124	**49,548**	20,822
After 1 year but within 5 years	**326,159**	191,587	**67,197**	12,320
After 5 years	**24,602**	26,341	**–**	–
	627,600	440,052	**116,745**	33,142

Included in the above non-cancellable operating lease rental receivable for 2009 are amounts relating to the investment properties classified as held for sale (Note 11) as set out below.

The leases for these properties will be assigned or novated to the purchasers on completion of the sales. Consequently, there will be no operating lease rental receivable by the Group for these investment properties classified as held for sale in the future after the sales are completed.

	Group	
	2009 $'000	2008 $'000
Within 1 year	**1,343**	1,435
After 1 year but within 5 years	**1,208**	–
	2,551	1,435

Contingent rents, generally determined based on a percentage of tenants' revenue, of $187,000 (2008: $49,000) and $149,000 (2008: $Nil) has been recognised as income by the Group and the Company respectively in the income statement during the year.

34 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		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Dividends received from:				
- subsidiaries	–	–	–	95,622
- fellow subsidiaries	1,905	3,965	1,870	3,721
- jointly-controlled entities	–	–	31,500	14,150
	1,905	3,965	33,370	113,493
Interest received and receivable from:				
- subsidiaries	–	–	30,626	20,158
- fellow subsidiaries	51	364	–	–
- jointly-controlled entities	8,009	12,333	4,908	5,412
- unquoted convertible notes of a jointly-controlled entity	5,166	–	–	–
	13,226	12,697	35,534	25,570
Management services fees received and receivable from:				
- subsidiaries	–	–	1,775	1,542
- fellow subsidiaries	2,611	1,277	2,556	1,147
- jointly-controlled entities	5,065	6,177	1,130	1,406
- an associate	8,116	9,293	46	55
	15,792	16,747	5,507	4,150
Maintenance services fees received and receivable from:				
- fellow subsidiaries	242	181	–	–
- jointly-controlled entities	615	1,004	–	–
	857	1,185	–	–
Recovery of costs from:				
- subsidiaries	–	–	5,272	5,452
- jointly-controlled entities	49	211	49	211
	49	211	5,321	5,663
Rental and rental-related income received and receivable from:				
- subsidiaries	–	–	1,460	1,494
- fellow subsidiaries	883	770	59	–
- an associate	440	453	440	453
- a related party	150	147	–	–
	1,473	1,370	1,959	1,947

34 Related parties (cont'd)

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Sale of a unit of an investment property to a fellow subsidiary	**–**	350	**–**	–
Interest paid and payable to subsidiaries	**–**	–	**7,418**	1,737
Management services fees paid and payable to:				
- subsidiaries	**–**	–	**146**	179
- a fellow subsidiary	**1,301**	3,198	**–**	–
	1,301	3,198	**146**	179
Maintenance services fees paid and payable to subsidiaries	**–**	–	**2,077**	1,640
Professional fees paid and payable to firms of which directors of the Company are members:				
- charged to income statement	**–**	1	**–**	–
- included as cost of property, plant and equipment and cost of development properties	**642**	368	**640**	13
	642	369	**640**	13
Purchase of a property from a fellow subsidiary	**–**	3,737	**–**	–
Rental and rental-related expenses paid and payable to:				
- subsidiaries	**–**	–	**7,608**	7,445
- fellow subsidiaries	**123**	67	**–**	–
- a jointly-controlled entity	**894**	859	**–**	–
- an associate	**59,735**	79,175	**–**	–
	60,752	80,101	**7,608**	7,445
Short-term employee benefits paid and payable to key management personnel	**19,632**	19,668	**19,349**	19,170

35 Acquisition of subsidiaries

On 22 September 2009, the Group acquired the remaining 50% interest in its jointly-controlled entity, K-EL Sun Investments Pte. Ltd. and its subsidiaries (collectively "K-EL Sun"), for a consideration of $35,145,000. From 22 September 2009 to 31 December 2009, K-EL Sun contributed a net loss of $36,000 to the consolidated net profit for the year. If the acquisition had occurred on 1 January 2009, management estimates that the Group's net profit for the year would have been $670,546,000. There is, however, no effect on the Group's revenue.

The acquisition had the following effect on the Group's assets and liabilities on acquisition date:

	Pre-acquisition carrying amount $'000	Finalised fair value adjustment $'000	Recognised values on acquisition $'000
Development property	316,761	(6,162)	310,599
Other current assets	139	–	139
Cash at bank	102	–	102
Trade and other payables	(1,975)	–	(1,975)
Amount owing to shareholder	(41,411)	–	(41,411)
Non-current term loan (secured)	(232,413)	–	(232,413)
Net identifiable assets	41,203	(6,162)	35,041
Amount previously accounted for as jointly-controlled entities			104
Cash consideration paid, satisfied in cash			35,145
Cash acquired			(102)
Net cash outflow			35,043

36 Financial instruments by category

Set out below is an analysis of the Group's financial instruments:

	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						
2009						
Assets						
Financial assets		–	194,963	231,368	–	426,331
Other non-current assets excluding deferred tax assets and intangible assets		56,373	–	–	–	56,373
Trade and other receivables excluding prepayments		718,810	–	–	–	718,810
Cash and cash equivalents	15	981,486	–	–	–	981,486
		1,756,669	194,963	231,368	–	2,183,000
Liabilities						
Interest-bearing borrowings	19	–	–	–	4,016,128	4,016,128
Trade and other payables excluding deferred income	27	–	–	–	744,812	744,812
Other liabilities	24	–	–	–	89,376	89,376
		–	–	–	4,850,316	4,850,316

36 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	Liabilities at amortised cost $'000	Total $'000
Group						
2008						
Assets						
Financial assets		–	162,718	19,727	–	182,445
Other non-current assets excluding deferred tax assets and intangible assets		4,389	–	–	–	4,389
Trade and other receivables excluding prepayments		1,015,359	–	–	–	1,015,359
Cash and cash equivalents	15	775,882	–	–	–	775,882
		1,795,630	162,718	19,727	–	1,978,075
Liabilities						
Interest-bearing borrowings	19	–	–	–	4,146,673	4,146,673
Trade and other payables excluding deferred income	27	–	–	–	605,293	605,293
Other liabilities	24	–	–	–	86,487	86,487
		–	–	–	4,838,453	4,838,453

	Note	Loans and receivables $'000	Available-for-sale financial assets $'000	Liabilities at amortised cost $'000	Total $'000
Company					
2009					
Assets					
Financial assets		–	33,543	–	33,543
Other non-current assets		30,441	–	–	30,441
Trade and other receivables excluding prepayments		2,592,022	–	–	2,592,022
Cash and cash equivalents	15	407,571	–	–	407,571
		3,030,034	33,543	–	3,063,577
Liabilities					
Interest-bearing borrowings	19	–	–	1,998,248	1,998,248
Trade and other payables excluding deferred income	27	–	–	777,938	777,938
Other liabilities	24	–	–	92,542	92,542
		–	–	2,868,728	2,868,728
2008					
Assets					
Financial assets		–	23,387	–	23,387
Other non-current assets		38,700	–	–	38,700
Trade and other receivables excluding prepayments		2,592,769	–	–	2,592,769
Cash and cash equivalents	15	159,490	–	–	159,490
		2,790,959	23,387	–	2,814,346

36 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					
2008					
Liabilities					
Interest-bearing borrowings	19	–	–	2,130,348	2,130,348
Trade and other payables excluding deferred income	27	–	–	469,481	469,481
Other liabilities	24	–	–	26,343	26,343
		–	–	2,626,172	2,626,172

37 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 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.

