



REACHING OUT

CITY DEVELOPMENTS LIMITED SOCIAL AND ENVIRONMENTAL REPORT 2008

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CDL is reaching out — to make a difference in our world. Beyond our business operations, we believe in giving back to society. That's why we've put in place an extensive range of plans and activities to foster environmental and community harmony in the areas we serve.





MESSAGE FROM THE MANAGING DIRECTOR

Dear Stakeholders,

2007 marks CDL's best year to-date, having achieved a record financial year of revenue and profit. It was also a key year for the Company, having made considerable accomplishments in the environmental and social arena.

We started our Corporate Social Responsibility (CSR) journey as early as the 1990s, but it was only in 2004 that we decided to publish a short CSR report within our Annual Report with the objective of reaching out to our investors and sharing the Company's CSR efforts in light of the changing social, business and environmental climate. Even though this is not an obligatory requirement in Singapore, we believed that having such a report has helped us to reaffirm our commitment, continuously strive towards improving our practices and

above all, develop a CSR culture within the organisation.

We have decided to take another significant step forward in the CSR direction with the publication of our inaugural Social and Environmental Report. This dedicated report will encompass information regarding CDL's social and environmental performance.

Although such a report is still uncommon in Singapore, CDL is voluntarily disclosing the information as the Company strongly respects and upholds the principles of corporate transparency and open communication. At CDL, we believe that reaching out, sharing our progress and being responsive to our key stakeholders is vital in sustaining the success and growth of the Company. The accomplishments we have made so far would not have been realised without your support.

While much effort has been taken to collate the information in this report, this only represents a turning point in our CSR journey. We recognise

that there is still a long road of progression and innovation ahead.

With this report, CDL is committed to setting targets to not only improve our social and environmental performance, but to start tracking and measuring our efforts, where possible. It is our goal to publish this report annually to keep our stakeholders abreast of our activities and performance.

With the weakened economic climate triggered by the US sub-prime crisis, 2008 will be a challenging year for many corporations. Amidst these business challenges, CDL remains fully committed to continue to invest time and resources to sustain our CSR initiatives and programmes. CSR remains an integral part of our corporate vision and culture. Our journey will continue to evolve and respond to the changing needs of our stakeholders, mindful of our role as a responsible global citizen.

Kwek Leng Joo
Managing Director

CDL IS COMMITTED TO SETTING TARGETS TO NOT ONLY IMPROVE OUR SOCIAL AND ENVIRONMENTAL PERFORMANCE, BUT TO START TRACKING AND MEASURING OUR EFFORTS, WHERE POSSIBLE.

REACH

CHAPTER 1



ABOUT CDL

CORPORATE PROFILE

A 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, as well as the provision of hospitality solutions.

CDL has a global presence in over 20 countries with 5 listed companies on notable stock exchanges in Auckland, Hong Kong, London, Manila and Singapore.

As the proxy to the Singapore property market, CDL is backed by a track record of some 22,000 luxurious and quality homes and over 200 properties to our name in Singapore and the region. CDL's properties are synonymous with prestige, good value, outstanding quality, eco-friendliness and a choice investment.

CDL'S PROPERTIES ARE SYNONYMOUS WITH PRESTIGE, GOOD VALUE, OUTSTANDING QUALITY, ECO-FRIENDLINESS AND A CHOICE INVESTMENT.

We are one of the biggest landlords in Singapore with over 4 million square feet of lettable office, industrial, retail and residential space.

In land-scarce Singapore, we also own one of the largest land banks amongst private developers with almost 4.5 million square feet that has the potential of being developed into more than 9 million square feet of Gross Floor Area (GFA).

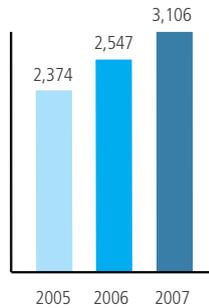
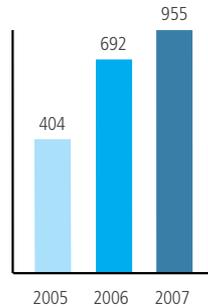
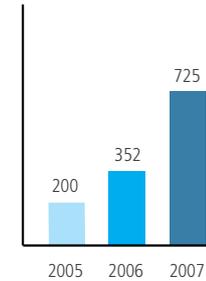
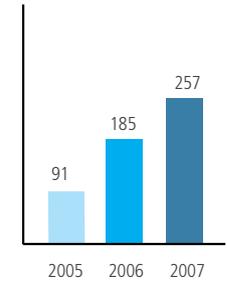
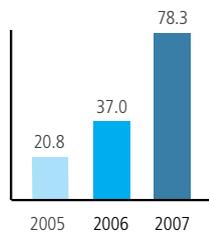
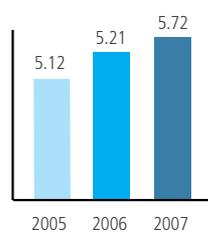
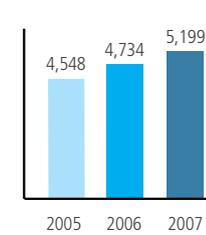
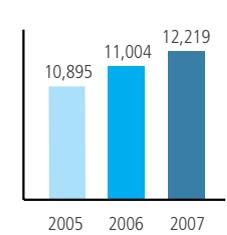
Our other subsidiaries include the London-listed Millennium & Copthorne Hotels plc (M&C), an international hotel group which owns and operates over 110 hotels in 18 countries and the Hong Kong-listed City e-Solutions Limited, which provides technology solutions for the global hospitality industry.

CDL (excluding subsidiaries) employs over 300 employees at our headquarters in Singapore.



The upcoming revolutionary Eco-Quarter South Beach development will propel Singapore towards greater heights in environmental sustainability in the global arena.

FINANCIAL HIGHLIGHTS

Revenue
S\$millionProfit Before Income Tax
S\$millionProfit for the Year Attributable to
Equity Holders of the Company
S\$millionOrdinary Dividend (net)
S\$millionBasic Earnings per Share
centsNet Asset Value per Share
S\$Shareholders' Equity
S\$millionGross Assets
S\$million

For more information on CDL's financial performance, please go to www.cdl.com.sg.

ABOUT THIS REPORT

This is CDL's first dedicated report which describes our economic, social and environmental activities. It provides information on our performance, engagement with stakeholders and addresses the social and environmental impacts that are pertinent to our business.

The report focuses on our principal business as a property developer. Specifically, it takes a deeper look at our operational functions in project development and property management of both residential as well as commercial developments in Singapore. It describes our activities which take into consideration the well-being of the community and environment in which we operate.

SCOPE OF THE REPORT

This report covers solely our Singapore operations. Our subsidiary, M&C shares its CSR activities in its Annual Report which is available at www.millenniumhotels.com.

STANDARDS OF MEASUREMENT

The Global Reporting Initiative (GRI) G3 Guidelines was used to prepare this report. Based on the GRI Application Level Criteria for reporting, we self-declare this report to be a Level C report. GRI has verified this Application Level. References have also been made to the UN Global Compact's 10 Universal Principles.



STATISTICS AND REPORTING PERIOD

Being our first report, we have attempted, wherever possible, to share 3-year statistics to cover the reporting period between January 2005 and December 2007 so as to provide meaningful data for comparison and measurement.

As this report evolves over the coming years, we will focus on improving our environmental and social data management to enhance our reporting and accountability. It is our aim to collect and compile more comprehensive data on the environmental impact and social performance of our business operations in Singapore as we continuously refine our methodology and expand our efforts.

We aim to publish this Social and Environmental Report annually.

ACCESSIBILITY

As part of our environmental conservation efforts, only a limited number of copies of this report has been printed. However, this report can be downloaded from our website at www.cdl.com.sg.

FEEDBACK CHANNEL

CDL places high value on communication and feedback through stakeholder engagement which helps us improve. We welcome your feedback.

Send your feedback to:
Ms Esther An
Head of CSR
9 Raffles Place
#36-00 Republic Plaza
Singapore 048619
[csquirenquiries@cdl.com.sg](mailto:cquirenquiries@cdl.com.sg)

CDL'S CSR JOURNEY



BEYOND DEVELOPING SPACES

CSR VISION

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

CSR MISSION STATEMENT

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

At CDL, we view our role as more than just a builder of living spaces, but also a developer of lives and communities. We believe that a successful corporation is not only founded on business achievements, but also by the positive role it can play in the community and towards environmental sustainability.

Since the 1990s, CSR has been an integral part of CDL's vision and mission. Founded on this commitment, we take into consideration the interests of society on key stakeholders such as our investors, customers, employees, contractors and suppliers as well as the community.

We believe in conducting our business responsibly, mindful of the impact our operations have on society so as to build an enduring and sustainable organisation. We continually seek ways to ensure a better quality of life for the community and environment where we live, work and play.

In the following chapters, we will share our stakeholder engagement practices which have enabled us to improve on our policies. With stakeholders' feedback, we have been able to develop positive long-term relationships with them, which have contributed to the sustainability of our business growth.

ADVOCATE FOR CSR

Since 2002, CDL is the only Singapore developer to remain listed on the London FTSE4Good Social Responsibility Index – a global benchmark for socially responsible investments.

CDL works closely with various organisations to promote CSR. We have been a founding committee member of Singapore Compact for CSR since its inception in 2005. Singapore Compact functions as a national society advocating CSR among the business community through awareness dialogues and workshops.

COMMITMENT TO STAKEHOLDERS

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

Our Customers:

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

Our Investors:

To maintain profitability and achieve optimum returns for their investments.

Our Employees:

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

Our Contractors and Suppliers:

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

The Community:

To serve the community we operate in so as to create a better place for all, especially the less fortunate.

It is our hope that by sharing our experience, more companies will be inspired to practice CSR in their business operations.

In September 2005, CDL was one of the founding Singapore signatories of the United Nations Global Compact to lend support to the advancement of responsible corporate citizenship in Singapore.

With a firm belief in the importance of engagement with the community, we have been responsive to the needs of the community by working closely with government agencies and non-governmental organisations (NGO).

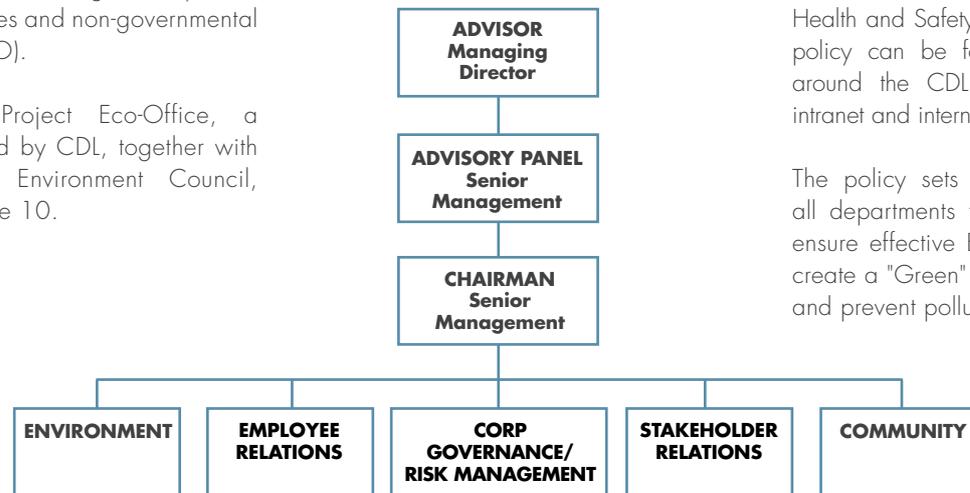
For details on Project Eco-Office, a programme initiated by CDL, together with NGO Singapore Environment Council, please refer to page 10.

CSR COMMITTEE

CDL is establishing a formal CSR Committee, to be fully operational by the year end. This committee will provide and oversee our CSR goals and targets, formulate programmes to achieve these targets and improve CDL's social and environmental performance.

The committee will report directly to the Managing Director and the committee members will be the senior management of the Company.

CDL CSR committee structure:



FROM ENVIRONMENTAL, HEALTH AND SAFETY POLICY TO COMPANY-WIDE ENVIRONMENTAL MANAGEMENT SYSTEMS

One of the key drivers which has enabled CDL to surge forward in our efforts to care for the environment is the strong support by the top management.

The management has articulated CDL's firm commitment to being a green and responsible developer, creating a "Safe and Green" culture, with the establishment of the Environmental, Health and Safety (EHS) policy in 2003. The policy can be found in strategic locations around the CDL office, on the Company intranet and internet website.

The policy sets the strategic direction for all departments to take practical efforts to ensure effective EHS management so as to create a "Green" culture, conserve resources and prevent pollution.

In line with CDL's EHS policy, employees from across the ranks are committed to improve on the Company's environmental performance. As such, we embarked on formalising our Environmental Management Systems (EMS) to help set the framework for effective implementation and sustainability.

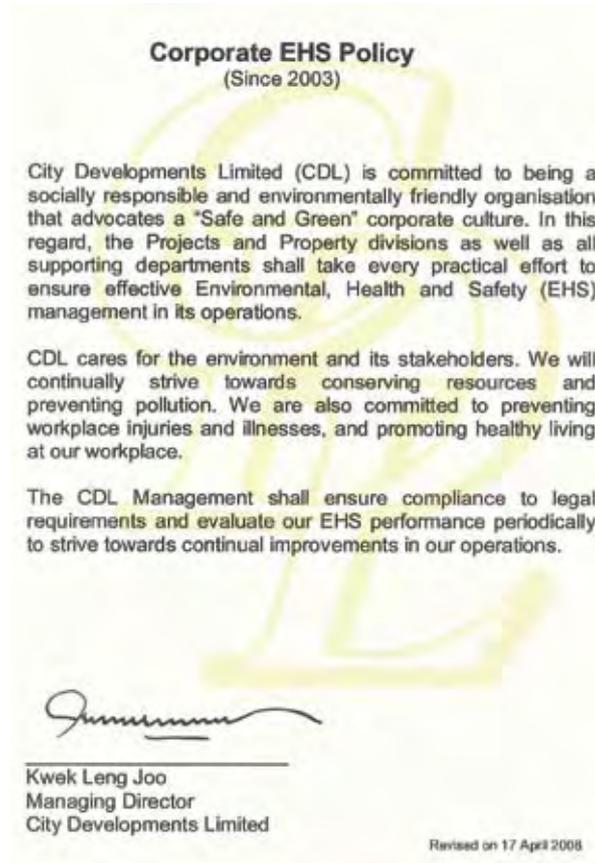
In 2003, CDL was the first private property developer in Singapore to be awarded ISO 14001:1996 (upgraded to ISO 14001:2004) and OHSAS 18001 (Occupational Health and Safety Management System) by BCA (Building and Construction Authority, Singapore's governing body for the built environment) for property development and project management. Our key environmental aspects encompass energy and water conservation, waste management, safety practices, noise control and public health improvement, education and workplace safety.