37 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					
Non-derivative financial liabilities					
2009					
Term loans	2,489,926	2,583,416	434,370	2,149,046	–
Bonds and notes	1,524,846	1,610,687	547,509	1,063,178	–
Trade and other payables *	744,812	745,425	745,425	–	–
Bank overdrafts	1,352	1,376	1,376	–	–
Other liabilities	89,376	89,376	75	79,369	9,932
	4,850,312	5,030,280	1,728,755	3,291,593	9,932
2008					
Term loans	2,288,968	2,432,961	196,553	2,227,662	8,746
Bonds and notes	1,671,567	1,774,830	564,971	1,155,873	53,986
Bank loans	180,104	180,694	180,694	–	–
Trade and other payables *	605,293	605,293	605,293	–	–
Bank overdrafts	6,023	6,064	6,064	–	–
Other liabilities	86,487	86,487	2,099	82,942	1,446
	4,838,442	5,086,329	1,555,674	3,466,477	64,178
Company					
Non-derivative financial liabilities					
2009					
Term loans	1,468,984	1,520,065	102,694	1,417,371	–
Bonds and notes	529,261	576,017	172,845	403,172	–
Trade and other payables	777,938	783,430	783,430	–	–
Other liabilities	92,542	92,542	–	81,418	11,124
	2,868,725	2,972,054	1,058,969	1,901,961	11,124
2008					
Term loans	1,460,455	1,545,949	123,890	1,422,059	–
Bonds and notes	489,780	520,698	221,904	244,808	53,986
Bank loans	180,104	180,694	180,694	–	–
Trade and other payables	469,481	474,606	474,606	–	–
Other liabilities	26,343	26,343	–	26,343	–
	2,626,163	2,748,290	1,001,094	1,693,210	53,986

* Excluding deferred income

It is not expected that the cash flows in the maturity analysis could occur significantly eariler, or at significantly different amounts.

37 Financial risk management (cont'd)

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 exposures 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.

At 31 December 2009 and 2008, the Group did not have interest rate swaps.

Interest rates analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, their nominal interest rates at the balance sheet date and carrying amounts are illustrated as below:

		Interest rates per annum		Carrying amount		
	Note	Floating rate	Fixed rate	Floating rate	Fixed rate	Total
		%	%	$'000	$'000	$'000
Group						
2009						
Financial assets						
Cash and cash equivalents		–	0.01 to 4.08	–	841,549	841,549
Amounts owing by jointly-controlled entities *		–	0.75 to 4.75	–	466,280	466,280
Financial assets designated at fair value through profit or loss		–	15.00	–	198,697	198,697
				–	1,506,526	1,506,526
Financial liabilities						
Bank overdrafts	15	3.12	–	(1,352)	–	(1,352)
Term loans	20					
- secured		0.90 to 6.21	–	(880,794)	–	(880,794)
- unsecured		0.71 to 5.62	–	(1,609,132)	–	(1,609,132)
Finance lease creditors	19	–	3.33 to 6.51	–	(4)	(4)
Bonds and notes	21					
- secured		3.34 to 3.39	2.95 to 3.88	(58,313)	(349,841)	(408,154)
- unsecured		0.94 to 1.51	3.07 to 5.50	(388,717)	(727,975)	(1,116,692)
Amounts owing to a fellow subsidiary		–	2.50	–	(24,242)	(24,242)
				(2,938,308)	(1,102,062)	(4,040,370)
Total				(2,938,308)	404,464	(2,533,844)

* Carrying amount is net of impairment losses.

37 Financial risk management (cont'd)

	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						
2008						
Financial assets						
Cash and cash equivalents		–	0.03 to 4.07	–	675,706	675,706
Amounts owing by jointly-controlled entities *		–	1.50 to 4.75	–	429,440	429,440
				–	1,105,146	1,105,146
Financial liabilities						
Bank overdrafts	15	3.00 to 9.20	–	(6,023)	–	(6,023)
Term loans	20					
- secured		1.27 to 7.50	–	(580,203)	–	(580,203)
- unsecured		1.36 to 6.42	–	(1,708,765)	–	(1,708,765)
Finance lease creditors	19	–	3.33 to 6.51	–	(11)	(11)
Bonds and notes	21					
- secured		6.04 to 6.05	2.95 to 3.88	(72,579)	(499,657)	(572,236)
- unsecured		1.50 to 5.16	2.30 to 5.50	(559,567)	(539,764)	(1,099,331)
Bank loans (unsecured)	22	1.38 to 2.45	–	(180,104)	–	(180,104)
				(3,107,241)	(1,039,432)	(4,146,673)
Total				(3,107,241)	65,714	(3,041,527)
Company						
2009						
Financial assets						
Cash and cash equivalents		–	0.02 to 0.43	–	390,867	390,867
Amounts owing by:						
- subsidiaries *		0.64 to 3.57	1.00 to 13.00	726,308	1,066,174	1,792,482
- jointly-controlled entities *		–	1.50 to 2.50	–	250,727	250,727
				726,308	1,707,768	2,434,076
Financial liabilities						
Amounts owing to subsidiaries	5	3.02 to 3.57	–	(229,454)	–	(229,454)
Term loans	20					
- secured		0.95 to 1.05	–	(92,155)	–	(92,155)
- unsecured		0.86 to 2.71	–	(1,376,829)	–	(1,376,829)
Finance lease creditors		–	6.51	–	(3)	(3)
Bonds and notes (unsecured)	21	–	3.10 to 5.50	–	(529,261)	(529,261)
				(1,698,438)	(529,264)	(2,227,702)
Total				(972,130)	1,178,504	206,374

* Carrying amount is net of impairment losses.

37 Financial risk management (cont'd)

	Note	Interest rates per annum Floating rate %	Fixed rate %	Carrying amount Floating rate $'000	Fixed rate $'000	Total $'000
Company						
2008						
Financial assets						
Cash and cash equivalents		–	0.05 to 0.95	–	137,940	137,940
Amounts owing by:						
- subsidiaries *		0.93 to 2.10	1.00 to 1.75	720,662	824,370	1,545,032
- jointly-controlled entities *		–	1.50 to 2.50	–	256,823	256,823
				720,662	1,219,133	1,939,795
Financial liabilities						
Amounts owing to subsidiaries	5	1.84 to 3.22	0.35	(173,987)	(106)	(174,093)
Term loans	20					
- secured		1.27 to 1.97	–	(91,547)	–	(91,547)
- unsecured		1.50 to 2.54	–	(1,368,908)	–	(1,368,908)
Finance lease creditors		–	6.51	–	(9)	(9)
Bonds and notes (unsecured)	21	–	2.30 to 5.50	–	(489,780)	(489,780)
Bank loans (unsecured)	22	1.38 to 2.45	–	(180,104)	–	(180,104)
				(1,814,546)	(489,895)	(2,304,441)
Total				(1,093,884)	729,238	(364,646)

* Carrying amount is net of impairment losses.

Sensitivity analysis

For the variable rate financial assets and liabilities, a 100 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.

	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
100 basis points increase				
Reduction in profit before income tax and on accumulated profits	**(29,542)**	(31,134)	**(9,655)**	(10,895)

There is no impact on other components of equity.

37 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 Singapore Dollar, Euro, Japanese Yen, Sterling Pound, Thai Baht and United States Dollar.

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.

The Group's and Company's exposure to foreign currencies are as follows:

	Singapore Dollar $'000	United States Dollar $'000	Japanese Yen $'000	Thai Baht $'000	Others $'000
Group					
2009					
Financial assets	–	–	–	–	12,629
Other non-current assets *	–	5,340	–	–	–
Trade and other receivables **	28	230	–	–	4
Cash and cash equivalents	16,531	44,396	–	–	35,157
Amount owing by/(to) subsidiaries (net)	(420,074)	(275,662)	71,474	109,620	22,293
Interest-bearing borrowings	(219,000)	(483,669)	–	–	–
Trade and other payables ***	(5,678)	(994)	(67)	–	(789)
	(628,193)	(710,359)	71,407	109,620	69,294

	Singapore Dollar $'000	Sterling Pound $'000	United States Dollar $'000	Euro $'000	Japanese Yen $'000	Thai Baht $'000	Others $'000
2008							
Financial assets	–	4,624	–	–	–	–	4,206
Other non-current assets *	–	–	5,436	–	–	–	–
Trade and other receivables **	182	79	87	3	–	–	809
Cash and cash equivalents	14,319	17,668	20,169	5,292	61	–	1,510
Amount owing by/(to) subsidiaries (net)	(531,061)	789	(219,023)	32,504	80,278	108,010	26,679
Interest-bearing borrowings	(372,800)	–	(426,570)	–	(77,704)	–	–
Trade and other payables ***	(365)	–	(911)	(15)	(105)	–	(47)
	(889,725)	23,160	(620,812)	37,784	2,530	108,010	33,157

* Excluding deferred tax assets and intangible assets
** Excluding prepayments
*** Excluding deferred income

37 Financial risk management (cont'd)

	United States Dollar $'000	Hong Kong Dollar $'000	Japanese Yen $'000	Others $'000
Company				
2009				
Trade and other receivables *	84	–	–	4
Cash and cash equivalents	238	85	–	20
Amount owing by/(to) subsidiaries (net)	(23,888)	(12,219)	71,474	(6)
Interest-bearing borrowings	(119,256)	–	–	–
Trade and other payables	(502)	–	(67)	(5)
	(143,324)	(12,134)	71,407	13

* Excluding prepayments

	United States Dollar $'000	Hong Kong Dollar $'000	Japanese Yen $'000	Others $'000
2008				
Cash and cash equivalents	3,014	157	–	8
Amount owing by/(to) subsidiaries (net)	(24,323)	(12,565)	80,278	(6)
Interest-bearing borrowings	–	–	(77,704)	–
Trade and other payables	(870)	–	(105)	(2)
	(22,179)	(12,408)	2,469	–

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 Company would increase/(decrease) profit, and accumulated profits, 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 income tax $'000	Equity $'000
Group		
2009		
Singapore Dollar	(22,105)	(23,061)
United States Dollar	(43,667)	(34,868)
Japanese Yen	7,140	–
Thai Baht	10,962	–

37 Financial risk management (cont'd)

Sensitivity analysis (cont'd)

	Profit before income tax $'000	Equity $'000
2008		
Singapore Dollar	(37,131)	(37,280)
Sterling Pound	2,096	220
United States Dollar	(38,698)	(29,498)
Euro	528	–
Japanese Yen	253	–
Thai Baht	10,801	–

	2009		2008	
	Profit before income tax $'000	Equity $'000	Profit before income tax $'000	Equity $'000
Company				
United States Dollar	**(14,332)**	**–**	(2,218)	–
Hong Kong Dollar	**(1,213)**	**–**	(1,241)	–
Japanese Yen	**7,141**	**–**	247	–

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% (2008: 20%) and 10% (2008: 10%) for the Group and the Company, respectively, would increase profit, and accumulated profits, and other components of equity before any tax effect by the amounts shown below. Similarly, a decrease in the underlying equity prices by 10% (2008: 20%) and 10% (2008: 10%) for the Group and the Company respectively would have an equal but opposite effect. This analysis assumes that all other variables remain constant.

	Group $'000	Company $'000
2009		
Quoted equity investments available for sale and held for trading		
Equity	5,593	2,891
Profit before income tax	2,487	–
Unquoted investments held for trading		
Profit before income tax	667	–

37 Financial risk management (cont'd)

Equity price risk (cont'd)

	Group $'000	Company $'000
2008		
Quoted equity investments available for sale and held for trading		
Equity	7,236	1,875
Profit before income tax	2,769	–
Unquoted investments held for trading		
Profit before income tax	956	–

Fair values

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:

	2009 Carrying amount $'000	2009 Fair value $'000	2008 Carrying amount $'000	2008 Fair value $'000
Group				
Assets carried at amortised cost				
Deposit receivables	4,460	4,932	4,299	5,970
Interest receivable	16,338	13,817	–	–
	20,798	18,749	4,299	5,970
Liabilities carried at amortised cost				
Term loans (unsecured)	–	–	(149,863)	(150,621)
Bonds and notes				
- secured	(199,875)	(207,265)	(349,673)	(360,667)
- unsecured	(418,189)	(424,042)	(329,803)	(337,846)
Long-term deposits	(10,507)	(9,068)	(10,191)	(7,748)
	(628,571)	(640,375)	(839,530)	(856,882)
Company				
Liabilities carried at amortised cost				
Term loans (unsecured)	–	–	(149,863)	(150,621)
Bonds and notes (unsecured)	(369,272)	(374,318)	(279,820)	(289,366)
	(369,272)	(374,318)	(429,683)	(439,987)

37 Financial risk management (cont'd)

Fair values (cont'd)

Fair values versus carrying amounts (cont'd)

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.

Investments in equity and debt securities

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 earning 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) and investment in unquoted convertible notes that are not traded in an active market are determined using appropriate valuation techniques. The Group uses a variety of methods and make assumptions that are based on market conditions existing at each balance sheet date.

The fair values of certain unquoted equity investments available for sale have not been determined as the fair value cannot be determined reliably. As a result, the variability in the range of recoverable fair value estimates derived from valuation techniques is expected to be significant.

Amounts owing by and to subsidiaries, associates and jointly-controlled entities

The fair values of amounts owing by and to subsidiaries, associates and jointly-controlled entities are estimated as the present value of future cash flows, discounted at market interest rates.

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.

37 Financial risk management (cont'd)

Fair value (cont'd)

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 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); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
31 December 2009				
Available-for-sale financial assets	55,929	–	9,842	65,771
Financial assets at fair value through profit or loss	26,003	–	205,365	231,368
	81,932	–	215,207	297,139
Company				
31 December 2009				
Available-for-sale financial assets	28,913	–	–	28,913

During the financial year ended 31 December 2009, there were no transfers between Level 1 and Level 2 of the fair value hierarchy.

The reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3:

Group	Available-for-sale financial assets $'000	Financial assets at fair value through profit or loss $'000	Total $'000
At 1 January 2009	10,112	4,780	14,892
Total gains or losses in profit or loss	–	1,879	1,879
Purchases	113	198,900	199,013
Translation differences on consolidation	(383)	(194)	(577)
At 31 December 2009	9,842	205,365	215,207
Total gains or losses for the year included in profit or loss for assets held at the end of the reporting period	–	1,879	1,879

37 Financial risk management (cont'd)

Fair value (cont'd)

Fair value hierarchy (cont'd)

The financial instruments that are recorded in the Level 3 category comprise of unquoted equity investments and investment in unquoted convertible notes. The fair value of these financial instruments are measured 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 management's 'own assumptions' about the way assets would be priced.

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. For fair value measurements in Level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects:

		Effect on fair value	
	Fair value	Favourable changes	Unfavourable changes
	$'000	$'000	$'000
Group			
Financial assets at fair value through profit or loss	198,697	7,290	(7,983)

The favourable and unfavourable effects of using reasonably possible alternative assumptions have been calculated by recaliberating the model values. The most significant unobservable input in relation to financial assets at fair value through profit or loss relates to risk-adjusted discount rate. The discount rate was increased/decreased by 1% from the discount rate as at reporting date to arrive at the possible favourable and unfavourable effects.

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 residential 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 and provider of information technology and procurement services. None of these segments meet any of the quantitative thresholds for determining reportable segments in 2009 and 2008.*

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income 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. Inter-segment pricing is determined on an arm's length basis.

38 Operating segments (cont'd)

Information about reportable segments

	Property development $'000	Hotel operations $'000	Rental properties $'000	Others $'000	Total $'000
2009					
Total revenue (including inter-segment revenue)	1,447,031	1,491,998	292,580	141,233	3,372,842
Inter-segment revenue	(17)	–	(11,772)	(88,228)	(100,017)
External revenues	1,447,014	1,491,998	280,808	53,005	3,272,825

The hotel operations are operated in the following geographical segments and revenue is set out as follows:

	Total $'000
United States	465,741
Europe	408,414
Singapore	232,148
Rest of Asia	293,899
New Zealand	91,796
	1,491,998

	Property development $'000	Hotel operations $'000	Rental properties $'000	Others $'000	Total $'000
Profit from operating activities	481,283	174,293	131,978	19,352	806,906
Share of after-tax profit/(loss) of associates and jointly-controlled entities	62,579	(20,047)	20,270	113	62,915
Finance income	9,397	5,291	3,311	13,845	31,844
Finance costs	(8,593)	(26,428)	(32,539)	(2,517)	(70,077)
Net finance costs	804	(21,137)	(29,228)	11,328	(38,233)
Reportable segment profit before income tax	544,666	133,109	123,020	30,793	831,588
Depreciation and amortisation	346	73,916	58,961	1,139	134,362
Other material non-cash items					
Impairment losses on:					
- amounts owing by a jointly-controlled entity	–	3,016	–	–	3,016
- property, plant and equipment and investment properties	–	2,124	8,346	–	10,470
Investments in associates and jointly-controlled entities	380,813	163,818	472,467	4,329	1,021,427
Other segment assets	4,536,948	4,094,378	3,263,380	358,809	12,253,515
Reportable segment assets	4,917,761	4,258,196	3,735,847	363,138	13,274,942
Tax recoverable					15,120
Deferred tax assets					2,339
Total assets					13,292,401