More importantly, we have successfully influenced our consultants and contractors to change their work processes and become more eco-conscious. In fact, with CDL's encouragement and support, more than 50% of our key consultants have voluntarily obtained their ISO 14001 and OHSAS 18001 certifications.

In 2007, CDL attained ISO 9001:2000 and ISO 14001:2004 in Property Division (Investment Properties) for 14 of our investment buildings. In order to manage the properties in an environmentally sustainable manner and to assure the quality of the services rendered, Property Division has put in place an Integrated Management System to provide a safe and green environment for our tenants, enhancing customer satisfaction and environmental management standards in CDL's commercial buildings. Environmental aspects of primarily water and energy also continue to be closely monitored and improved on.

In April 2008, CDL completed the ISO 14001:2004 assessment for Corporate Management and Operations. The Company's EMS was found to have been established, implemented and maintained in accordance to the requirements. It is recommended that certification to the ISO 14001:2004 standard be awarded.

For details on CDL's EMS, please refer to Chapter 4: Protecting the Environment.



IN FOCUS: PROJECT ECO-OFFICE 2002

CDL realised that although there were many green campaigns targeted at individuals and households, very little was being done to address businesses and office workers. Thus, to cultivate eco-friendly habits in the office, CDL initiated the outreach programme Project Eco-Office with NGO Singapore Environment Council (SEC) in June 2002.

Project Eco-Office is targeted at the business community to change the way we work, think and manage precious resources in the office. Its website at www.ecooffice.com.sg provides information to help companies go green. Interested companies may also request for the Eco-Office Kit which contains posters and stickers with eco-tips which can be placed around the office and work stations. They serve as a daily green reminder. A green procurement guide is also provided. Alternatively, companies can also download the green posters from the website.

Through a series of road shows, media campaigns, seminars and recycling drives since 2002, we have successfully raised environmental awareness among the office workers.

Expanding the programme further, an online Eco-Office Audit was launched in late 2003

for corporations to determine how green they are. In 2005, corporations that were rated well were encouraged to participate in a formal office audit conducted by an independent auditor. Successful corporations that meet the mark will be awarded the Green Office Label Certification.

The list of Green Office Label recipients has been growing steadily. 17 new offices were certified green in 2007 in addition to another 3 re-certified offices including CDL.

In 2007, the Project Eco-Office Seminar titled "Converting your Office into a Green Office" saw an enthusiastic turnout of over 150 top management executives from all over the island.

Project Eco-Office also took to the airwaves for the first time in a 4-day radio campaign. Listeners had the opportunity to find out more about Project Eco-Office and also to learn from 2 new Green Office Label recipients who shared their motivation and strategy in creating a green office. An estimated 270,000 PMEBS (Professionals, Managers, Executives and Businessmen) radio listeners tune in weekly.

We are committed to continue working with SEC to expand this programme further.



Project Eco-Office kits containing posters and stickers with green reminders and tips as well as green office pamphlets are readily available to offices nationwide.

TRACK RECORD

In the course of our journey towards sustainability, there were many milestones which have contributed towards furthering our cause. The table below provides an overview of some of our key business, environmental and social achievements. The awards, accolades and programmes affirm our commitment and efforts towards being a socially responsible corporate citizen.

KEY HIGHLIGHTS

2008	Business	Environment	Social
City House received the Water-Efficient Building Certificate from PUB (Public Utilities Board) in recognition of efforts to conserve water.	●	●	
Conferred the Excellence Award for its outstanding CSR programmes at PRISM Awards by the Institute of Public Relations of Singapore.	●		●
2007			
Achieved ISO 9001 and ISO 14001 certification for 14 Investment Properties.	●	●	
Accorded the pinnacle awards from the Office of the President of the Republic of Singapore. - President's Social Service Award - President's Award for the Environment		●	●
Pioneered the 1°C Up programme in 11 CDL commercial buildings. - Aims to increase the air-conditioning temperature range by 1°C to save energy and reduce carbon emissions.	●	●	
Presented with the Patron of the Arts Award by the National Arts Council for its sustained contribution towards the promotion and development of the arts in Singapore since 1997.			●

2007 cont'd	Business	Environment	Social
First private developer to be awarded BCA Green Mark Platinum – the highest honour accorded for developing eco-friendly properties by BCA. - City Square Mall (commercial) - The Oceanfront @ Sentosa Cove (residential) This sets an industry benchmark. CDL has since received 26 BCA Green Mark awards for its projects, the most by a single developer.	● ●	● ●	
Presented with the CSR Recognition Award by Singapore Compact in recognition of its sustained commitment towards CSR.	●	●	●
Accorded Watermark Award 2007 by PUB which is the highest accolade for Friends of Water who have made significant contributions towards Singapore's water sustainability.		●	●
Conferred the Total Defence Awards and Home Team NS Awards for Employers 2007 (Special Award) in recognition of its support and contribution towards National Service (NS) activities in the Singapore Armed Forces and the Singapore Police Force and Singapore Civil Defence Force respectively.			●
Conferred the The Distinguished Partner of the NYAA (National Youth Achievement Award) in recognition of its continuous partnership and support towards youth development.			●

2006	Business	Environment	Social	2005 cont'd	Business	Environment	Social
The only property developer in Singapore to be conferred the international Royal Society for the Prevention of Accidents (RoSPA) Gold Award for excellence in Occupational Health and Safety management in the workplace consecutively for 2006, 2007 and 2008.	●	●		Presented with the Singapore Green Plan 2012 Award by the Ministry of Environment and Water Resources for leading the industry in good environmental practices and educating its stakeholders to adopt eco-friendly habits.	●	●	
CDL is the first local MNC to win the prestigious Corporate Citizen Award by the National Volunteer & Philanthropy Centre.			●	Obtained Green Office Certification (2005-2009) in recognition of its commitment to environmental protection at the workplace by SEC.	●	●	
The only Gold Award winner in the Property Developer category in Reader's Digest's Annual Consumer Brand Preference Award in 2006. We were also awarded in 2007 and 2008.	●			Awarded the Singapore H.E.A.L.T.H. Award 2005 (Gold) by the Health Promotion Board in recognition of commendable Workplace Health Programmes (WHP) to encourage employees to lead healthy and vibrant lives.			●
Established a Work-life Committee to promote work-life and health activities for a well-balanced lifestyle.			●	CDL was listed on the new FTSE/ASEAN Index and the FTSE/ASEAN 40 Index.	●	●	●
2005				Republic Plaza, Fuji Xerox Towers and City House were conferred the Energy Smart Office Award by National University of Singapore (Energy Sustainability Unit) and National Environment Agency (NEA).	●	●	
One of Singapore's pioneering group of signatories to join the United Nations (UN) Global Compact to uphold its 10 Principles.		●		2004			
Conferred the "Best in Class" status by Storebrand's Socially Responsible Investments (SRI) for CDL's CSR programmes.	●	●	●	Awarded the prestigious Singapore Environmental Achievement Award by SEC for its dedication and success as a green developer and advocate.		●	
CDL is the sole winner for the Best Social Report category of the Singapore Environmental & Social Reporting Awards 2005 (SESRA) awarded by the Association of Chartered Certified Accountants (ACCA), which recognises organisations which report and disclose environmental or social information.	●			Pioneered Let's Live Green! – an outreach programme to educate and inform CDL's homebuyers on how to practice green habits within their homes.		●	●
				Awarded the Singapore Family-Friendly Employer Award 2004 by a Tripartite Committee on Work-Life Strategy, which includes the Ministry of Community Development and Sports, Ministry of Manpower (MOM), National Trade Union Congress and Singapore National Employers Federation for its family-friendly corporate culture.	●		●

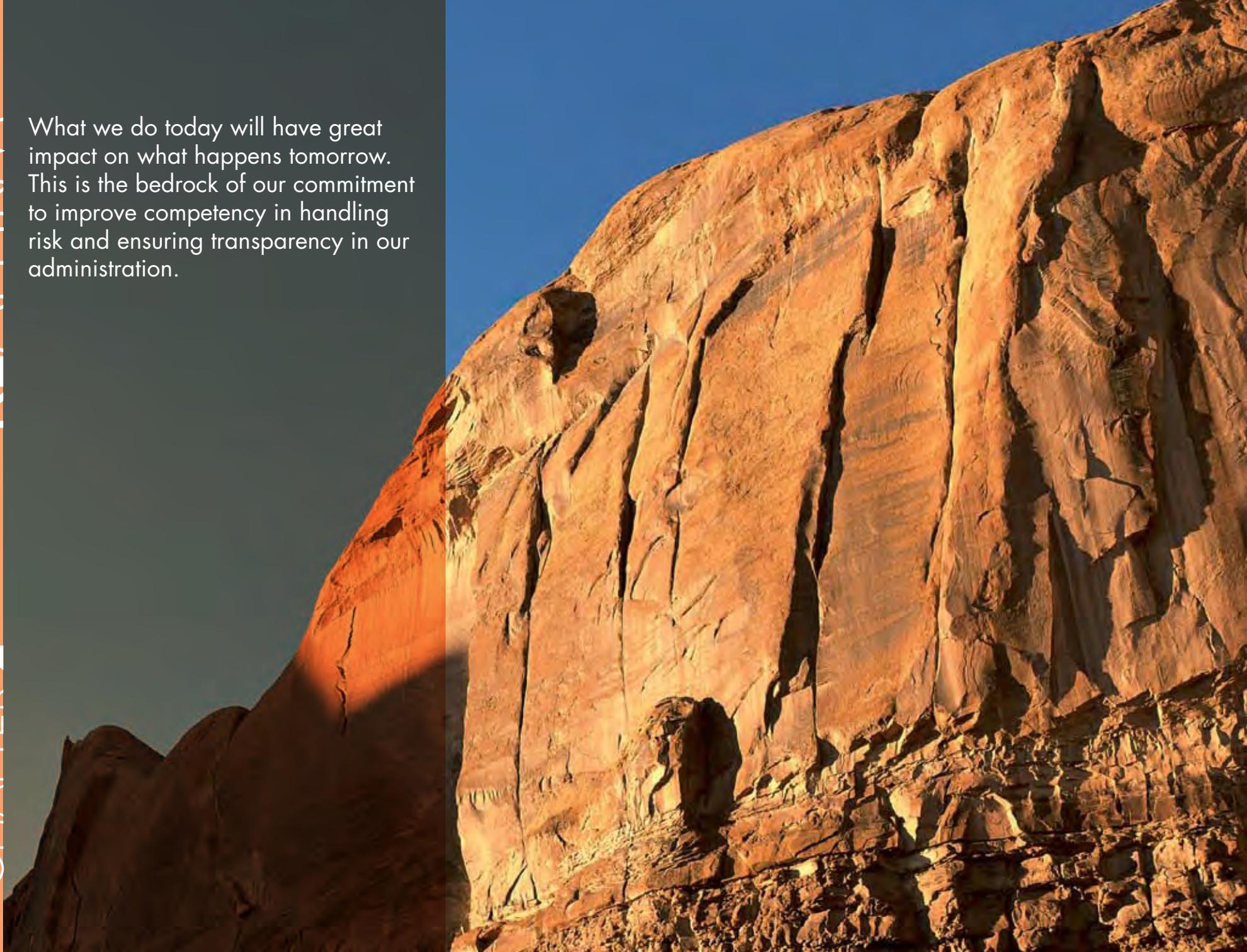
2004 cont'd	Business	Environment	Social
Formation of an employee welfare task force StaffConnect @ CDL aimed at reinforcing employees' sense of belonging and team spirit.			●
2003			
Established a formal EHS policy to ensure all EHS requirements are complied throughout property development.	●	●	
Achieved ISO 14001:1996 Environmental Management Certification for commitment in raising environmental standards in our developments and building high-quality homes that feature eco-friendly facilities.	●	●	
Achieved OHSAS 18001 Health and Safety Certification for establishing a EHS policy to monitor the environmental impact of our operations and improve workplace safety.	●	●	
Accorded the MOM Developer Award in Workplace Health and Safety Awards in 2003 and again in 2006. It is the only developer to be awarded this honour.			●
2002			
Established a formal Risk Management Framework to assess, identify, evaluate, monitor and manage the Company's business risks.	●		
Launched Savannah CondoPark – Singapore's first specially-designed Eco-Condo.	●	●	
Pioneered Project Eco-Office outreach programme with SEC which encourages offices to go green.		●	●

2002 cont'd	Business	Environment	Social
CDL was one of the six companies in Asia (excluding Japan) to be included into the FTSE4 Good Index series listing in 2002. CDL continues to be listed in this index to-date.	●	●	●
The inaugural CDL Singapore Sculpture Award was launched. It has since been held biennially in 2004 and 2006.	●		
2001			
First Singapore developer to establish a formal Customer Relationship Management Call Centre to promptly and efficiently follow-up on customer feedback and enquiries.	●		
Established CDL 5-Star EHS Assessment System to conduct quarterly audits by an independent auditor to monitor and raise EHS standards at the construction worksite.		●	
Awarded SIAS Investors' Choice Awards for being among Singapore's Most Transparent Companies (Property) by Singapore Investors Association (SIAS) and endorsed by the Singapore Exchange. CDL has continued to receive this award annually to-date.	●		
1999			
Established City Sunshine Club, an employee volunteer programme.			●
1998			
Published "Beauty of Nature" Corporate Calendar series. This series has continued for over a decade with the aim to support the conservation of our natural and cultural heritage.		●	

REAFFIRM

CHAPTER 2

What we do today will have great impact on what happens tomorrow. This is the bedrock of our commitment to improve competency in handling risk and ensuring transparency in our administration.