38 Operating segments (cont'd)

Information about reportable segments (cont'd)

	Property development $'000	Hotel operations $'000	Rental properties $'000	Others $'000	Total $'000
2009					
Reportable segment liabilities	2,292,174	1,218,263	1,370,970	82,488	4,963,895
Deferred tax liabilities					433,797
Provision for taxation					230,528
Total liabilities					5,628,220
Additions to non-current assets *	8	54,881	282,019	456	337,364
2008					
Total revenue (including inter-segment revenue)	773,124	1,865,951	257,300	229,164	3,125,539
Inter-segment revenue	(17)	–	(10,834)	(169,459)	(180,310)
External revenues	773,107	1,865,951	246,466	59,705	2,945,229

The hotel operations are operated in the following geographical segments and revenue is set out as follows:

	Total $'000
United States	585,975
Europe	521,532
Singapore	312,323
Rest of Asia	327,523
New Zealand	118,598
	1,865,951

	Property development $'000	Hotel operations $'000	Rental properties $'000	Others $'000	Total $'000
Profit from operating activities	306,397	322,128	144,009	7,276	779,810
Share of after-tax profit/(loss) of associates and jointly-controlled entities	167,044	(35,618)	21,403	(14,319)	138,510
Finance income	15,443	10,633	1,289	3,395	30,760
Finance costs	(11,962)	(52,426)	(27,548)	(23,337)	(115,273)
Net finance costs	3,481	(41,793)	(26,259)	(19,942)	(84,513)
Reportable segment profit before income tax	476,922	244,717	139,153	(26,985)	833,807
Depreciation and amortisation	336	80,153	50,754	793	132,036
Other material non-cash items					
Impairment losses on:					
- amounts owing by a jointly-controlled entity	–	19,456	–	–	19,456
- property, plant and equipment and investment properties	–	47,639	23,666	–	71,305

* Non-current assets include investment properties, property, plant and equipment, investments in associates and jointly-controlled entities, 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
Investments in associates and jointly-controlled entities	558,605	106,808	376,569	522	1,042,504
Other segments assets	3,970,939	4,196,038	3,001,608	294,394	11,462,979
Reportable segment assets	4,529,544	4,302,846	3,378,177	294,916	12,505,483
Tax recoverable					15,616
Deferred tax assets					2,427
Total assets					12,523,526
Reportable segment liabilities	2,168,285	1,486,363	1,158,440	110,375	4,923,463
Deferred tax liabilities					410,616
Provision for taxation					167,130
Total liabilities					5,501,209
Additions to non-current assets *	65,151	252,487	216,223	3,839	537,700

* Non-current assets include investment properties, property, plant and equipment, investments in associates and jointly-controlled entities, 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
2009					
Revenue	1,972,152	476,256	308,921	515,496	3,272,825
Non-current assets#	3,617,735	1,281,331	1,101,126	1,701,788	7,701,980
Reportable segment assets	8,311,154	1,414,427	1,166,842	2,382,519	13,274,942
2008					
Revenue	1,351,464	597,717	398,890	597,158	2,945,229
Non-current assets#	3,471,163	1,358,679	1,070,246	1,616,651	7,516,739
Reportable segment assets	7,611,778	1,511,184	1,106,959	2,275,562	12,505,483

\# Include investment properties, property, plant and equipment, investments in associates and jointly-controlled entities, and intangible assets.

39 New standards and interpretations not yet adopted

New standards, amendments to standards and interpretations that are not yet effective for the year ended 31 December 2009 have not been applied in preparing these financial statements. None of these are expected to have a significant impact on the consolidated financial statements.

40 Significant investments

The following are the Group's significant investments:

		Principal Activity	Country of Incorporation	Effective Group Interest 2009 %	Effective Group Interest 2008 %
	Subsidiaries				
	Direct/Indirect Subsidiaries of the Company				
*	100G Pasir Panjang Road Pte Ltd	Property holding	Singapore	99	99
*	Allinvest Holding Pte Ltd	Property owner	Singapore	100	100
**	Allventure Limited	Investment holding	Mauritius	100	–
*	Aston Properties Pte Ltd	Property owner, developer and investment holding	Singapore	100	100
*	Bloomsville Investments Pte Ltd	Property owner, developer and investment holding	Singapore	100	100
*	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 and related services	Singapore	100	100
*	CDL Land Pte Ltd	Property owner and developer	Singapore	100	100
*	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
*	Chestnut Avenue Developments Pte. Ltd.	Property owner and developer	Singapore	60	–
*	Cideco Pte. Ltd.	Property owner	Singapore	100	100
*	City Centrepoint Pte Ltd	Property owner and investment holding	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	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	50
*	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
*	Cityview Place Holdings Pte. Ltd.	Property owner and developer	Singapore	100	100
*	Darfera Pte Ltd	Property owner and developer	Singapore	100	100

40 Significant investments (cont'd)

		Principal Activity	Country of Incorporation	Effective Group Interest 2009 %	Effective Group Interest 2008 %
	Subsidiaries (cont'd)				
	Direct/Indirect Subsidiaries of the Company (cont'd)				
*	Eccott Pte Ltd	Investment holding and property owner	Singapore	100	100
***	Educado Company Limited	Investment holding and share dealing	Hong Kong	100	100
*	Elishan Investments Pte Ltd	Property owner	Singapore	100	100
*	Elite Holdings Private Limited	Property owner and developer	Singapore	100	100
*	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
*	Glades Properties Pte. Ltd.	Property owner, developer and investment holding	Singapore	100	100
*	Grande-Terre Properties Pte. Ltd.	Property owner, developer and investment holding	Singapore	100	100
*	Guan Realty (Private) Limited	Property owner and developer	Singapore	100	100
*	Highgrove Investments Pte Ltd	Property owner	Singapore	100	100
*	Hong Leong Properties Pte. Limited	Property owner	Singapore	100	100
*	Island City Garden Development Pte. Ltd.	Property owner, developer and investment holding	Singapore	100	100
*	Land Equity Development Pte Ltd	Property owner	Singapore	100	100
**	Lingo Enterprises Limited	Property holding and property investment	Hong Kong	100	100
**	Millennium & Copthorne Hotels plc	Investment holding	England and Wales	54	54
*	North Bridge Commercial Complex Pte Ltd	Property holding	Singapore	99	99
**	Pacific Height Enterprises Company Limited	Property investment	Hong Kong	100	100
**	Palmerston Holdings Sdn. Bhd.	Property owner and developer	Malaysia	51	51
^	Reach Across International Limited	Investment holding	British Virgin Islands	100	100
*	Republic Plaza City Club (Singapore) Pte Ltd	Owner and operator of clubs	Singapore	100	100
*	Singapura Developments (Private) Limited	Property owner, developer and investment holding	Singapore	100	100
*	Sunshine Plaza Pte Ltd	Property owner, developer and investment holding	Singapore	100	100
*	Target Realty Limited	Property owner, developer and investment holding	Singapore	99	99