CORPORATE GOVERNANCE AND RISK MANAGEMENT

We are 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 the Company has adopted a set of internal guidelines on corporate governance aligned with the CCDG Code. For more detailed information on the Company's corporate governance practices, please refer to the Company's Corporate Governance Report as set out in the Company's Annual Report 2007 (pages 27 to 34).

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

The Board of Directors (the "Board") has general oversight of the Company's business, with its primary functions being the setting of corporate policy, providing guidance and approving strategic plans and direction for the Company, reviewing management performance, establishing and overseeing

the framework for internal controls and risk management, and assuming the responsibility for good corporate governance. The Board comprises 8 members, all of whom are non-executive Directors, except for the Chairman and the Managing Director. There is a strong and independent element on the Board with 4 out of the 6 non-executive Directors considered to be independent, each viewed by the Board as being capable of maintaining his objectivity and independence at all times in the carrying out of his duties and responsibilities as an independent Director.

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

- (i) The Board Committee, comprising 5 Directors, the majority of whom are non-executive, which deliberates on operational matters requiring Board review.
- (ii) The Audit Committee, comprising 4 non-executive and independent Directors, which assists the Board, inter alia, in providing an independent review of the effectiveness of the CDL Group's financial reporting process

and material internal controls, encompassing financial, operational, compliance and risk management controls. Such review is undertaken through a monitoring program involving internal and external audits.

(iii) The Nominating Committee, comprising 3 Directors, 2 of whom including the chairman are independent, which assists the Board in the recommendation and review of board appointments and re-appointments, determination of independence of each Director and identification of new directors who have the requisite knowledge, experience and skills to contribute effectively to the Board. The Nominating Committee also evaluates the Board's performance as a whole on an annual basis, using objective and appropriate quantitative and qualitative criteria with quarterly performance indicators which include comparisons of the Company's performance for the period under review against the Company's performance for the corresponding period in previous years and also against industry peers and industry averages.

(iv) The Remuneration Committee, comprising 3 non-executive Directors, the majority of whom including the chairman are independent,

which assists the Board in the review and recommendation for endorsement of the Board, a framework of remuneration and specific remuneration packages for each Director, including the Executive Chairman, the Managing Director and also for the Group General Manager. The Remuneration Committee in the performance of its review role, also ensures that remuneration policies of the Company are generally in line with the strategic objectives set by, and corporate values of, the Company. Such remuneration framework, which includes both fixed and variable components, takes into account, amongst other factors, the individual's performance, the performance of the Group and industry practices.

Mr Kwek Leng Beng is the Executive Chairman of the Company and the Chairman of the Board. The holding of these dual roles by Mr Kwek Leng Beng, together with the strengths brought to these roles by a person of Mr Kwek Leng Beng's stature and experience, has been considered by the Board. Taking into account also the internal controls in place to allow effective oversight by the Board to ensure appropriate balance and authority for the Board to exercise objective decision-making, the Board is of the view that there is no necessity to effect a separation of the role of the Chairman of the Board and the Executive Chairman, and these two roles may be performed by one person to facilitate the Group's decision-making and implementation process.

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

The Company has adopted an Internal Code of Business and Ethical Conduct which crystallises the Company's business principles and practices with regards to matters having ethical implications. The Code provides a communicable and understandable framework to all Directors and staff, incorporating and emphasising the Company's corporate values such as honesty, integrity, responsibility and accountability at all levels of the organisation and in the conduct of the Company's relationships with its customers, suppliers and amongst employees, including situations where there are potential conflicts of interests.

Since 2006, the Company has also adopted a whistle-blowing policy and put in place procedures whereby staff of the Company can raise in confidence legitimate bona fide concerns on possible improprieties relating to accounting, financial reporting, internal controls and auditing matters without fear of reprisals. Within these procedures are arrangements for independent investigation of such matters raised, for appropriate follow up action to be taken and for reports to be made to the Audit

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

Since 2002, the Company has established a formal risk management framework, which is benchmarked against international risk management standards, to enable significant business risks within the Company's property investment, development and management arm to be identified, assessed, evaluated, monitored and managed. Further enhancements to the framework were implemented in 2007 with the assistance of independent consultants to manage the strategic business risks which are reflective of the changes in markets, products and emerging best practices. The efforts of the Company in this area underline the importance of risk management in the Company's business activities and as an essential component of its planning process. The Board's overall responsibility in this area is supported by the Audit Committee which has general oversight of the Company's risk management policy and procedures. For more information detailing

the Company's risk management process, please see the following section on Risk Management.

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 Group 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 function of the Company. The Audit Committee, in its review of the effectiveness of the Group's internal controls system, including risk management systems, oversees the results of the work of internal and external audits. In addition, a Risk Management Committee ("RM Committee"), whose members comprise senior management, is responsible for maintaining a risk management framework which will provide the Board with a systematic and enterprise-wide view of the risks involved in property investment, development and management activities, and assists in the implementation of risk management policies and systems.

The RM Committee had, since 2002, established a formal risk management framework to enable significant business risks within the Company's property investment, development and management arm to be identified, assessed, evaluated, monitored and managed. The procedures and processes implemented have been benchmarked against other international standards and current risk management practices. Further to a review by a firm of independent consultants in the previous year, the Company has during the year under review engaged a firm of independent consultants to assist in implementing further enhancements to its existing risk management framework.

The Company regularly reviews its significant strategic business risks; considers the effectiveness of the Group's system of internal controls to limit, mitigate and monitor identified risks; and considers the implementation of further action plans to manage strategic business risks which are reflective of changes in markets, products and emerging best practices. The controls set out within the risk management framework are intended to manage, and not expected to eliminate, all risks of failure to achieve business objectives. These controls provide reasonable, but not absolute, assurance against material misstatement of management and financial information or against financial losses and fraud. The results of the risk evaluation are documented in a

risk register. The RM Committee reports on a periodic basis, and at least once annually, to the Audit Committee on the overall risks positions, including mitigating measures and treatment plans.

The Audit Committee has reviewed the Company's risk management system, policies, processes and procedures and is satisfied that there are adequate internal controls in place to manage the significant risks identified. The Audit Committee has further directed the implementation of procedures to monitor and report the occurrence or potential occurrence of significant risk events to the Board.

The risks incorporated within the Company's formal risk management framework include the following:

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.

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 & 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 Group recognises human resource as an important contributing factor towards the stable growth of the Group, 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 Group'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 business continuity plan to mitigate the risks of interruption and catastrophic loss to its operations and information database arising from such potential threats. The business continuity plan includes identification of alternate recovery centers, and the establishment of clear 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 maintenance of adequate insurance coverage for the Group'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 Group's control processes for the protection of its assets.

Hotel Operations Risks

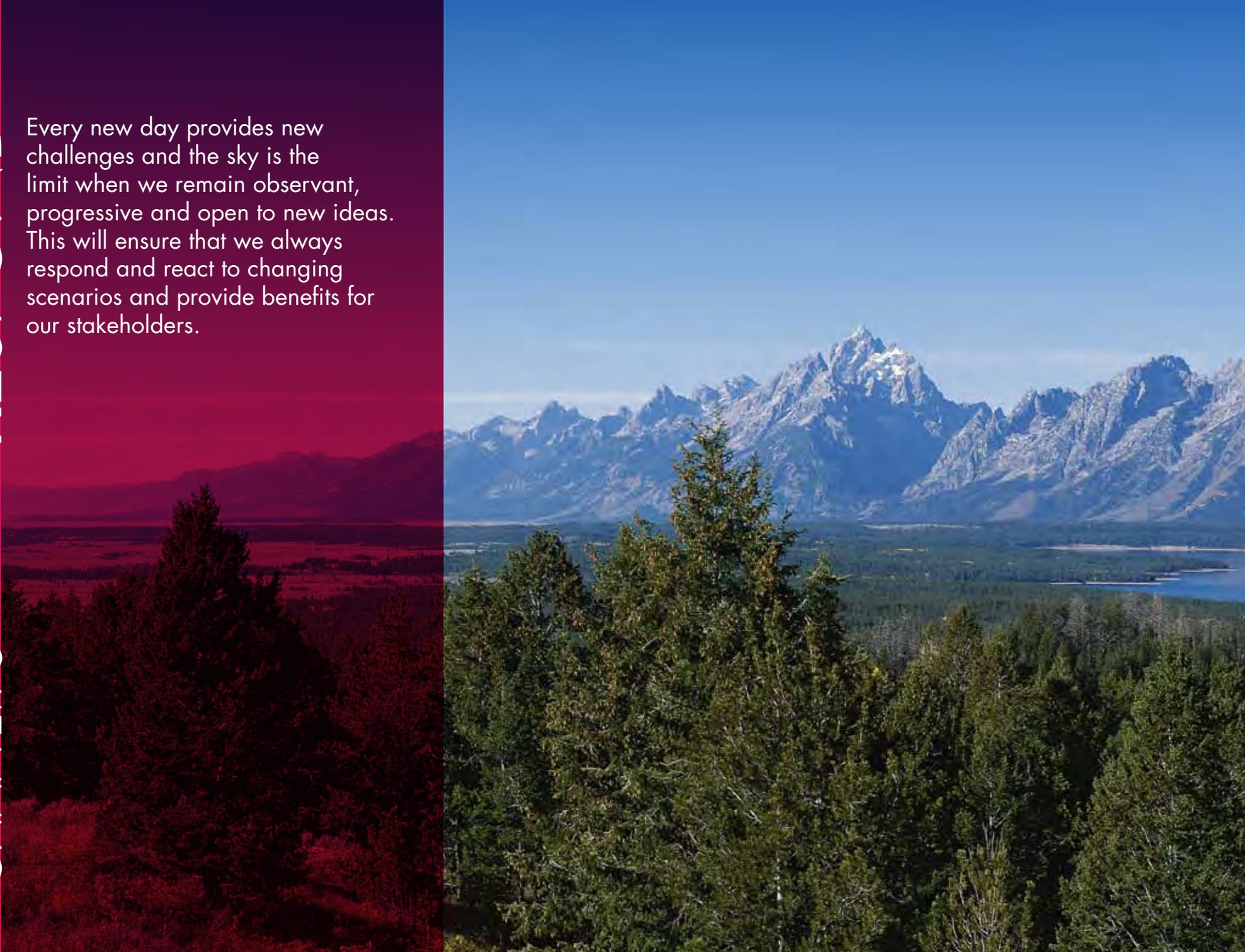
The Group's hotel arm, under Millennium & Copthorne Hotels plc ("M&C"), includes within its internal control framework, processes for the management of key risks to the success of the M&C group, which are periodically reviewed by M&C's audit committee and board. These processes include, but are not

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.

RESPOND

CHAPTER 3

Every new day provides new challenges and the sky is the limit when we remain observant, progressive and open to new ideas. This will ensure that we always respond and react to changing scenarios and provide benefits for our stakeholders.



EMBRACING CSR – IN THE BUSINESS

RAISING THE BAR

Over the past 40 years, CDL has been nurturing valuable relationships with our stakeholders. As a leading property developer in Singapore, we strive towards delivering beyond what is expected as part of our business philosophy. At the heart of our corporate culture is a focus on 5 core values – leadership, innovation, quality, service excellence and eco-consciousness. Our stakeholders have come to trust and depend on us to protect their interests and to go the extra mile.

Towards this commitment, CDL has adopted a 3-pronged approach as part of our corporate green strategy to *develop* quality residential and commercial properties with environmental sustainability in mind, *manage* properties in a cost-effective and energy-efficient way as well as to *influence* the stakeholders through our green outreach initiatives.

FOR THE MARKET

In the development of our real estate projects, we look beyond the bottom line. We believe in creating meaningful products that can add value to our customers.

To achieve this and to drive sustainable business growth, CDL has been building properties that not only satisfy the lifestyle and business requirements of our customers but has taken one step further by anticipating, identifying and satisfying their needs in the future.

This way, CDL creates high-quality properties that help give the Company a competitive advantage as well as enhance the value of the property for our customers.

Innovative and Quality Green Spaces

In Singapore, CDL has been leading the industry by building with environmental sustainability in mind as early as the mid 1990s. However, it was (and remains) a challenging time as the local industry was not fully geared towards environmental sustainability and it was an uphill task to find experts and support in this area. The majority of customers was also indifferent to the importance of the issue. On the up side, these mindsets are slowly changing in Singapore as there is increased awareness and drive towards being an eco-city.

BCA introduced the Green Mark⁽¹⁾ scheme in January 2005. It is a scheme that assesses

the environmental impact and performance of buildings and promotes the development of more eco-friendly buildings to create a more sustainable built environment in Singapore.

It was started as a voluntary programme initially, in order to further promote the construction of green buildings in Singapore. However, from 15 April 2008, it is mandatory for all new buildings and existing ones that undergo major retrofitting to meet the minimum Green Mark certification standards.

However, even before the legislation for new properties to meet Green Mark requirements was introduced, CDL was convinced that green properties should not only be eco-friendly to build but should incorporate green features to mitigate the environmental impact of the building's lifespan. With this goal in mind, we developed our first Eco-Condo, Savannah CondoPark, which was launched for sale in November 2002. In recognition of our pioneering green efforts, we received the BCA Green Mark Gold Award for Savannah CondoPark.

⁽¹⁾ For more information about Green Mark, please go to www.bca.gov.sg.



CDL's first Eco-Condo, Savannah CondoPark, is the first development to have achieved triple success at the BCA Awards – having been awarded the Green Mark Gold, Best Buildable Design and Construction Excellence Awards.

Savannah CondoPark features many eco-friendly attributes which include:

- First Photovoltaic Panels in a condominium in Singapore to power the lights and water-heater in the Clubhouse
- Pneumatic Waste Collection System for odourless and vector-free collection of domestic waste
- Carbon Monoxide sensors in the carpark to activate the ventilation fans
- Green landscape features such as an ecological pond, transplanted trees, green retaining wall, over 100 animal sculptures made from recycled copper
- Designated recycling corners
- Energy-saving light fittings and air-conditioning systems

The incorporation of many of the features above such as the pneumatic waste disposal system and multiple recycling corners have become standard fare in all our new developments. In fact, Parc Emily which is to be completed this year, will be the first development in Singapore to offer a twin-chute waste collection system for the separation of domestic waste and recyclable items.

In 2007, CDL was also the first private developer to receive the BCA Green Mark Platinum Award for City Square Mall (commercial) – Singapore's first Eco-mall and The Oceanfront @ Sentosa Cove (private residential) development. The BCA Green Mark Platinum Award is the highest recognition given to exemplary green projects. For details on these two projects, please refer to pages 27 and 28.

CDL has attained the most BCA Green Mark Awards accorded to a single private developer. Since the Award was introduced in 2005, 26 CDL projects have been awarded a BCA Green Mark. This works out to over 20% of all BCA Green Mark awards accorded to-date.

The BCA Green Mark Awards Conferred to CDL Projects from 2005 – 2008:

- Botannia
- Buckley 18*
- Butterworth 33
- Central Mall (Office Tower)
- City House
- City Square Residences
- City Square Mall
- Cliveden at Grange
- Fuji Xerox Towers
- Monterey Park
- One Shenton
- Palais Renaissance
- Pantech 21
- Parc Emily
- Republic Plaza
- Residences @ Evelyn
- Savannah CondoPark
- Shelford Suites
- St. Regis Hotel & Residences, Singapore
- Tampines Grande
- The Oceanfront @ Sentosa Cove
- The Pier at Robertson
- The Sail @ Marina Bay
- The Solitaire
- Tribeca
- Wilkie Studio

*Project managed by CDL

Currently, we invest between 2% and 5% of the construction cost of a project in green design and features. This is a positive investment as society benefits from the reduced environmental impact. Customers can also enjoy financial savings with the decreased reliance on natural resources, not forgetting the possible increase in capital value of the property.

Feedback on the green features installed have been increasingly positive. It is our goal to further tap on emerging technologies to improve the environmental performance of our

projects as well as to incorporate state-of-the-art green features to benefit our customers and environment.

Pioneering New Lifestyle Concepts

CDL believes in keeping close tabs on changing global trends. We enhance and augment our business performance by pioneering refreshing new living concepts that elevate the quality of life for our customers.

Outstanding Community-Friendly Designs

With Singapore's growing greying population,

accessibility for the elderly and physically-challenged has become more essential. CDL's goal when designing our properties is to ensure that accessibility is addressed. The result is that standard features in our developments include the availability of ramps, reduction of stairs where possible, alternative access and wide passageways etc.

For our efforts, The Pier at Robertson was awarded a Bronze Award by BCA in the inaugural Universal Design Award in 2007 for community-friendly design. The Pier was

the only residential development to receive this honour. It also received the Best Buildable Design Award 2007 (Gold) by BCA.

When designing projects such as The Sail @ Marina Bay, public amenities for the community were also incorporated. For instance, to facilitate better pedestrian traffic for residents and office workers, we are currently working with the government authorities to build a 150-metre-long underground pedestrian walkway. This public underpass has been designed to link the nearby train station to the Marina Bay vicinity via The Sail @ Marina Bay. We will also be building an additional pedestrian entrance which will lead to a public park. This easy access to the train station will also encourage the use of public transport.

PRESENTING INNOVATIVE HOME CONCEPTS



i-Home

The Equatorial

– Interactive, Internet-ready and Intelligent

IT infrastructure was incorporated in anticipation of greater IT demands at home



Home Office

The Pier at Robertson

– To Live, Work and Play

Chic living in the heart of the city in a home that could easily double up as an office



Eco-Home

Savannah CondoPark

– Eco-friendly and Community-friendly

Developed as a showcase of a green home that was affordable and user-friendly for customers



Branded Residences

St. Regis Residences

– Sophisticated, Elegant and Ultra-luxurious living

Raising the benchmark of luxury living by introducing Singapore's first branded residence



FOR THE SUPPLIER

Supply Management – Spurring Our Contractors On

In Singapore, it remains an uphill task to encourage businesses to be more environmentally-conscious. However, we have certainly noticed a growing awareness and interest amongst businesses over time.

As CDL became increasingly vigilant and committed towards developing safe, green and eco-friendly buildings, it was initially a challenging task trying to find a group of like-minded contractors and consultants to execute our vision.

To help encourage them to share the same level of commitment and dedication as us, we established the CDL 5-Star EHS Assessment System as early as 2001 for all CDL construction sites. All contractors had to undergo quarterly EHS inspections and audits conducted by an independent auditor who appraise and grade the contractors on a scale of 1-5 stars.

After each audit, CDL will facilitate peer learning and information sharing between all the contractors and consultants to encourage even better EHS results in the next review.

We have also been inviting third-party experts from government agencies such as NEA and MOM to speak during these seminar sessions.

Over the years, the audit process has been continuously refined and currently, areas such as energy, water, waste management, safety, noise and public health continue to be monitored. More details of the environmental data can be found in Chapter 4.

In 2005, CDL introduced the EHS Excellence Award to recognise exemplary contractors with consistently high 5-Star audit scores over a 1-year period. Since then, 7 awards have been presented to contractors for their EHS efforts.

In 2006, a second category, which is a monetary reward, was introduced to further incentivise winners from the year before who have subsequently clinched national-level EHS awards such as the MOM Annual Safety and Health Performance Award.

More importantly, our constant drive to raise EHS standards has motivated our consultants to set up their own EHS Management Systems. In fact, more than 50% of them have obtained ISO 14001 and OHSAS 18001 certification.

Furthermore, in spite of the current squeeze in the construction industry in Singapore, we do not have a problem finding good contractors as we enjoy a long, close and progressive working relationship with them.

"CDL'S VISION AND CULTURE TO CONTINUOUSLY PROMOTE NEW ECO-FRIENDLY SOLUTIONS AND ALTERNATIVES HAVE INSPIRED US NOT ONLY TO ADOPT GREEN PRACTICES BUT TO CONTINUALLY SEARCH FOR EVEN BETTER RESULTS."

*Mr Pek Lian Guan, Director,
Tiong Seng Contractors (Pte) Ltd,
a CDL 5-Star EHS Excellence Award
winner in 2005, 2006 and 2007.*

FOR THE CUSTOMER

Ensuring their Satisfaction and Engaging their Involvement

As Singapore becomes increasingly cosmopolitan, expectations of customer service standards have also risen. CDL believes in the importance of providing reliable, consistent and quality service to all our customers. Customer satisfaction is a powerful strategy to maintain a positive customer relationship which helps build customer loyalty as well. We also benefit from their recommendations of potential customers after.

Convenience of a One-Stop Call Centre

In 2001, CDL was the first private property developer in Singapore to pioneer the award-winning one-stop customer and call centre. Even though Customer Relationship Management (CRM) tools are common in other industries, this was the first time the concept was adopted by a private property developer.

Promoting customer intimacy and seamless efficiency, the CDL hotline is managed by a team of friendly and professional Customer

Relationship Executives (CREs). The CREs effectively serve as the single point of contact and every call from a prospective customer to a homebuyer is accorded the highest level of customer service.

By utilising available technology, computer telephony integration is made possible based on the caller's line for identification. Thus, a customer's record can be easily retrieved by the CREs to better attend to the queries at hand.

Even during peak periods, the CREs are mindful of achieving a high pick-up rate for greater accessibility for customers so that the quality of the service is not compromised.

Virtual Connection with Customers

To cater to the busy lifestyles of many of our tech-savvy customers, the CDL website enables our customers to extract important information that are relevant to their needs.

For instance, basic FAQs are online to provide easy access for customers beyond office hours.

In addition, a TOP⁽²⁾ Appointment Booking online service provides added convenience to customers when scheduling the handover appointment of their home.



Our Customer Relationship Executives are always ready to attend to customers's needs with a ready smile.

Improving Through Constructive Feedback

In line with CDL's belief in open channels of communication and feedback, we value all constructive comments given by our customers.

By improving on our strengths and correcting our weaknesses, the feedback helps the CREs connect with customers and learn to better meet with changing needs and expectations. For details on CDL initiatives for customers, please refer to page 29.

CUSTOMER SATISFACTION IS A POWERFUL STRATEGY TO MAINTAIN A POSITIVE CUSTOMER RELATIONSHIP WHICH HELPS BUILD CUSTOMER LOYALTY AS WELL. WE ALSO BENEFIT FROM THEIR RECOMMENDATIONS OF POTENTIAL CUSTOMERS AFTER.

⁽²⁾ TOP stands for Temporary Occupation Permit which is a temporary permit to allow the owner to occupy the building when the key regulatory requirements are met as it may take some time to obtain the Certificate of Statutory Completion.

FOR THE INVESTOR

CDL places much emphasis on the importance of corporate transparency and open communication with the investing community. We are committed to driving profitability to provide optimum returns to our investors. However, the importance of the triple bottom line remains a guiding principle in the business strategy we adopt to remain successful financially and still be socially-responsible in our business practices. We have various platforms to address the queries of our investors.

Financial Results Announcement and Briefings

CDL ensures that all our quarterly financial results are announced timely and maintains different avenues of open communication with its investors. For instance, the senior management team conducts regular half-yearly and full-year financial results briefing sessions to analysts, fund managers and the media to share insights of the Company's performance, strategies and our future plans. Information presented at these briefings are made available on the CDL website and SGXNET⁽³⁾ for easy access by all.

Annual General Meetings

At the Annual General Meeting, our

CDL Managing Director will present to our shareholders an overview of the Company's performance, vision and strategy. All shareholders are encouraged to attend and the Executive Directors, the Chairman of each of the Audit Committee, Remuneration Committee and Nominations Committee, including the external auditors of the Company, are present to attend to any queries raised.

Roadshows and One-on-One Meetings

The top management travels around the world to participate in various investor conferences to meet and field queries from current and potential investors.

The management team also dedicates time to meet with investors and analysts whenever possible on a one-on-one basis as we believe that this is a more personal approach to forge good relations and more importantly, to better address their queries and to share the Company's direction.

An extensive range of corporate materials about CDL such as annual reports, corporate newsletters, financial information, news releases, website etc. is readily accessible to investors and members of the public from our website at www.cdl.com.sg.

FOR THE MEDIA

The media plays a vital role in helping to communicate the vision, beliefs, activities and products of the Company. CDL practices a high standard of professionalism and transparency when engaging the media.

The media are engaged via multiple press conferences and press statements released in the year to keep them abreast of CDL's business and community activities.

CDL enjoys much visibility through extensive media coverage in print, radio and on television locally and regionally. Our openness and prompt response towards media queries have helped foster a positive relationship with them.

⁽³⁾ Singapore Exchange Limited (SGX) is a demutualised and integrated securities and derivatives exchange where CDL is listed. All Company announcements must be posted on SGXNET (www.sgx.com) for public dissemination.

IN FOCUS: CITY SQUARE MALL – SINGAPORE'S FIRST ECO-MALL



Helping to raise eco-awareness amongst the public, the mall is expected to open its doors in 2009.

City Square Mall with its numerous green innovations was designed to be the prototype of an eco-friendly and community-friendly mall. The 700,000-square-foot mall is projected to reduce its energy usage by approximately 39%, amounting to about 11 million kWh or over S\$2 million energy savings per year compared to designs using standard industry codes. This results in an estimated emission reduction of over 5,700 tonnes of carbon dioxide per year. It would take approximately 25,750 trees to absorb this amount of carbon dioxide. This would undoubtedly contribute to the much-needed effort to reduce global warming.

To raise the awareness of environmental impact, a real-time count of carbon dioxide emission for the mall will be electronically displayed as part of CDL's consciously planned infrastructure to create an eco-learning experience for both shoppers and tenants. For the first time, a twin-chute pneumatic waste collection system, built with separate chutes for food and dry waste, is being installed in a commercial building to encourage recycling. This also creates a cleaner, odourless and vector-free environment.

Adding to the infrastructure of the vicinity, CDL will also be building and maintaining a sprawling integrated park for the public next to the mall. There are plans for facilities and programmes to promote eco-learning at the park.

IN FOCUS: GREEN HEIGHTS IN LUXURY-LIVING – THE OCEANFRONT @ SENTOSA COVE



An exquisite waterfront development, The Oceanfront @ Sentosa Cove offers residents a luxuriant green lifestyle.

Approximately 3.8% of the construction cost was invested into the design of integrated green features for this luxurious 264-unit waterfront condominium.

Residents can enjoy estimated energy savings of S\$290,000 or up to S\$1,000 per apartment per year from the energy-efficient air conditioners incorporated into the apartments.

Other innovative green features include a rainwater harvesting system for irrigation of landscape, a "Pontos Grey Water Recycling System" for recycling water from apartment's showers, bathtubs and wash basins for flushing of clubhouse's toilets and irrigation of landscape, a twin-chute pneumatic waste collection system (for separation of domestic waste and recyclable items) and photovoltaic cells for powering the CCTV system amongst others.

IN FOCUS: ENCOURAGING OUR CUSTOMERS TO LEAD A GREEN LIFESTYLE



In March 2004, CDL was the first private property developer to launch Let's Live Green! – an eco-home initiative which encourages CDL homebuyers to practise eco-friendly habits in their new homes. Homebuyers are invited to a TOP Fair prior to the handover of the keys to their home. They will have the opportunity to take a sneak peek of their new home. A host of activities including talks and exhibitions are held to encourage homeowners to play a part in environmental conservation,

through the 3Rs – Recycling, Reducing and Reusing.

They are also given a special Green Living Kit (above) which contains a Green Living Guide – a book with tips on how to lead a green lifestyle, a brochure listing all the eco-friendly features in their new home and how to use them.