40 Significant investments (cont'd)

		Principal Activity	Country of Incorporation	Effective Group Interest 2009 %	Effective Group Interest 2008 %
	Subsidiaries (cont'd)				
	Direct/Indirect Subsidiaries of the Company (cont'd)				
****	Tianjin Trophy Real Estate Co., Ltd.	Property investment	People's Republic of China	100	100
*	The Corporate Building Pte Ltd	Property holding	Singapore	99	99
*	The Corporate Office Pte Ltd	Property holding	Singapore	99	99
*	The Office Chamber Pte Ltd	Property holding	Singapore	99	99
^	Wideachieve Holdings Limited	Investment holding	British Virgin Islands	100	100
	Direct/Indirect Subsidiaries of Millennium & Copthorne Hotels plc				
**	Anchorage-Lakefront Limited Partnership	Hotel owner	USA	54	54
**	Bostonian Hotel Limited Partnership	Hotel owner	USA	54	54
**	CDL (New York) LLC	Hotel owner	USA	54	54
**	CDL Hotels (Chelsea) Limited	Hotel owner and operator	England and Wales	54	54
**	CDL Hotels (Korea) Ltd.	Hotel owner and operator	Republic of Korea	54	54
**	CDL Hotels (Malaysia) Sdn. Bhd	Hotel owner and operator	Malaysia	54	54
**	CDL Hotels (UK) Limited	Hotel owner and operator	England and Wales	54	54
**	CDL Hotels USA Inc.	Hotel investment holding company	USA	54	54
**	CDL Investments New Zealand Limited	Investment and property management company	New Zealand	25	24
**	CDL West 45th Street LLC	Hotel owner	USA	54	54
**	Chicago Hotel Holdings, Inc.	Hotel owner and operator	USA	54	54
*	City Hotels Pte. Ltd.	Hotel operator and investment holding company	Singapore	54	54
**	Copthorne Hotel (Birmingham) Limited	Hotel owner and operator	England and Wales	54	54
**	Copthorne Hotel (Gatwick) Limited	Hotel owner and operator	England and Wales	54	54
**	Copthorne Hotel (Manchester) Limited	Hotel owner and operator	England and Wales	54	54
**	Copthorne Hotel (Newcastle) Limited	Hotel owner and operator	England and Wales	51	50
**	Copthorne Hotel (Slough) Limited	Hotel owner and operator	England and Wales	54	54

40 Significant investments (cont'd)

		Principal Activity	Country of Incorporation	Effective Group Interest 2009 %	Effective Group Interest 2008 %
	Subsidiaries (cont'd)				
	Direct/Indirect Subsidiaries of Millennium & Copthorne Hotels plc (cont'd)				
**	Copthorne Hotel Holdings Limited	Hotels investment holding company	England and Wales	54	54
**	Copthorne Hotels Limited	Hotels investment holding company	England and Wales	54	54
*	Copthorne Orchid Hotel Singapore Pte Ltd	Hotel owner and operator	Singapore	54	54
**	Gateway Regal Holdings LLC	Hotel owner and operator	USA	54	54
**	Grand Plaza Hotel Corporation	Hotel owner and operator and investment holding company	Philippines	35	35
*	Harbour View Hotel Pte. Ltd.	Hotel operator	Singapore	54	54
**	Hong Leong Hotel Development Limited	Hotel owner and operator	Taiwan	44	43
^	Hong Leong Hotels Pte Ltd.	Investment holding company	Cayman Islands	54	54
**	Hospitality Group Limited	Holding company	New Zealand	26	26
*	Hospitality Holdings Pte. Ltd.	Investment holding company	Singapore	54	54
*	King's Tanglin Shopping Pte. Ltd.	Property owner	Singapore	54	54
**	London Britannia Hotel Limited	Hotel owner and operator	England and Wales	54	54
**	London Tara Hotel Limited	Hotel owner and operator	England and Wales	54	54
**	M&C Crescent Interests, LLC	Property owner	USA	54	54
**	M&C Hotel Interest, Inc	Hotel management services company	USA	54	54
**	M&C Hotels France SAS	Hotel owner	France	54	54
*	M&C REIT Management Limited	REIT investment management services	Singapore	54	54
**	Millennium & Copthorne Hotels New Zealand Limited	Hotel investment holding company	New Zealand	38	38
*	Millennium & Copthorne International Limited	Hotels and resorts management	Singapore	54	54
**	Millennium & Copthorne Middle East Holdings Limited	Hotel management services company	Hong Kong	27	27
**	Quantum Limited	Holding company	New Zealand	26	26
*	Republic Hotels & Resorts Limited	Hotel operator and investment holding company	Singapore	54	54
*	Republic Iconic Hotel Pte Ltd	Hotel owner and operator	Singapore	54	54
**	RHM-88, LLC	Hotel owner and operator	USA	54	54
**	WHB Biltmore LLC	Hotel owner and operator	USA	54	54

40 Significant investments (cont'd)

		Principal Activity	Country of Incorporation	Effective Group Interest 2009 %	Effective Group Interest 2008 %
	Subsidiaries (cont'd)				
	Direct/Indirect Subsidiaries of City e-Solutions Limited				
*	CDL Hotels (Singapore) Pte Ltd	Property Investment	Singapore	53	53
**	Richfield Hospitality, Inc.	Investment holding and provision of hospitality related services	USA	53	53
**	Sceptre Hospitality Resources, Inc.	Provision of reservation system services	USA	53	53
^	SWAN Holdings Limited	Investment holding	Bermuda	53	53
**	SWAN USA, Inc.	Holding company	USA	53	53
	Associates				
	Associates of Millennium & Copthorne Hotels plc				
*****	Beijing Fortune Hotel Co. Ltd.	Hotel owner	People's Republic of China	16	16
*	CDL Hospitality Trusts	See Note (1)	Singapore	21	21
**	Fena Estate Company Limited	Investment holding company	Thailand	27	27
*	First Sponsor Capital Limited	Investment holding company	British Virgin Islands	21	21
	Associate of City e-Solutions Limited				
**	Tune Hospitality Investments FZCO	Developer and owner of a portfolio of "no-frills" limited service hotels in ASEAN	United Arab Emirates	–	21
	Jointly-controlled Entities				
	Jointly-controlled Entities of the Company				
*	Aster Land Development Pte Ltd	Property development and investment dealing activities	Singapore	30	30
*	Branbury Investments Ltd	Property owner	Singapore	43	43
*	Burlington Square Investment Pte Ltd	Holding of properties for long-term investment and rental purposes	Singapore	25	25
*	Burlington Square Properties Pte Ltd	Property trading	Singapore	25	25
**	Exchange Tower Ltd.	Property owner and investment holding	Thailand	39	39
*	Glengary Pte. Ltd.	Property owner and developer	Singapore	50	50
*	Grange 100 Pte. Ltd.	Property investment and owner	Singapore	40	40
*	Granmil Holdings Pte Ltd	Property owner and developer	Singapore	40	40
**	Krungthep Rimnam Ltd.	Hotel business	Thailand	49	49

40 Significant investments (cont'd)

		Principal Activity	Country of Incorporation	Effective Group Interest 2009 %	Effective Group Interest 2008 %
	Jointly-controlled Entities (cont'd)				
	Jointly-controlled Entities of the Company (cont'd)				
******	OOO "Soft-Project"	Hotel and property owner and developer	Russia	50	50
**	P.T. City Island Utama	Property owner and developer	Indonesia	30	30
*	Richmond Hotel Pte Ltd	Property owner, developer and investment holding	Singapore	33	33
*	South Beach Consortium Pte. Ltd.	Property owner, developer and investment holding	Singapore	33	33
*	Summervale Properties Pte. Ltd.	Property owner and developer	Singapore	50	50
*	TC Development 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
	Jointly-controlled Entity of Millennium & Copthorne Hotels plc				
^	New Unity Holdings Limited	Investment holding company	British Virgin Islands	27	27
	Jointly-controlled Entity of City e-Solutions Limited				
*	MindChamps Holdings Pte. Limited	Provision of education and learning related services	Singapore	–	26

* Audited by KPMG LLP Singapore

** Audited by other member firms of KPMG International

*** Audited by S.Y. Yang & Company, Hong Kong

**** Audited by Ernst & Young Hua Ming

***** Audited by Deloitte Touche Tohmatsu CPA Ltd – Tianjin Branch

****** Audited by BDO Unicorn Inc

^ Not subject to audit by law of country of incorporation

Note (1) CDL Hospitality Trusts 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 is dormant. It exists primarily as a "master lessee of last resort" and will become active if H-REIT is unable to appoint a master lessee for any of the hotels in its portfolio at the expiry of the relevant master lease agreement or for a newly acquired hotel. HBT may also become active if it undertakes certain hospitality and hospitality-related development projects, acquisitions and investments which may not be suitable for H-REIT.