Feedback to this initiative has been very positive and it has reached out to some 2,000 CDL households since the launch.

GREENING OUR BUILDINGS; INFLUENCING OUR TENANTS

In 2007, "Climate Change" was the buzz word as more governments and corporations reviewed their business processes and looked at ways to reduce their carbon footprints. Leveraging on this rising eco-awareness and as one of Singapore's largest landlords, it was timely for CDL to embark on another campaign to help influence our tenants to go green.

We wanted to introduce an initiative which could pro-actively involve and empower our tenants to play a part in conserving the environment. In most commercial buildings in Singapore, the temperature controls for the air-conditioning is controlled by the landlord and there is a common complaint that temperatures are set too cold which wastes much energy.

Thus, in yet another pioneering green initiative, CDL kicked off the pilot programme 1°C Up in 5 commercial buildings in October 2007 including Republic Plaza (right), City House, Fuji Xerox Towers, Plaza by the Park and Central Mall (offices).

With this innovative programme, we encouraged our tenants to make an active



green contribution by agreeing to raise the air-conditioning temperature in their office by 1°C and yet not compromise on their comfort levels.

We received enthusiastic support from our tenants – achieving an overwhelming participation rate of 90%. Heartened by such positive response, CDL extended the programme to another 6 buildings in December 2007. While the monetary savings may not be substantial, an independent consultant estimates that with good participation, the carbon emissions from these 11 buildings can be reduced by about 1.5 million kg per year, which is equivalent to 6,000 trees required to absorb the same amount of carbon emitted into the environment each year!

RENEW

CHAPTER 4

Renewing the environment is one of our guiding principles and it's part of the way we conduct our business. We live as one with the environment by minimising environmental impacts and raising environmental standards in our projects.



PROTECTING THE ENVIRONMENT

ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)

The EMS is an integral part of CDL's overall management system. The system, established based on the Plan-Do-Check-Act cycle, is certified against the international ISO 14001 standard. It is used as a structured and systematic approach to manage CDL's impact on the environment.

Under the system, CDL established a corporate-wide EHS Policy. We assess our environmental impact, set targets and draw up programmes to minimise and mitigate these impacts. We then prevent and check for performance, act and review for continual improvement.

The integration of EMS into CDL's business processes began as early as 2003. CDL (Projects Division) took the lead and achieved ISO 14001 EMS and OHSAS 18001 Occupational Health and Safety Management (OHSMS) System certifications for property development and project management in 2003. Subsequently, CDL (Property Division) was awarded ISO 9001 Quality Management System (QMS) and ISO

14001 EMS certifications for property management in 2007.

In April 2008, CDL has successfully completed the assessment of ISO 14001:2004 for Corporate Management and Operations. This covers our headquarter activities of Group Finance and Accounts, Corporate Affairs, Projects Division, Property Division, Marketing/Leasing, Information Systems, Business Development and Asset Management, Customer Relationship Management and Internal Audit.

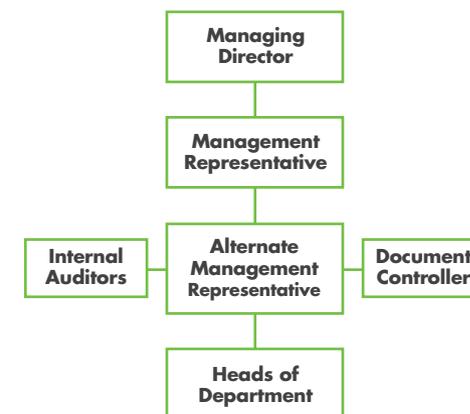
With this, CDL has all its core divisions and supporting operations conforming to ISO 14001 EMS.

ORGANISATIONAL RESPONSIBILITY

CDL believes in achieving and sustaining an effective EMS through leadership. The overall responsibility for environmental performance rests with the CDL Management. CDL's Managing Director, Mr Kwek Leng Joo, is the chairperson of the EMS Organisation. The appointed Management Representative will

champion the establishment, implementation and maintenance of the EMS and provide management guidance and corporate support across the Company. Each Head of Department holds operational management responsibility for EMS and specifically, the Heads of Projects Division and Property Division are responsible for their respective divisions' EMS.

CDL Corporate Management and Operations EMS Organisational Structure:



TRAINING, AWARENESS AND COMMUNICATION

CDL recognises that all employees, including those working on behalf of us (e.g. contractors, consultants, suppliers) and in particular those whose jobs may create significant adverse environmental impacts, should have the necessary education, training or experience for their work.

We provide training and awareness programmes to cultivate a "Green" corporate culture, to share with employees about resource conservation and pollution prevention and to educate employees about the importance of conformity to CDL's Corporate EHS Policy. We encourage our employees to attend relevant seminars and workshops to pick up or upgrade their skills and knowledge related to environmental management.

CDL also believes in engaging our employees and external interested parties in our quest to achieve outstanding environmental performance. We provide various channels of communication to share our commitments, programmes, good practices and environmental performance as well as to solicit feedback and suggestions for improvement. CDL also encourages all employees to be forthcoming with reporting of environmental-related accidents, incidents, complaints, non-compliance and non-conformance. We are dedicated to take all necessary action to prevent the occurrence of potential non-conformances or recurrence of non-conformances.



In a recent CDL 5-Star EHS Seminar, NEA was invited to talk about Public Health to CDL employees, contractors and consultants.

COMPLIANCE

CDL is committed to comply with legal requirements. We are fully aware that some of our activities and operations are regulated by the local authorities such as the BCA, NEA, PUB and Singapore Civil Defence Force (SCDF), and we are required to operate within prescribed limits with regards to resources used and released into the environment.

Regulatory requirements are best taken into consideration at the planning stage for any process or operation. Therefore, CDL takes the lead to influence and engage stakeholders, which include the architects, designers, surveyors, engineers and contractors, in adopting safe and environmentally-friendly design, plans and programmes. CDL continues to follow through the compliance status during the construction and operational phase. This is done through periodic inspections and CDL 5-Star EHS Assessment system.

EMS AUDIT

CDL believes that we must regularly evaluate ourselves in order to know what is working and what needs to be improved. CDL's EMS audit programme involves teams of internal and external auditors conducting audits at least once a year.

Internal audits are carried out to determine whether the EMS has been properly planned, implemented and maintained in accordance with ISO 14001 standards and identify areas of improvement. The actual frequency of internal audit depends on past audit results as well as the potential risks/ importance associated with the activity or operation. Specifically, each project development is to be audited at least once in its project cycle and each audit shall cover all 3 phases, i.e., planning, procurement and construction.

External audits are conducted by accredited certification body for the award of initial certification and surveillance visits. Surveillance audits are conducted each year to verify that the EMS continues to be maintained, implemented and to deliver continual improvements until the next re-certification.

ENVIRONMENTAL ASPECTS

Identification of environmental aspects is an important step towards acknowledging our impact on the environment. This proves helpful in prioritising efforts and resources towards preventing and mitigating adverse environmental impacts.

We identify significant environmental aspects for activities, products or services that have or potentially can have critical negative environmental impact. The assessment criteria used include the likelihood of the occurrence, severity of the impact and legal requirements.

CDL mitigates these significant environmental aspects through setting objectives and targets, establishing programmes, and/or putting in place procedures and work instructions. The guiding principle in implementing any mitigating measure is to follow the hierarchy of control, for example, elimination, substitution, isolation, use of engineering control, use of administrative control and lastly, use of personal protective equipment.

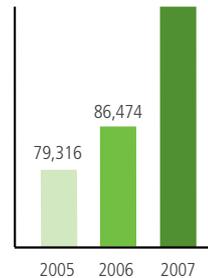
In view of the different nature of operation and activities, the Projects Division, Property Division, and Corporate Management and Operations each have their own set of significant environmental aspects and the corresponding environmental objectives, targets and programmes⁽¹⁾.

ENVIRONMENTAL AND SAFETY DATA

Projects Division

Projects Division's main activities are in Property Development and Project Management. The data below provided by our main contractors highlights the environmental and safety performance at the work sites of CDL developments in Singapore.

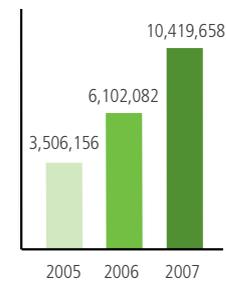
Total GFA⁽²⁾ Built at Work Sites
m²



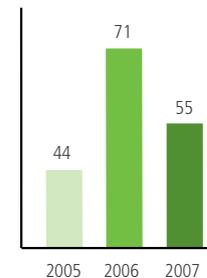
ENERGY

In 2006, the energy used per m² of GFA was significantly higher as more projects were at the architectural finishes stage. This is because in the natural cycle of construction, the energy used will be higher as the constructed GFA per year become less. Thus, we foresee a higher energy figure in 2008 as many projects will be at that stage as well.

Total Energy Used at Work Sites
kWh



Energy Used Per Square
Metre of GFA at Work Sites
kWh/m²



To further reduce the use of energy at the work sites, energy-efficient strategies in the pipeline include promoting the use of electricity solely from grid supply through a sub-station at construction stage whenever possible. This makes it unnecessary to use generator sets.

⁽¹⁾ For more details on EMS, please refer to page 9. In this report, we have focused on environmental aspects such as energy, water, waste, safety and paper.

⁽²⁾ The Gross Floor Area (GFA) is defined as all covered floor areas of a building, except otherwise exempted and uncovered areas for commercial uses are deemed the GFA of the building for purposes of plot ratio control and development charge. The GFA is the total area of the covered floor space measured between the centre line of party walls, including the thickness of external walls but excluding voids. GFA built per year is the product of percentage of completion (POC) for the year and total GFA. POC is the value of works done for the year divided by the total construction cost.

WATER

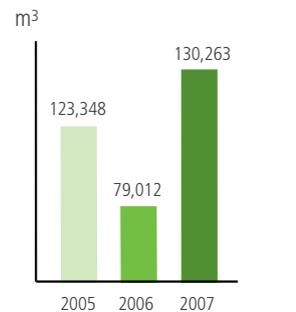
Water efforts at CDL work sites focus on the principles of reducing, reusing and preventing water pollution.

In Singapore, there is no known industry data for water used on a work site. However, based on our benchmark studies from 2005 to 2007, we estimate from our assessments that the average water use is approximately $2\text{m}^3/\text{m}^2$ of GFA. Through our water conservation efforts on site, we estimate that we have conserved as much as $379,917\text{ m}^3$ of water at the work sites from 2005 to 2007.

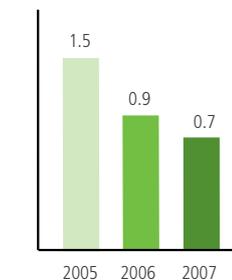
Water-efficient features used on site as well as those incorporated in the new developments include sensor taps or self-closing taps, water recycling system, water-efficient fittings, and automatic flush and dual flush systems for toilets. Some projects when completed will also have a rainwater harvesting system for landscape irrigation.

A variety of Earth Control Measures are implemented on all work sites. For instance, site grounds are fully cemented before construction works begin. The water discharged into waterways also achieves a remarkable range of between 10 and 15 mg/litre for Total Suspended Solids, significantly below the legal limit of 50 mg/litre. This is made even more important as the waterways are channelled to our reservoirs which make up part of Singapore's precious water supply.

Total Water⁽³⁾ Used at Work Sites



Water⁽³⁾ Used per Square Metre of GFA at Work Sites



WASTE

In order to generate less waste, CDL's architectural design and construction processes incorporate the use of pre-fabrication which helps increase productivity, makes for a cleaner and safer site as well as results in the reduction of waste generated.

In 2007, 4 major projects (about 2,500 units from Parc Emily, The Sail @ Marina Bay, St. Regis Hotel & Residences and City Square Residences) entered into their finishing works contributing to a 40% surge in the total waste generation over the 12-month duration.

SAFETY

Safety at the work site is of paramount importance at all CDL developments. Although

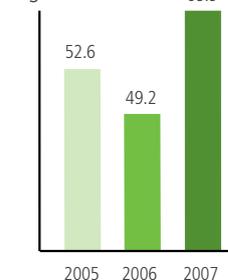
CDL's Accident Frequency Rate (AFR) is consistently below the construction industry average, there was a notable increase in 2006. That year, a total of 7,521,010 manhours were clocked with 14 reportable accidents. With the stepping up on safety awareness initiatives at the work sites by the contractors, the number of reportable accidents was halved although the number of manhours worked more than doubled in 2007.

⁽³⁾ Water is defined as fresh potable water purchased from the PUB.

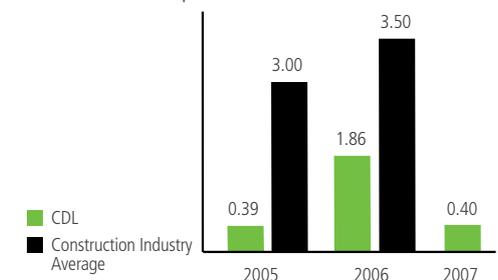
⁽⁴⁾ Construction waste is generated from construction, renovation and repair and is made up of wood, steel, concrete, gypsum, masonry, plaster, metal and asphalt.

⁽⁵⁾ Accident frequency rate refers to the number of workplace accidents per million manhours worked. Figures used are incident based. For details, please refer to www.mom.gov.sg.

Construction Waste⁽⁴⁾ Generated per Square Metre of GFA at Work Sites



Accident Frequency Rate⁽⁵⁾ at Work Sites



Source: MOM

MAINTAINING BIODIVERSITY

Singapore is a highly urbanised country. While our projects are not located in protected areas that require biodiversity assessments to be conducted, we make it a practice to assess all our sites prior to construction to determine if any existing trees can be conserved on site or transplanted at a later stage to or from another CDL site. Some 14 mature trees have been transplanted in 4 completed projects over the last 3 years.

We are also currently conserving more mature trees in various projects that have yet to be completed.

Property Division

Part of Property Division's business activity is the management of CDL's investment properties. The data below has been collected from investment properties owned and managed by us⁽⁶⁾.

As a landlord, we are very vigilant of the consumption of water and energy in our buildings and monitor them very closely. We note that the lower energy and waste figures in 2005 are due to a lower average occupancy.

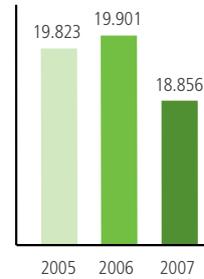
ENERGY

Strategies to reduce the use of energy in our buildings include the use of motion sensors to activate the lights in toilets, carparks, stairwells, the use of energy-efficient lighting, the efficient use of air-conditioning chillers and even AHU (Air Handling Unit) equipped with variable speed drives.

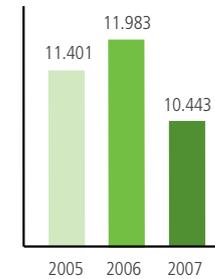
CDL also assists in monitoring the individual electricity bills of its tenants. If there are fluctuations of more than 10%, the building manager will duly investigate the increase together with the tenant to discover the cause.

In 2007, the 1°C Up Campaign has also resulted in the decrease of an estimated 1.5 million kg of carbon emissions a year in 11 buildings. We will explore expanding this programme to our other buildings. For more details, please refer to page 29.

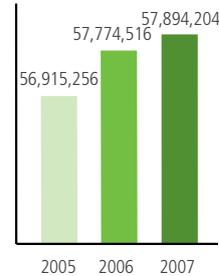
Energy⁽⁷⁾ Used at 12 CDL Commercial Buildings kWh/month/m²



Energy⁽⁷⁾ Used at 5 CDL Industrial Buildings kWh/month/m²



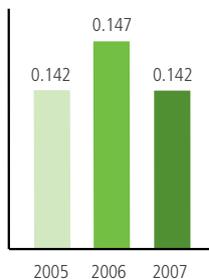
Total Energy⁽⁷⁾ Used at 17 Commercial and Industrial Buildings kWh



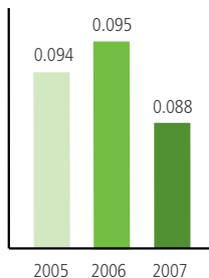
⁽⁶⁾ The energy and water data for 2005 were collated from mid-2005. As a result, the full-year 2005 data for Property Division is an estimate, derived from the data available.

⁽⁷⁾ The energy data for the buildings includes (but is not limited to) the Mechanical and Electrical services provided in the building, e.g., lifts, air-conditioning and ventilation fans (where applicable), pumps and lighting in all common areas of the entire building. Tenants are charged individually for the use of electricity within their office.

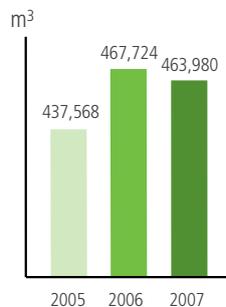
Water⁽⁸⁾ Used at 12 CDL Commercial Buildings
m³/month/m²



Water⁽⁸⁾ Used at 5 CDL Industrial Buildings
m³/month/m²



Total Water⁽⁸⁾ Used at 17 Commercial and Industrial Buildings
m³



WATER

Much effort has been made to reduce the volume of water consumed. This includes the use of more water-efficient fittings such as self-closing taps and water-efficient cisterns. In new developments such as City Square Mall, we also endeavour to use water-efficient fittings approved under the Water Efficiency Labelling Scheme (WELS) by PUB. For older water fittings, we will place thimbles to help save more water. Other efforts include recycling the AHU condensate water for the cooling tower.

We have also been supporting the government call to use NEWater⁽⁹⁾ for operations that do not require potable water. In 2007, 3 CDL buildings started using NEWater for supply to the sprinkler water tank as well as the cooling towers. We have also completed the pipe works at Republic Plaza and are currently waiting for the system to be operational. An estimated 87,612m³ of NEWater will be used to replace fresh potable water used previously.

We are currently liaising with the government to link another 3 CDL buildings.

RECYCLING

CDL runs a permanent paper recycling programme for our tenants in 17 CDL buildings. In order to encourage and reinforce the importance of recycling, all new tenants are provided with a Project Eco-Office Kit

which includes collateral to reuse, reduce and recycle. Recycling corners are also accessible to tenants to promote and reinforce this practice.

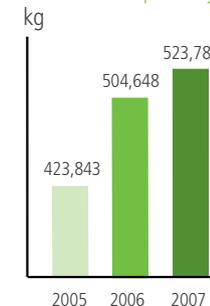
As a higher volume of recycling may also indicate a higher consumption level of paper, our efforts focus on the efficient use of paper and encourage higher participation amongst our tenants instead. The participation rate in this programme has increased from 68% in 2005 to 81% in 2007.

In 2007, we have also started to recycle waste food from the food court of one of our buildings.

The food is collected and converted into biofuel. If successful, we have plans to expand this programme to other buildings.

CDL Commercial Buildings	Estimated m ³ of NEWater used per year
Republic Plaza	43,200
Fuji Xerox Towers	17,900
Plaza By The Park	19,312
Palais Renaissance	7,200
Total	87,612

Total Volume of Paper Recycled



⁽⁸⁾ The water data includes the total amount of water used in the building.

⁽⁹⁾ NEWater is treated used water that has undergone stringent purification and treatment process using advanced dual-membrane (microfiltration and reverse osmosis) and ultraviolet technologies.

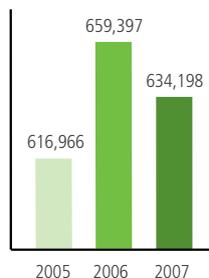
Corporate Management and Operations

In 2007, CDL has set specific environmental objectives and targets for our office activities to collectively achieve in 2008/09.

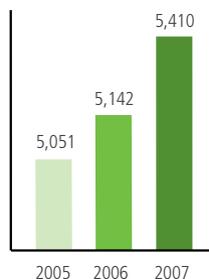
CDL Corporate Management and Operations

EHS POLICY – KEY POINTERS	OBJECTIVES	TARGETS
"Green" Corporate Culture	To use eco-friendly paper in all MarCom publications	To achieve 50% use of eco-friendly paper for all MarCom publications by March 2009
	To purchase/use eco-friendly office furniture, fittings and equipment	(a) To reuse at least 30% of office furniture and fittings in all CDL newly- renovated offices (b) To purchase eco-friendly office equipment
Resource Conservation	To reduce the use of paper	To achieve 5% reduction in paper usage for in-house photocopying and printing by March 2009
	To reduce the use of electricity	To achieve 5% reduction in electricity usage by March 2009
Pollution Prevention	To dispose waste paper responsibly	To monitor collection of waste paper including out-dated printed materials for recycling by March 2009
	To dispose end-of-life PCs and computer servers through eco-friendly methods	To enroll into "HP Planet Partners and Recycling Programme" by September 2008

Total Energy Used at the Corporate Office
kWh



Total Volume of Paper Used at the Corporate Office
No. of A4 reams



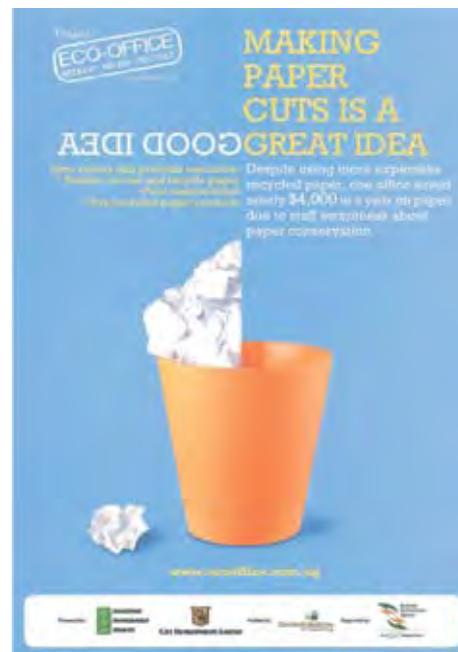
ENERGY

There is a significant variance in energy use at the corporate office between 2005 and 2007 which is contributed by various factors. For one, business activity has improved significantly in the last 3 years which may have put a greater strain on energy use. Furthermore, we were going through a refurbishment and upgrading exercise during 2005 and 2006.

During this time, we had to relocate our employees for interim periods while we renovated the office. The renovation works have also resulted in the increase in energy use.

However, with the refurbishment, more energy-efficient fittings, such as the use of Nanoflex and motion sensors, have been installed. The new office layouts also take into consideration the use of natural daylighting to decrease the need for internal lighting where possible. Thus, in the daytime, some of the office lights do not have to be turned on.

We believe that these efforts have contributed to the decreased energy consumption in 2007.



Project Eco-Office posters containing various eco-messages are displayed around the office serving as daily reminders.

PAPER

Paper use has also increased due to the higher level of business activity. However, we reduce the need for paper by utilising e-mail, e-filing, and other paper saving strategies such as printing on both sides of the paper. The reams of paper used in our corporate office is also eco-friendly, preference being for paper certified by the Forest Stewardship Council.

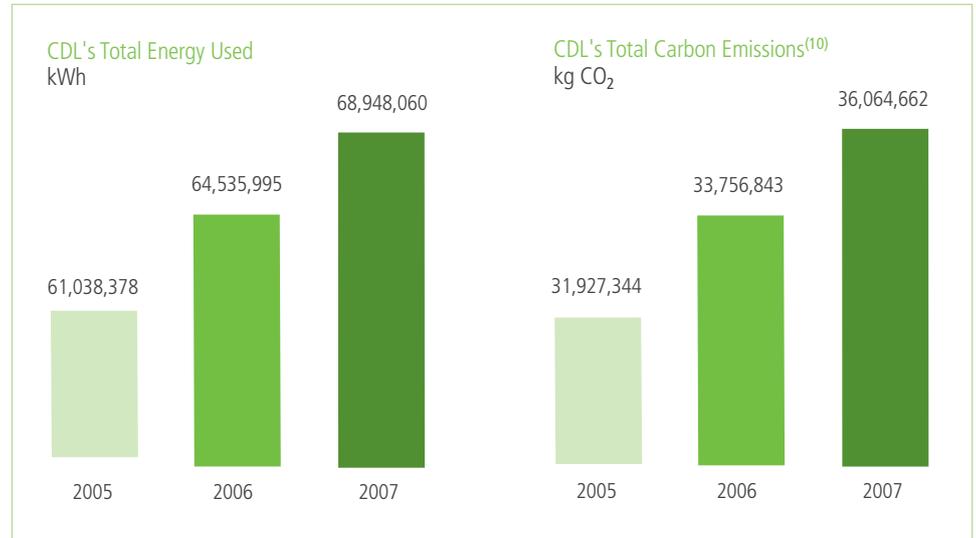


We are targeting to achieve 50% use of eco-friendly paper for all Marcom publications by March 2009. Our newsletter, City News, is currently printed on recycled paper.



CDL's Executive Chairman Mr Kwek Leng Beng receives the President's Award for the Environment from President S R Nathan in recognition of our significant contributions to sustain the environment through good practices both within and beyond the organisation.

SUMMARY OF ENERGY USED AND CARBON EMISSIONS



In 2007, our efforts in energy conservation has led to more efficient use of energy in our business.

For instance, the energy used per m² of GFA during the construction of projects developed by CDL has decreased from 71 to 55 kWh/m² in 2007. The amount of energy used per month per m² has also decreased substantially in 17 of our commercial and industrial buildings. The energy used in our corporate office has also decreased.

However, due to the increased business activities, especially with more developments being built, our total energy used has gone up.

⁽¹⁰⁾ Energy conversion ratio: 1 kWh electricity = 0.52307 kg CO₂.
Source: National Environment Agency.

REALISE

CHAPTER 5

At CDL, we don't just build properties, we also build new career horizons for our people. They are imperative to our success and we constantly seek to nurture their talent and skills to realise their potential.



CARING FOR THE PEOPLE

VALUING OUR PEOPLE

As our employees represent the foundation of our business, CDL strongly believes in cultivating and enhancing this valuable human asset. We are committed to creating a positive workplace where employees work in an inclusive environment and are rewarded fairly.

CDL has a workforce of over 300 employees in Singapore. In addition to upholding the UN Global Compact principles on human rights and labour, CDL practices fair employment and will be joining 600 companies in Singapore to sign the Employers Pledge for Fair Employment with The Tripartite Alliance for Fair Employment Practices (TAFEP)⁽¹⁾ in mid-2008.

CREATING A FAIR WORKPLACE

Non-discrimination

Reflecting CDL's policy on non-discrimination and fairness, we adhere to strict guidelines in the recruitment process when new employees are needed. Recruitment advertisements placed in the newspapers and recruiting websites will have no mention of gender, ethnic, age and nationality preferences.

Benefits

Employees are eligible to benefits in

accordance with the Employment Act in Singapore. Even though the Employment Act does not cover managerial, executive or confidential staff, we extend to them the same or even better benefits.

Remuneration and Bonuses

CDL believes in hiring the best talent. Employees are offered a mutually-agreed remuneration package based on their experience and the responsibilities that they undertake within the organisation. The overall package is performance-driven and is not based on seniority. Employees are awarded bonuses of different quantum according to their performance rated by their Head of Department. These quantum are moderated and endorsed by Senior Management with input from Human Resource Department.