Statistics of Ordinary Shareholdings

As at 8 March 2010

Class of Shares	:	Ordinary shares
No. of Ordinary Shares issued	:	909,301,330
No. of Ordinary Shareholders	:	12,666
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 - 999	1,310	10.34	384,564	0.04
1,000 - 10,000	10,404	82.14	26,553,026	2.92
10,001 - 1,000,000	918	7.25	41,438,227	4.56
1,000,001 and above	34	0.27	840,925,513	92.48
	12,666	100.00	909,301,330	100.00

Based on information available to the Company as at 8 March 2010, approximately 35.43% 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 8 March 2010

No.	Name	No. of Ordinary Shares Held	%
1	Hong Leong Holdings Limited	129,287,477	14.22
2	Hong Leong Investment Holdings Pte. Ltd.	128,669,335	14.15
3	Citibank Nominees Singapore Pte Ltd	119,047,493	13.09
4	DBS Nominees (Pte) Ltd	92,882,425	10.22
5	DBSN Services Pte Ltd	51,385,799	5.65
6	HSBC (Singapore) Nominees Pte Ltd	46,830,230	5.15
7	BNP Paribas Securities Services Singapore	40,542,284	4.46
8	Hong Realty (Private) Limited	25,388,799	2.79
9	UOB Nominees (Pte) Ltd	25,022,167	2.75
10	Raffles Nominees (Pte) Ltd	20,151,101	2.22
11	Garden Estates (Pte.) Limited	18,152,365	2.00
12	Euroform (S) Pte. Limited	17,603,045	1.94
13	Hong Leong Corporation Holdings Pte Ltd	15,929,833	1.75
14	NIN Investment Holdings Pte Ltd	13,161,490	1.45
15	SGI Investment Holdings Pte Ltd	12,752,414	1.40
16	Daiwa (Malaya) Private Limited	9,469,000	1.04
17	Gordon Properties Pte Ltd	9,304,616	1.02
18	Smith New Court (Singapore) Pte Ltd	8,491,739	0.93
19	Mayban Nominees (Singapore) Pte Ltd	7,024,842	0.77
20	Singapore Nominees Pte Ltd	6,547,000	0.72
		797,643,454	87.72

Statistics of Ordinary Shareholdings

As at 8 March 2010

Substantial Shareholders as shown in the Register of Substantial Shareholders

	No. of ordinary shares in which they have interest			
	Direct Interest	**Deemed Interest**	**Total**	**%**
Hong Realty (Private) Limited	32,088,024	30,499,756 [(1)]	62,587,780	6.883
Hong Leong Holdings Limited	148,787,477	19,547,220 [(2)]	168,334,697	18.513
Hong Leong Investment Holdings Pte. Ltd.	140,169,335	301,958,566 [(3)]	442,127,901	48.623
Davos Investment Holdings Private Limited	-	442,127,901 [(4)]	442,127,901	48.623
Kwek Holdings Pte Ltd	-	442,127,901 [(4)]	442,127,901	48.623
Aberdeen Asset Management plc and its subsidiaries	-	135,704,269 [(5)]	135,704,269	14.924
Aberdeen Asset Management Asia Limited	-	92,478,171 [(6)]	92,478,171	10.170
Aberdeen Asset Managers Limited	-	81,550,900 [(7)]	81,550,900	8.969
Credit Suisse Group AG	-	145,209,572 [(8)]	145,209,572	15.969
Credit Suisse AG	-	145,378,572 [(9)]	145,378,572	15.988

Notes:

(1) Hong Realty (Private) Limited ("HR") is deemed under Section 7 of the Companies Act to have an interest in the 30,499,756 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 7 of the Companies Act to have an interest in the 19,547,220 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 7 of the Companies Act to have an interest in the 301,958,566 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 62,587,780 ordinary shares held directly and indirectly by HR; and (ii) the 168,334,697 ordinary shares held directly and indirectly by HLH, out of which 9,305,391 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 7 of the Companies Act to have an interest in the 442,127,901 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 Management plc and its subsidiaries (the "Aberdeen Group") is based on the last notification to the Company on 25 January 2010 and relates to ordinary shares held by various accounts managed or advised by the Aberdeen Group whereby the Aberdeen Group is given disposal rights and voting rights for 80,911,671 ordinary shares and disposal rights without voting rights for 54,792,598 ordinary shares.

(6) The deemed interest of Aberdeen Asset Management Asia Limited ("AAMAL") is based on the last notification to the Company on 12 May 2009 and relates to ordinary shares held by various accounts managed or advised by AAMAL whereby AAMAL is given disposal rights and voting rights for 54,395,871 ordinary shares and disposal rights without voting rights for 38,082,300 ordinary shares.

(7) The deemed interest of Aberdeen Asset Managers Limited ("AAML") is based on the last notification to the Company on 8 January 2010 and relates to ordinary shares held by various accounts managed or advised by AAML whereby AAML is given disposal rights and voting rights for 36,604,200 ordinary shares and disposal rights without voting rights for 44,946,700 ordinary shares.

(8) The deemed interest of Credit Suisse Group AG ("CSG") is based on the last notification to the Company on 19 January 2010. CSG is deemed to be interested in the ordinary shares held by the Aberdeen Group under Section 7 of the Companies Act.

(9) The deemed interest of Credit Suisse AG ("CS") is based on the last notification to the Company on 18 January 2010. CS, a subsidiary of CSG, is deemed to be interested in the ordinary shares held by the Aberdeen Group under Section 7 of the Companies Act.

Statistics of Preference Shareholdings

As at 8 March 2010

Class of Shares	:	Non-Redeemable Convertible Non-Cumulative Preference Shares (“Preference Shares”)
No. of Preference Shares issued	:	330,874,257
No. of Preference Shareholders	:	2,721
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 6 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.

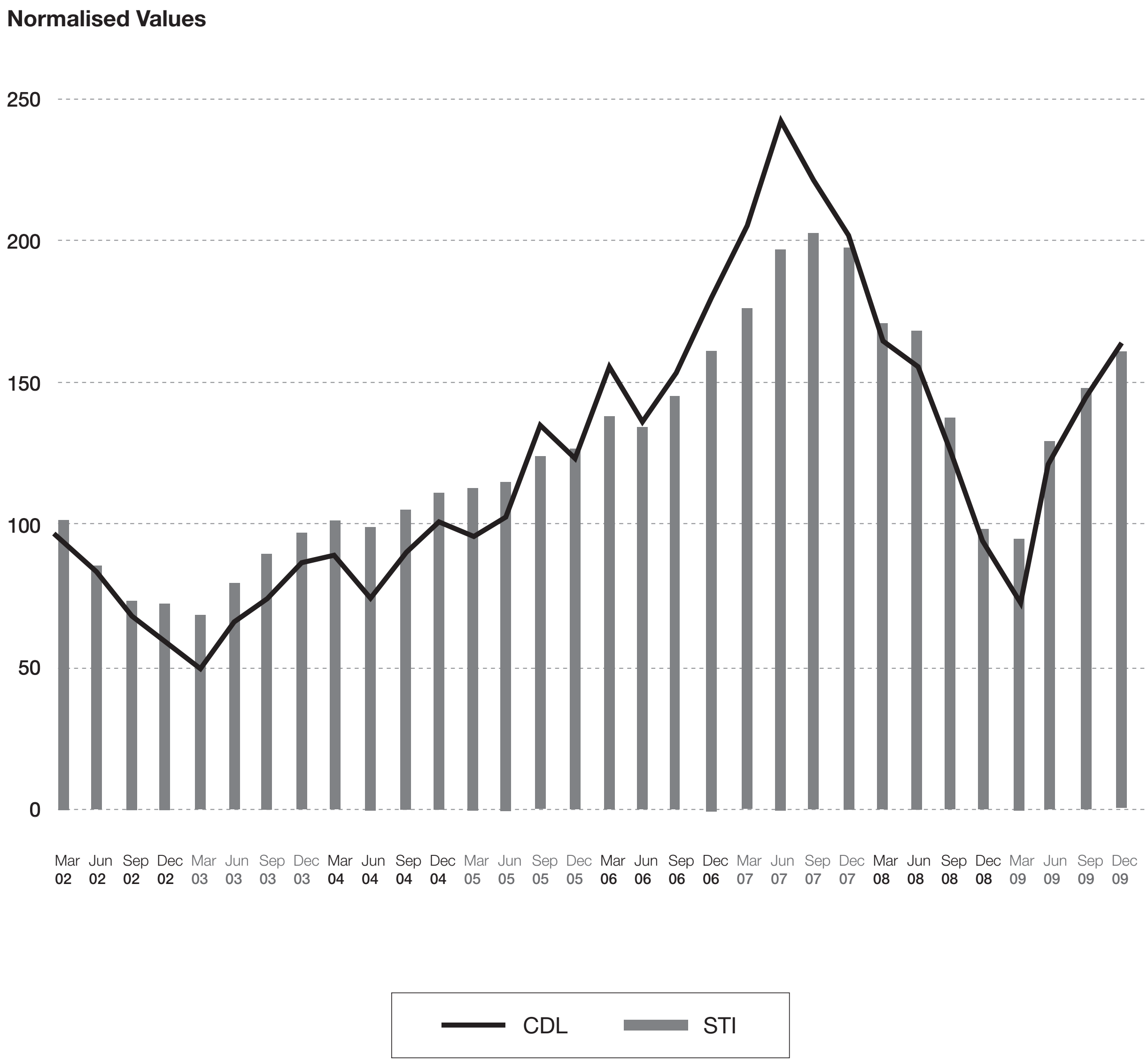
Range of Preference Shareholdings	No. of Preference Shareholders	%	No. of Preference Shares	%
1 - 999	405	14.88	179,855	0.05
1,000 - 10,000	1,963	72.14	5,390,922	1.63
10,001 - 1,000,000	333	12.24	22,219,084	6.72
1,000,001 and above	20	0.74	303,084,396	91.60
	2,721	100.00	330,874,257	100.00