Extending the Retirement Age

Under the Singapore Retirement Age Act, employees who are 62 years old and due for retirement will be able to continue their employment on a yearly contract if they are

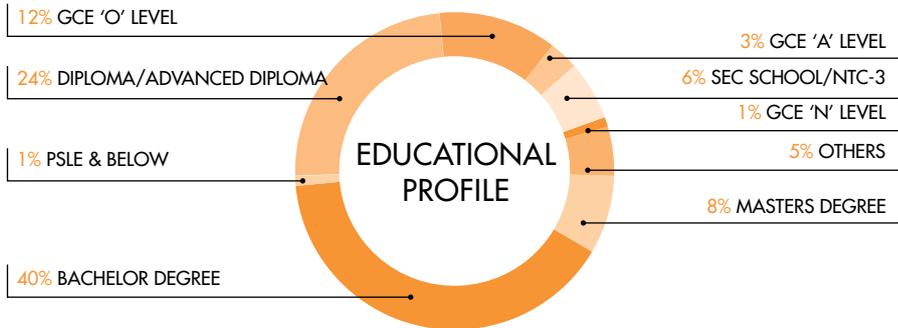
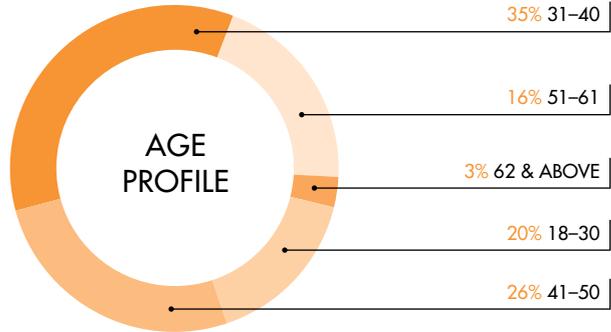
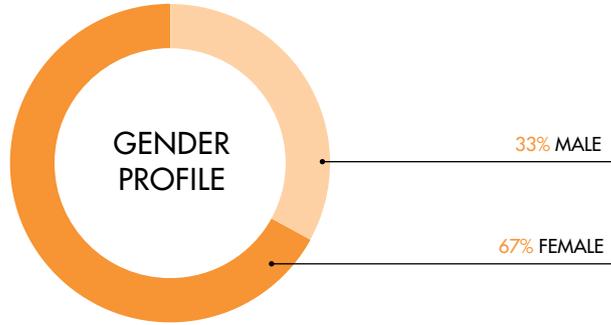
performing and certified medically fit. The Act also provides Singapore employers with the discretion to reduce their wages by up to 10% when extending employment beyond 60 years to help ease the cost burden.

Valuing the experience and knowledge of our older employees, CDL not only continues to employ our medically fit employees who turn 62 years old and above, the Company appreciates the value of our employees and as a caring employer, continues to extend full pay to them.

CREATING COLLECTIVE STRENGTH IN DIVERSITY

CDL is proud to have a strong workforce with a diverse background well spread out in terms of gender, age group and educational profile. This places CDL in an ideal position to maximise the talents our employees bring to the Company. The strength and success of the Company is not attributed to any one individual but is based on a robust and competent team that works well together.

⁽¹⁾The Tripartite Alliance for Fair Employment Practices (TAFEP) was formed in May 2006 to promote non-discriminatory employment practices and to shift mindsets among employers, employees and the general public towards fair employment practices for all workers. Members include employer representatives, union leaders and government officials.



AS AT 1 JAN 2008



With good teamwork and support by our employees, CDL emerged champion in Hong Leong Olympics 2007, an annual sports event held by our parent company.

Gender Profile

Practicing a non-discriminatory policy, CDL has more female than male employees who are also well represented across the ranks. For instance, at the most senior level, 11 of the 20 Heads of Departments are led by females.

Age Profile

The majority of the CDL workforce is between the ages of 31 and 50. However, we believe that regardless of age, all employees make a valuable contribution the Company. Older employees offer vast experience and knowledge while fresh ideas can be injected by new blood. Younger employees can also be "mentored" and

learn the ropes from their older colleagues to ensure that there will be continuity with regard to succession.

Educational Profile

CDL has been able to attract and retain a dynamic and well-qualified workforce which gives the Company a fundamental competitive edge. About 72% of our employees hold tertiary qualifications and above (this includes holders of Diploma, Degree and Masters qualifications).

CULTIVATING TALENT AND SKILLS

CDL develops the potential and capabilities of our employees. We constantly seek to

nurture our people through continual self assessment with strong emphasis on training and self-development.

A training needs analysis is conducted annually to identify the needs and desires of our employees. People management skills workshops centred on teambuilding, leadership, communication relationship management and creative problem solving skills are held to equip employees with the right knowledge to operate effectively. Functional skills training courses in areas of financial and information systems are also conducted.

In 2007, 1,193 hours were dedicated to CSR and environmental-related training. This includes participation in the UN Global Business Summit for Environment (B4E) Conference, NVPC and CSR Conference 2007, BCA Green Mark Seminar on Eco-Buildings Conference 2007, Safety in Construction – Broader Perspectives and New Innovations, Clean Energy and Sustainable Development, etc.

CDL employees are given opportunities for self development and improvement. To encourage employees to grow with the Company, we do consider supporting our employees who wish to further their studies through sponsorship of part-time academic or certifiable courses relevant to the employee's area of work, with a training bond of usually one year with the Company after completion of the course. In

2007, one employee received sponsorship for his Bachelor Degree in Environmental, Occupational Health and Safety from the University of Newcastle, Australia.

In line with CDL's CSR initiatives towards youth development, we also support scholarship programmes and student's industrial attachment from the polytechnics and universities. Through such initiatives, we hope to inspire and nurture the younger generation to join the industry.

EMPLOYEE BENEFITS / POLICIES

CDL recognises that work-life harmony creates a quality, motivated and dedicated workforce. Our employees enjoy a wide range of benefits and programmes that aid in enhancing work-life balance.

Enhancing Work-life Harmony

CDL has a dedicated work-life committee, which comprises employee representatives across all departments. They plan and execute family-friendly and health-related policies and programmes which include free weekly aerobics classes, health talks, annual health screening for employees and their families. There is also a CDL Family Month where a series of family focused programmes, such as Eat With Your Family Day, family trips, family focus talks, etc, are held over a month-long period with aims to nurture and improve our employees' relationship with their families.

Investing in Employee's Health

Some health programmes organised by the work-life committee in 2007 include a Body Health and Cholesterol Management Programme, Healthy Eating and Stress Management Programme. In support of our workplace health promotion and family-friendly initiatives, we partnered with California Fitness Centre, one of our tenants, to offer corporate membership rates to employees and their family members. Employees are also given free annual basic health screening which is conducted during working hours to promote total wellness. Family members are also encouraged to participate in the health screening programme at a discounted price.

CDL is glad to report that we have a zero incidence of injury and occupational diseases in 2007. There have also been no lost days due to work-related fatalities.

Even as CDL takes care to ensure our employees are healthy, we also go the extra mile when employees fall sick. Based on the Employment Act, an employer is only obligated to extend hospitalisation leave of up to 60 working days; or non-hospitalisation leave of up to 14 working days. However, CDL has incorporated a Prolong Illness Scheme available to employees who fall critically ill. The scheme provides the option for the critically ill employee to recuperate



CDL employees have the opportunity to bond and cultivate camaraderie in a wide-range of activities throughout the year.

at home for 18 months while they remain in employment. Employees will also be able to return to work once they are certified medically fit for work before the end of 18 months.

During the first 6 months, they will continue to draw a full monthly salary which will be halved the next 6 months. During the last 6 months, there will be no salary extended but he or she will still be employed.

Creating a Pro-family Culture

CDL is open to flexi-work arrangements for employees as this provides work flexibility in response to employees' family needs and also allows them to manage their time more effectively.

Options include flexi-hours where employees may choose their working hours within management-set limits, flexible work arrangements and to switch to a permanent part-time work arrangement for employees with exceptional family commitments.

Supporting Employee's Commitment to National Service

In Singapore, conscription is compulsory for all male Singapore citizens and second-generation permanent residents upon reaching the age of 18 as part of their National Service (NS). After which, they will be called up on a regular basis, for physical fitness tests as well as in-camp reservist training till they are discharged from their duties upon completion of their obligations.

CDL has always been supportive of Total Defence. Since 1999, we have introduced NS-friendly policies that place the fulfillment of NS duties at high priority and have implemented various schemes to recognise the contributions made by our NSmen.

As a policy, all CDL male employees who need time off from work to fulfill NS duties

are granted leave. With proper planning and manpower scheduling, CDL has had no NSmen deferment for over a decade.

CDL's NSmen are also given a full day leave on the day of their physical fitness test, to ensure that they remain focused and perform well. As an added incentive, we implemented the dollar-for-dollar matching of the Singapore Armed Forces (SAF) monetary award, which is granted to the male employee based on his achievements in the physical fitness test. For example, if the employee receives S\$400 from the government for passing the fitness test, CDL will give him an additional S\$400 as a reward. For employees whose results have shown improvement (from nil award to Incentive Award, or from Incentive to Silver Award over a period of 1 year), they will also be rewarded with an additional S\$200 voucher. If an employee maintains his Gold Award every year, he will be further rewarded with a S\$200 voucher annually. A total of 11 employees have since benefited from these monetary rewards in 2006 and 2007.

CDL also keeps a database of our active NSmen and regularly updates their rank promotions. Procedures and arrangements are in place to allow immediate release from work for NSmen employees during a mobilisation exercise, with minimal disruption to the Company's operations.

Employee-Management Communication and Bonding

Fostering a conducive work environment which encourages open communication and positive employee bonding is essential to creating a happy work-life and boosting productivity.

All new employees undergo an orientation programme specifically designed to enable them to settle in comfortably in their new work environment and to be effective in their new role and responsibilities. This includes orientating new employees to our Green culture here as well. New employees are also briefed on the Company's ISO 14001 EMS.

New employees will also have the opportunity to meet our Managing Director and Senior Management where they may share their opinions freely or ask any work-related questions. This helps new employees better understand the Company's vision, mission and corporate culture.

When there are changes in policies, communication sessions are organised for employees to understand the new or revised HR policies and procedures in details and to address any employees' queries or doubts. A recent session was held to brief employees regarding their new and improved benefits in insurance coverage.

Social activities outside of work and regular lunch time talks on a wide array of topics are also held to provide added opportunities for employees to interact. Many of these activities are organised by various committees which are formed by employees that cut across the various departments, which helps us foster an engaged workforce. They include the Work-Life Committee which organises workplace health-related activities, the C-Base Committee which helps to promote interaction and bonding among employees who share common interest at the employee lounge and the Staff Connect Committee which aims to build a closely-knit workforce within CDL and foster a sense of belonging and camaraderie among all employees through working, playing and growing together.

TALENT ATTRACTION AND RETENTION

CDL prides itself as being one of Singapore's largest companies (by market capitalisation) with an excellent brand name and good track record in terms of business and social performance which are pull factors for many candidates seeking a job with the Company.

To attract new recruits with potential, CDL provides scholarships to students with good academic results. These students will be bonded to the Company for 3 years and will be groomed to become the Company's successors.

The employee turnover in 2007 is 16.8% which is much lower than the national average of 25.2%. While every effort has been made to encourage employee retention, this becomes increasingly challenging in light of the tight labour conditions. The average length of service at CDL is 8.3 years.

MANAGING GRIEVANCES AND COMPLAINTS WITH CONFIDENTIALITY

CDL has ensured that there are systems in place to manage complaints and grievances made by employees, with an assurance that it would be kept confidential.

As the first step, an employee with a grievance may discuss it with his immediate Supervisor/ Manager of the unit. If the grievance is not resolved, the employee may discuss the matter with the Head of Division / Department or Head of Human Resources who will provide a reply or explanation. If the employee still feels that the grievance is not properly addressed, it will be dealt with by the Senior Management comprising the Group General Manager and the Head of the Department to which the employee belongs, together with the Head of Human Resource, to ensure the matter is heard in a fair and impartial manner.

IN FOCUS: STAFFCONNECT @ CDL



Established in May 2004, StaffConnect @ CDL is a task force made up of employees across various departments. It organises activities aimed at reinforcing employee's sense of belonging and team spirit. This includes the Annual Staff Day which is a competitive event where employees are placed in 4 "houses" and pit their skills in fun-filled activities against each other.

Other activities such as the Assisi Hospice Teddy Bank Fundraiser saw employees try and outdo each other in raising funds for cancer-stricken patients. Besides the money raised, the committee injected a fun element of ownership and involvement by asking employees to use their creativity

to dress up the special "Teddy Banks". The beautifully-decorated bears were donated back to Assisi Hospice for the patients' enjoyment. The month-long campaign saw CDL employees raise some S\$60,000!

StaffConnect @ CDL also helps receive feedback from employees and makes suggestions to improve the workplace. For instance, they proposed the creation of C-Base, an employee recreational lounge, set-up in July 2006. C-Base has since been very well-utilised by CDL employees for festive celebrations, meetings, seminars, lunch-time talks, exercise classes and for recreational activities such as karaoke, darts, table tennis, etc.

RESPECT

CHAPTER 6

No man is an island and our actions today affect our future generations. At CDL, we are mindful that respect for our community and environment will ensure a better tomorrow.



BENEFITING THE COMMUNITY

GIVING BACK TO THE COMMUNITY

Historically, CDL's strong corporate culture of giving was influenced by the late founder of our parent Hong Leong Group, Mr Kwek Hong Png, who strongly believed in the importance of sharing the success of the Company with the community.

Driven by a genuine concern for society, CDL's commitment in CSR has grown extensively. The management approach to CDL's community efforts extends beyond the traditional confines of only philanthropy. Believing in a more dynamic and engaged approach, CDL's efforts draw on our resources and make the most of our experience, knowledge and extensive network to embark on community programmes in a meaningful and impactful manner.

While there are many worthy areas to support, we remain focused on our goal towards sustainability. CDL's community involvement covers 4 major areas – the needy and less fortunate, the environment, youth development and the arts. We have contributed generously and widely towards these causes.

To effectively engage the community, we have been a strong supporter of the government's 3P Partnership Model with efforts that encompass the People, Private and Public sectors.

By working closely with the government, non-governmental agencies, public and private organisations on wide-ranging community initiatives, our synergistic collaborations can bring about better and more effective programmes resulting in even greater benefits for the community.

DYNAMIC EMPLOYEE VOLUNTEERISM

CDL has cultivated an engaged workforce through our employee volunteer programme City Sunshine Club (CSC) which was initiated in 1999. CSC facilitates and encourages employees and their families to participate in voluntary work.