MAJOR PREFERENCE SHAREHOLDERS LIST – Top 20 as at 8 March 2010

No.	Name	No. of Preference Shares Held	%
1	Mandai Properties Pte Ltd	64,931,000	19.62
2	Citibank Nominees Singapore Pte Ltd	53,798,184	16.26
3	Raffles Nominees (Pte) Ltd	37,739,771	11.41
4	Aster Land Development Pte Ltd	26,913,086	8.13
5	Morgan Stanley Asia (Singapore) Pte Ltd	24,945,386	7.54
6	HSBC (Singapore) Nominees Pte Ltd	22,652,450	6.85
7	DBS Nominees (Pte) Ltd	21,530,286	6.51
8	DB Nominees (Singapore) Pte Ltd	11,436,103	3.46
9	Fairmount Development Pte Ltd	7,000,000	2.12
10	Lim & Tan Securities Pte Ltd	6,005,864	1.81
11	Infocomm Investments Pte Ltd	5,700,000	1.72
12	Guan Hong Plantation Private Limited	5,000,000	1.51
13	Hong Leong Foundation	3,564,038	1.08
14	Upnorth Development Pte Ltd	3,000,000	0.91
15	Interfab Pte Ltd	2,054,102	0.62
16	Hong Leong Finance Nominees Pte Ltd	1,583,000	0.48
17	Ng Kin In	1,499,000	0.45
18	Kim Eng Securities Pte. Ltd.	1,275,800	0.38
19	United Overseas Bank Nominees Pte Ltd	1,256,495	0.38
20	Merrill Lynch (Singapore) Pte Ltd	1,199,831	0.36
		303,084,396	91.60

Share Transaction Statistics

8-Year Share Price Performance



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-Seventh Annual General 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, 28 April 2010 at 3.00 p.m. for the following purposes:

(A) ORDINARY BUSINESS

1. To receive the audited financial statements and the reports of the Directors and Auditors for the year ended 31 December 2009.

2. To declare a final tax-exempt (one-tier) ordinary dividend of 8.0 cents per ordinary share for the year ended 31 December 2009 as recommended by the Directors.

3. To approve Directors' Fees of $306,824.66 for the year ended 31 December 2009 (year 2008: $308,000.00) and Audit Committee Fees of $47,500.00 per quarter for the period from 1 July 2010 to 30 June 2011 (period from 1 July 2009 to 30 June 2010: $47,500.00 per quarter), with payment of the Audit Committee Fees to be made in arrears at the end of each calendar quarter.

4. To re-elect the following Directors retiring in accordance with the Articles of Association of the Company:

   (a) Mr Kwek Leng Beng
   (b) Mr Han Vo-Ta
   (c) Mr Yeo Liat Kok Philip (who was appointed on 11 May 2009)

5. To re-appoint the following Directors pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore (the "Companies Act") to hold office from the date of this Annual General Meeting until the next Annual General Meeting:

   (a) Mr Chee Keng Soon
   (b) Mr Tang See Chim

6. To re-appoint Messrs 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 as Ordinary Resolutions:

7. That authority be and is hereby given to the Directors to:

   (a) (i) issue ordinary shares in the capital 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):

(A) by way of renounceable rights issues on a *pro rata* basis to shareholders of the Company ("Renounceable Rights Issues") does not exceed 100% of the total number of issued ordinary shares, excluding treasury shares, in the capital of the Company (as calculated in accordance with paragraph (3) of this Ordinary Resolution); and

(B) otherwise than by way of Renounceable Rights Issues ("Other Share Issues") does not exceed 50% of the total number of issued ordinary shares, excluding treasury shares, in the capital of the Company (as calculated in accordance with paragraph (3) 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 does not exceed 20% of the total number of issued ordinary shares, excluding treasury shares, in the capital of the Company (as calculated in accordance with paragraph (3) of this Ordinary Resolution);

(2) the Renounceable Rights Issues and Other Share Issues shall not, in aggregate, exceed 100% of the total number of issued ordinary shares, excluding treasury shares, in the capital of the Company (as calculated in accordance with paragraph (3) of this Ordinary Resolution);

(3) (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 paragraphs (1)(A) and (1)(B) of this Ordinary Resolution, the total number of issued ordinary shares, excluding treasury shares, shall be based on the total number of issued ordinary shares, excluding treasury shares, in the capital 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 and subsisting at the time this Ordinary Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of ordinary shares;

(4) 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 the SGX-ST) and the Articles of Association for the time being of the Company; and

(5) (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 or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

8. That, contingent on the passing of the Ordinary Resolution in 7 above, authority be and is hereby given to the Directors of the Company to fix the issue price for ordinary shares in the capital of the Company that may be issued by way of placement pursuant to the 20% sub-limit for Other Share Issues on a non *pro rata* basis referred to in Resolution 7 above, at a discount exceeding 10% but not more than 20% of the price as determined in accordance with the Listing Manual of the SGX-ST.

9. That:

(a) for the purposes of Sections 76C and 76E of 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") in the capital 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 the SGX-ST; and/or

(ii) off-market purchases (each an "Off-Market Purchase") effected otherwise than on the 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 schemes shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and rules of the 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 Resolution and expiring on the earlier 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 Ordinary Shares and/or Preference Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this 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 Resolution, (excluding any Ordinary Shares held as treasury shares), 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 Resolution; and

"Maximum Price" in relation to an Ordinary Share or Preference Share to be purchased (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 the SGX-ST, on which transactions in the Ordinary Shares or Preference Shares 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 Preference Share (as the case may be) transacted through the SGX-ST's Central Limit Order Book (CLOB) trading system as shown in any publication of the SGX-ST or other sources;

"Highest Last Dealt Price" means the highest price transacted for an Ordinary Share or Preference Share (as the case may be) as recorded on the SGX-ST on the Market Day on which there were trades in the Ordinary Shares or Preference Shares 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, 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, and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"Market Day" means a day on which the SGX-ST is open for trading in securities; and

(d) the Directors 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 Resolution.

10. That approval be and is hereby given to the Directors to offer and grant options in accordance with the provisions of the City Developments Share Option Scheme 2001 (the "Scheme") and to allot and issue from time to time such number of ordinary shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options granted under the Scheme provided that the aggregate number of new ordinary shares to be issued pursuant to the Scheme shall not exceed 8% of the total number of issued ordinary shares, excluding treasury shares, in the capital of the Company from time to time.