A dynamic "pro-giving" environment has also been instrumental in inspiring the employees to actively engage in community work. In 2005 and 2006, 70% of employees volunteered a total of over 6,000 volunteer manhours, most of which were generously undertaken by employees in their own personal time. The high number of hours can be attributed to the overwhelming participation of volunteers during the tsunami crisis in 2005 when a collection centre, manned largely by our employees for one week, was set up with NGO Mercy Relief for the public to drop off supplies and donations. In 2007, participation rate was maintained with some 2,242 manhours contributed. It is our goal to exceed this number in 2008 by committing to a number of key community activities.

In addition to the many community activities facilitated by CSC, volunteers also run regular programmes targeted at the disadvantaged elderly and youth-at-risk.

"TO LIGHT UP THE LIVES OF THE LESS FORTUNATE BY OFFERING OUR FRIENDSHIP AND TO CONTRIBUTE TOWARDS MAKING OUR SOCIETY A BETTER PLACE."

Mission of City Sunshine Club, CDL Employee Volunteer Programme

Befriending the elderly since 1999, CDL volunteers spend time with the needy elderly who live in 1-bedroom public housing apartments every month. Besides offering them the basic necessities, they extend their friendship and care. The volunteers also organise festive outings and fun activities, and even visit them when they are in the hospital so as to bring cheer to these lonely elderly.

Some CDL volunteers have been trained to handle and mentor children-at-risk since

2004. The volunteers are equipped to conduct lessons for children on character building and values. They also provide English enrichment classes and tuition lessons to help the children prepare for their exams.

In February 2007, CSC expanded its youth programme to include the youths at Kolam Ayer, volunteering at Viriya Community Services. For the first time, CSC also helped to organise a stay-in character building camp at the SAF Yacht Club for these less-privileged youths.

HELPING THE LESS PRIVILEGED

As society makes great strides in development and growth, there will always be some unfortunate segments who will lag behind. CDL makes it a priority to be involved in a wide range of charity-related activities to elevate the lives of the less fortunate amongst the community as part of our efforts to also "pay it forward". Hopefully, the lives of those we touch will also in turn touch someone else's.

Furthermore, CDL has kept close to our heart many long-standing beneficiaries and helped spread much goodwill and cheer with a host of activities round the year.

In 2007, for 2 weeks in May, CDL employees rendered their time and effort, giving up lunch hours to help sell Duck Adoption Certificates for the Great Singapore Duck Race to the public with booth stations outside CDL buildings in the Central Business District. Employees also contributed by approaching their business associates for donations and some S\$15,000 raised went to Touch Community Services, a non-profit organisation which runs extensive programmes in aid of those in need.

In July 2007, CSC volunteers together with Boy's Brigade (BB), accompanied 180 beneficiaries, young and old, from



CSC is engaged in a wide range of community activities that include the disadvantaged.



7 welfare organisations on a historic trail around Singapore's city centre. This event was held in conjunction with the launch of the BB Cares Programme in support of President's Challenge. Besides volunteers, CDL also sponsored the cost of the tours, the goodie bags and refreshments.

CDL has also been a strong supporter of Assisi Hospice since 1999. For details, please refer to page 52.

CREATING A SUSTAINABLE ENVIRONMENT

As the problem of climate change becomes even more dire globally, companies and individuals must tackle and mitigate their carbon footprint on the environment.

Towards this cause, CDL continues to be actively involved in the development and collaboration of extensive green programmes targeted at different stakeholders.

Clean and Green Singapore

CDL strongly supported the NEA's Clean and Green Singapore (CGS) campaign in November 2007 in 3 key events. Together with SEC, we presented the Green Living Exhibition, a mobile home-living exhibition display which promotes green practices at home at the CGS Opening Ceremony held

at Bishan Park. The event attracted more than 20,000 visitors. To drive the green message home, a Green Living Guide pamphlet and an attractive fridge magnet with water-saving tips were given to visitors.

Together with other corporate sponsors, CDL joined in the NEA Corporate Environmental Outreach Run 2007 at Semakau Landfill as a platinum sponsor. CDL employees gamely joined in the run and planted the "Sea Hibiscus Triple Colour" to commemorate the event. Funds raised at the event were channeled to 6 local environment-related NGOs.

Nature Conservation

CDL's dedication to environmental conservation stems from our belief in the close connection between man and nature as well as our desire to preserve the many wonders of nature for future generations.

For over a decade, CDL has been a corporate patron of the China Exploration and Research Society (CERS). CERS' mission is to conduct research as well as nature and cultural conservation projects in remote regions of China. We maintained our sustained contribution both in-cash and in-kind to support the good work of CERS.



(Above) CDL employees gamely joined in the run and planted "Sea Hibiscus Triple Colour" to commemorate the event.



(Right) Our "Beauty of Nature" Calendar series reaches out with a conservation message.



We promoted the engagement of our tenants and business associates through the CDL Corporate Challenge while lending a helping hand in the Special Olympics Challenge at the NVM.

We have also been supporting local NGO Nature Society Singapore which is dedicated to the appreciation, conservation, study and enjoyment of the natural heritage in Singapore and the surrounding region. We have been sponsoring their quarterly magazine "Nature Watch" since 2005. In 2008, there are also plans to co-organise a fundraising dinner in aid of Nature Society and SEC.

CDL also produced its 11th calendar in the "Beauty of Nature" series which highlights the importance of nature conservation. Distributed to our business associates and employees, the calendar reinforces the message on the need to protect our environment and preserve its beauty daily.

ENHANCING YOUTH DEVELOPMENT

The Youth will become the leaders of our next generation. We are therefore passionate about helping to groom and develop them towards the progress of our nation.

As Singapore aims to become an education and research hub, CDL played its part in the advancement of education in Singapore with contributions to the Nanyang Technological University (NTU) Wee Kim Wee Legacy Fund, REDAS Research & Education Fund as well as bursaries for needy students from Singapore Polytechnic.

To further cultivate the heightened interest in CSR, CDL was the main sponsor of the National University of Singapore (NUS) CSR Awareness Month organised by the NUS Students' CSR Group and NUS Business School in 2006 and 2007. The activities included a speaker series, film screening and exhibition.

In addition, helping our youth "scale to new heights", CDL supported the annual National Vertical Marathon (NVM), organised by the NTU Sports Club in 2007. The organising committee was made up entirely of students. CDL's flagship building, Republic Plaza, which is one of the tallest skyscrapers in Singapore, was scaled by some 1,629 sports enthusiasts. CDL sponsored the venue as well as prizes for the CDL Corporate Challenge, a new category introduced to inspire stakeholders such as our tenants and business associates to participate. CDL employees also sweated it out in the Special Olympics Challenge by assisting 36 intellectually-disabled students ascend the building in relay-style.

For the third year running, CDL participated in NEA's Corporate and School Partnership Programme. Besides Catholic High School (Primary), which we "adopted" in 2005, we also took under our wing Catholic High School (Secondary) and CHIJ St. Nicholas Girls' School (Primary and Secondary). The

schools' environmental projects were showcased to over 13,000 visitors at the CGS Schools Carnival 2007.

At both Catholic High Schools, CDL employees brainstormed with the teachers to generate interesting and exciting projects to embark on. Catholic High School (Primary) decided on a creative project to test the impact of earthworms on plant growth. This simple yet imaginative project certainly caught the attention of the judges and the school took home the top prize in the Environment Project Competition.

CDL employees also lent a hand and volunteered their time at CHIJ St. Nicholas Girls' School to mentor and assist the students with their project – Fabric of Mother Earth. The students used recycled materials to make a fabric patchwork art piece telling the story of our environment today. This project was awarded the Best Team Effort prize.

As part of our continued engagement with the schools we "adopt", we also participated in Catholic High's Earth Day and helped to sponsor 50 detailed plant tags for their Green Vegetable and Eco-Garden. We also joined CHIJ St. Nicholas for their inaugural Environmental Day celebrations in October and helped launch and showcase the Fabric of Mother Earth to the school.

CDL continued to support its long-standing partner National Youth Achievement Award

(NYAA), one of Singapore's most established youth organisations with some 130,000 participants. NYAA is dedicated to nurturing the skills and talents of the youths to benefit the community.

PROMOTING THE ARTS

Art is important as a material expression of society. However, in a young nation such as Singapore, art needs to be nurtured and cultivated.

As there was limited support for sculpture in Singapore, CDL initiated a nation-wide competition called The CDL Singapore Sculpture Award in 2002. For details, please refer to page 53.

Photography is an art form that CDL has been promoting amongst the youths. The 2nd Singapore Young Photographer Award (SYPA), launched in 2007, hopes to discover new budding talents and to encourage more youths to take up the art form as an enriching pastime. Winners stand to win attractive prizes and are also entitled to free photography enrichment courses and a mentorship programme. The inaugural award in 2006 attracted 500 participants who submitted some 3,000 prints.

The CDL Young Architectural Photographer Award, a sub-category of SYPA, aims to cultivate more interest in the photography and appreciation of architecture.



CDL employees had a fruitful time working together with students from CHIJ St. Nicholas Girls' School on the Fabric of Mother Earth project.



Our "adopted" school for the last 3 years, the students from Catholic High School (Primary) won the judges over with their creative "earthworm" project.



SYPA 2008 winners will have the opportunity to showcase their photographs at the National Museum of Singapore later in the year.

IN FOCUS: FORGING A SUSTAINED RELATIONSHIP WITH ASSISI HOSPICE

CDL has built a close working relationship with the Assisi Hospice since 1999. Assisi Hospice cares for patients including children with cancer and other life-limiting illnesses.

In 1999, CDL and our subsidiaries rallied together and helped make the large-scale fund-raising carnival in aid of Assisi Hospice a huge success. CDL was the joint organiser of the 180-stall carnival and our property Central Mall was the host venue. CDL employees volunteered their time to man various food and games stalls. All proceeds went towards defraying the cost of in-patient home and day care for their cancer patients. Since then, CDL has been supporting Assisi Hospice at the biennial carnival and will again be co-organising the carnival in 2008.

We have also been supporting their "Teddy Bank" Fund-Raising Campaign which is held biennially.

CSC volunteers continued to build a close rapport with the children in their biannual hosting and befriending outings where volunteers will organise



Giving with a twist, CDL volunteers helped dress up the Teddy Banks for the children in addition to fund-raising.

fun games and activities like bowling as well as visits to places of interest.

In 2006, CDL volunteers painstakingly made hundreds of little decorative ornaments and helped beautify the Hospice

for Christmas for the children's enjoyment. After which, we garnered the support of our business associates to help sponsor eco-friendly paint and manpower to paint and touch up the Hospice in time for Lunar New Year in 2007.

IN FOCUS: THE CDL SINGAPORE SCULPTURE AWARD

To a developer, architecture and art complement each other to create a desired impression of a property. The display of unique art works inside or around the building add character and enhance the ambience of the building.

The CDL Singapore Sculpture Award was initiated in 2002 to promote sculpture as an art form as well as to create a platform where budding artists will have the opportunity to see their works commissioned. Towards this goal, there are Open and Student categories which target experienced and amateurs respectively as they can use the competition to hone their craft and gain a better appreciation of sculpture.

In January 2007, CDL created history when it unveiled the "Reed Sculpture" by Peter Chen (right), the winning work commissioned from the inaugural CDL Singapore Sculpture Award. The sculpture was also the first donation made under the National Heritage Board's Public Art Tax Incentive Scheme. There are plans to commission the 2nd Award winning sculpture "The Wind, Her Rain, And A Cloud Meets

With A Tree In The Monsoon Season" by Yeo Chee Kiong at the upcoming Eco-themed public park next to CDL's City Square Mall. This sculpture is mindful of the tenuous relationship between Men and Nature and showcases the importance of balancing work and play in the island city-state, in harmony with the environment.

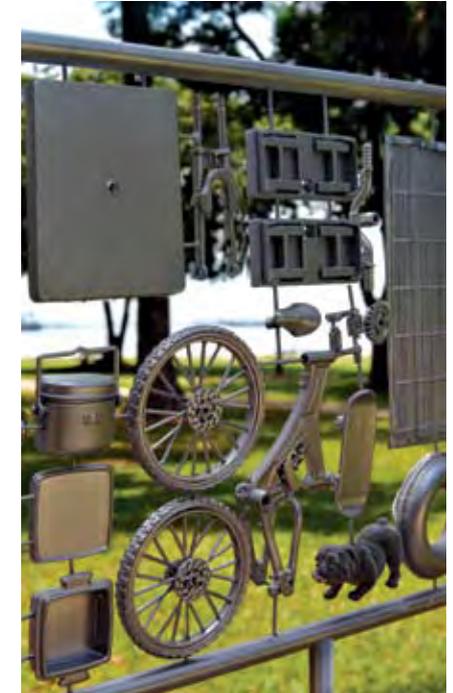
The 3rd CDL Singapore Sculpture Award and Exhibition was held in September 2007. Firmly established as a key competition in the local arts calendar, based on the theme "Aspirations", Tan Wee Lit, 29 years old, a postgraduate student at The School of the Art Institute of Chicago, took home the top prize in the Open Category with his art piece "All the Essentially Essential" (far right). The winning piece captured the idea of having fun at the park and will certainly be a talking piece when installed at the East Coast Park. 13-year-old See Wenhan, a student from Victoria School, won the top prize in the Student Category with "Peaceful Waves".

The 3rd Award saw the participation of a significant number of budding young artists as well as repeat participants. Over 40% of the submissions from the Student Category



were from youths between the ages of 12 and 14. The youngest participant in the competition is an 8-year-old girl.

In line with the 3P model, the Award is organised in partnership with the National Heritage Board, Singapore Art Museum, National Arts Council, National Parks



Board, LASALLE College of the Arts, Nanyang Academy of Fine Arts, Sculpture Square and iPreciation.

We, together with our partners, remain committed to grow this Award for nurturing and supporting artistic talent and creativity in Singapore.

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AR – Annual Report 2007 (refer to www.cdl.com.sg)

NA – Not applicable as this is CDL's first Social and Environmental Report

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The road is never-ending and our journey so far has been inspiring. CDL remains committed to work towards our CSR mission and take our efforts to greater heights ahead.

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

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