11. (a) That approval be and is hereby given for the purpose of Chapter 9 of the Listing Manual of the SGX-ST, for the Company, its subsidiaries and its associated companies that are not listed on the 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 Annual General Meeting 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 Resolution.

(C) TO TRANSACT ANY OTHER BUSINESS

By Order of the Board

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

Singapore
7 April 2010

The Company had on 25 February 2010 advised that the Ordinary Shares Transfer Books and Register of Holders of ordinary shares of the Company will be closed on 7 May 2010. Duly completed registrable transfers received by the Company's Registrar, M & C Services Private Limited of 138 Robinson Road #17-00, The Corporate Office, Singapore 068906, up to 5.00 p.m. on 6 May 2010 will be registered to determine ordinary shareholders' entitlement to the dividends for the year ended 31 December 2009.

Entitlements of ordinary shareholders, being Depositors, to the said dividends will be determined based on the ordinary shares credited to their securities accounts with The Central Depository (Pte) Limited as at 5.00 p.m. on 6 May 2010.

The Directors have recommended a final tax-exempt (one-tier) ordinary dividend of 8.0 cents per ordinary share in respect of the financial year ended 31 December 2009 for approval by ordinary shareholders at the Annual General Meeting to be held on 28 April 2010. The final dividends, if approved, will be payable on 21 May 2010.

Notice of Annual General Meeting

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

2. The instrument appointing a 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.

3. Completion and return of the instrument appointing a 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 instrument of proxy, to the Meeting.

4. With reference to item 3 of the Ordinary Business above, the Directors' Fees of $306,824.66 excludes Audit Committee Fees of $47,500.00 per quarter.

5. With reference to item 4(a) of the Ordinary Business above, Mr Kwek Leng Beng will, upon re-election as a Director of the Company, remain as a member of the Board and Nominating Committees.

6. With reference to item 4(b) of the Ordinary Business above, Mr Han Vo-Ta will, upon re-election as a Director of the Company, remain as a member of the Board and Audit Committees, and is considered independent by the Board.

7. With reference to item 4(c) of the Ordinary Business above, Mr Yeo Liat Kok Philip will, upon re-election as a Director of the Company, remain as a member of the Remuneration Committee, and is considered independent by the Board.

8. With reference to item 5(a) of the Ordinary Business above, Mr Chee Keng Soon will, upon re-appointment as a Director of the Company, remain as Chairman of the Audit, Nominating, Remuneration and City Developments Share Option Scheme 2001 ("Scheme") Committees, and is considered independent by the Board.

9. With reference to item 5(b) of the Ordinary Business above, Mr Tang See Chim will, upon re-appointment as a Director of the Company, remain as a member of the Board, Audit, Remuneration and Scheme Committees, and is considered independent by the Board.

10. The Ordinary Resolution proposed in 7 above, if passed, will empower the Directors of the Company from the date of the Meeting until the next Annual General Meeting (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 (i) 100% for Renounceable Rights Issues, and (ii) 50% for Other Share Issues of which up to 20% may be issued other than on a *pro rata* basis to shareholders, provided that the total number of shares which may be issued pursuant to (i) and (ii) shall not exceed 100% of the total number of issued ordinary shares, excluding treasury shares, in the capital of the Company. 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, in the capital 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 and subsisting at the time this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of ordinary shares. The authority for 100% Renounceable Rights Issues is proposed pursuant to the SGX news release of 19 February 2009 which introduced further measures to accelerate and facilitate listed issuers' fund raising efforts ("SGX News Release"), which permits the authority for 100% Renounceable Rights Issues to be effective until 31 December 2010. The effectiveness of this measure will be reviewed by the SGX-ST at the end of the period.

Notice of Annual General Meeting

11. The Ordinary Resolution proposed in 8 above, if passed, will empower the Directors of the Company to fix the issue price for ordinary shares that may be issued by way of placement pursuant to the 20% sub-limit for Other Share Issues on a non *pro rata* basis (referred to in the Ordinary Resolution proposed in 7 above) at a discount exceeding 10% but not more than 20% of the price as determined in accordance with the Listing Manual of the SGX-ST. This Ordinary Resolution is proposed pursuant to the SGX News Release, which permits this authority to be effective until 31 December 2010. The effectiveness of this measure will be reviewed by the SGX-ST at the end of the period.

12. The Ordinary Resolution proposed in 9 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 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 Annual General Meeting 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.

13. The Ordinary Resolution proposed in 10 above, if passed, will empower the Directors of the Company to offer and grant options under the Scheme and to issue from time to time such number of new ordinary shares in the capital of the Company pursuant to the exercise of share options under the Scheme subject to such limits or sub-limits as prescribed in the Scheme.

14. The Ordinary Resolution proposed in 11 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 Annual General Meeting of the Company, unless previously revoked or varied at a general meeting.

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

Proxy Form

IMPORTANT:

1. For investors who have used their CPF monies to buy the Company's ordinary shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and holders of the Company's Preference shares and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to attend the 47th Annual General Meeting as OBSERVERS have to submit their requests through their respective Agent Banks so that their Agent Banks may register, in the required format, with the Company Secretary of City Developments Limited. (Agent Banks : please see note No. 9 on required format).

* I/We,________________________________with NRIC / Passport Number : ________________

of ____

being a *member/members of City Developments Limited (the "Company"), hereby appoint

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings (%)

*and/or

as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Forty-Seventh 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, 28 April 2010 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 as indicated 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 Reports and Financial Statements			
2.	Declaration of a Final Ordinary Dividend			
3.	Approval of Directors' Fees and Audit Committee Fees			
4.	Re-election of Directors:	(a) Mr Kwek Leng Beng		
		(b) Mr Han Vo-Ta		
		(c) Mr Yeo Liat Kok Philip		
5.	Re-appointment of Directors under Section 153(6) of the Companies Act, Chapter 50:	(a) Mr Chee Keng Soon		
		(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 and the listing rules of Singapore Exchange Securities Trading Limited			
8.	Approval of Share Placement Discount			
9.	Renewal of Share Purchase Mandate			
10.	Authority for Directors to offer and grant options and issue new ordinary shares in accordance with the provisions of the City Developments Share Option Scheme 2001			
11.	Renewal of IPT Mandate for Interested Person Transactions			

Dated this __________ day of ____________ 2010

No. of ordinary shares held

____
Signature(s) of
Member(s)/Common Seal

*Delete accordingly
IMPORTANT: PLEASE READ NOTES ON THE REVERSE

Glue along dotted line

Glue along dotted line

Notes:

1. Please insert the total number of ordinary shares held by you. If you have ordinary shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50), you should insert that number of ordinary shares. If you have ordinary shares registered in your name in the Register of Members, you should insert that number of ordinary shares. If you have ordinary shares entered against your name in the Depository Register and ordinary shares registered in your name in the Register of Members, you should insert the aggregate number of ordinary shares. If no number is inserted, this instrument appointing a proxy or proxies shall be deemed to relate to all the ordinary shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. Completion and return of this instrument appointing a 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 the instrument of proxy, to the AGM.
5. This instrument appointing a proxy or proxies 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 instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies 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 an instrument appointing a proxy or proxies 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 instrument, failing which the instrument 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 Articles of Association and Section 179 of the Companies Act, Chapter 50.
8. The Company shall be entitled to reject an instrument of proxy or proxies 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 instrument appointing a proxy or proxies. In addition, in the case of ordinary shares entered in the Depository Register, the Company may reject any instrument of proxy or proxies lodged if the member, being the appointor, is not shown to have ordinary shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
9. Agent Banks acting on the request of CPF Investors who wish to attend the AGM as Observers are required to submit in writing, a list with details of the investor's name, NRIC/Passport Number, address and number of ordinary shares held. The list, signed by an authorised signatory of the agent bank, should reach the Company Secretary, at the registered office of the Company not less than 48 hours before the appointed time for the AGM.

Fold Here

AGM
Proxy Form

Affix
Stamp
Here

The Secretary
CITY DEVELOPMENTS LIMITED
36 Robinson Road
#04-01 City House
Singapore 068877

Fold Here

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