

ANNUAL GENERAL MEETING::VOLUNTARY

Issuer & Securities

Issuer/ Manager

CITY DEVELOPMENTS LIMITED

Security

CITY DEVELOPMENTS LIMITED - SG1R89002252 - C09

Announcement Details

Announcement Title

Annual General Meeting

Date & Time of Broadcast

02-Jun-2020 07:35:05

Status

New

Announcement Reference

SG200602MEETYZBI

Submitted By (Co./ Ind. Name)

Enid Ling Peek Fong

Designation

Company Secretary

Financial Year End

31/12/2019

Event Narrative

Narrative Type	Narrative Text
Additional Text	Please refer to the following documents attached: 1) Announcement relating to the 57th Annual General Meeting ("57th AGM") to be held on 24 June 2020; 2) Notice of the 57th AGM; 3) Proxy Form; 4) Arrangements for the 57th AGM (in FAQ format); and 5) Letter to Shareholders dated 2 June 2020.

Event Dates

Meeting Date and Time

24/06/2020 15:00:00

Response Deadline Date

21/06/2020 15:00:00

Event Venue(s)

Place

Venue(s)	Venue details
Meeting Venue	The 57th AGM of the Company will be conducted by way of electronic means. Shareholders will not be able to attend the 57th AGM in person. Please refer to the Announcement relating to the 57th AGM to be held on 24 June 2020 for details on how to participate in the 57th AGM.

Attachments

[Announcement%20relating%20to%20the%2057th%20AGM.pdf](#)[Notice%20of%20the%2057th%20AGM.pdf](#)[Proxy%20Form.pdf](#)[Arrangements%20for%20the%2057th%20AGM in%20FAQ%20format.pdf](#)[Letter%20to%20Shareholders%20dated%202%20June%202020.pdf](#)

Total size =546K MB



CITY DEVELOPMENTS LIMITED

(Co. Reg. No. 196300316Z)
(Incorporated in the Republic of Singapore)

57TH ANNUAL GENERAL MEETING TO BE HELD ON 24 JUNE 2020

1. **Background.** City Developments Limited (“**CDL**” or the “**Company**”) refers to:
 - (a) its announcement on 1 April 2020 stating that it had applied to and received approval from the Accounting and Corporate Regulatory Authority for an extension of time of up to two months until 29 June 2020 to hold its 57th Annual General Meeting (“**57th AGM**”) and had also sought and obtained a waiver from Singapore Exchange Regulation with regards compliance with the Listing Manual and an extension of time for the holding of the AGM on a date not later than 29 June 2020;
 - (b) the COVID-19 (Temporary Measures) Act 2020 passed by Parliament on 7 April 2020 which enabled the Minister for Law by order to prescribe alternative arrangements for listed companies in Singapore to, *inter alia*, conduct general meetings, either wholly or partly, by electronic communication, video conferencing, tele-conferencing or other electronic means; and
 - (c) the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the “**Order**”), gazetted on 13 April 2020, which set out the alternative arrangements in respect of, *inter alia*, general meetings of companies.
2. **Date, time and conduct of AGM.** CDL is pleased to announce that pursuant to the Order, its 57th AGM will be convened and held by way of electronic means on **Wednesday, 24 June 2020 at 3.00 p.m.**
3. **Notice of AGM and proxy form.** With effect from today, the Notice of the Company’s 57th AGM and proxy form have been made available to shareholders solely by electronic means via publication (i) on the Company’s corporate website at <https://www.cdl.com.sg/agm> and (ii) on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Please note that printed copies of these documents **will not** be sent to shareholders via post.
4. **No personal attendance at AGM.** Due to the current COVID-19 restriction orders in Singapore, we seek your understanding that **shareholders will not be able to attend the 57th AGM in person.**
5. **Alternative arrangements for participation at the AGM.** Shareholders may participate at the 57th AGM by:
 - (a) appointing the Chairman of the Meeting as their proxy to attend, speak and vote on their behalf at the 57th AGM;
 - (b) observing and/or listening to the 57th AGM proceedings via live audio-visual webcast or live audio-only stream; and/or
 - (c) submitting questions they would like to raise in advance of the 57th AGM.

Details of the steps for submission of the proxy form for voting at the 57th AGM, pre-registration to obtain access to the live audio-visual webcast or live audio-only stream, and pre-submission of questions to be raised at the 57th AGM are set out in the **Appendix** to this announcement. A copy of this announcement and the 'Frequently Asked Questions' relating to the 57th AGM may also be accessed at the Company's website at the URL <https://www.cdl.com.sg/agm>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

6. **Persons who hold shares through relevant intermediaries.** Persons who hold ordinary shares in CDL through relevant intermediaries (as defined in section 181 of the Companies Act, Chapter 50), including CPF and SRS investors, and who wish to participate in the 57th AGM by:

- (a) appointing the Chairman of the Meeting as their proxy to attend, speak and vote on their behalf at the 57th AGM;
- (b) observing and/or listening to the 57th AGM proceedings via live audio-visual webcast or live audio-only stream; and/or
- (c) submitting questions they would like to raise in advance of the 57th AGM;

should contact the relevant intermediary (which would include, in the case of CPF and SRS investors, their respective CPF Agent Banks and SRS Operators) through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the 57th AGM.

7. **Annual Report 2019 and Letter to Shareholders.** The Annual Report 2019 (and updated shareholding statistics as at 15 May 2020) and the Letter to Shareholders dated 2 June 2020 (in relation to the proposed renewal of the (a) share purchase mandate; and (b) IPT mandate for interested person transactions) have been published on our corporate website, and may be accessed as follows:

- (a) the Annual Report 2019 (and updated Statistics of Ordinary and Preference Shareholdings as at 15 May 2020) may be accessed at <https://www.cdl.com.sg/annualreports> by clicking on the links for "Annual Report 2019" and "Statistics of Ordinary and Preference Shareholdings as at 15 May 2020 (updates to pages 264 to 266 of Annual Report 2019)" respectively; and
- (b) the Letter to Shareholders dated 2 June 2020 may be accessed at <https://www.cdl.com.sg/agm> by clicking on the link for "Letter to Shareholders dated 2 June 2020".

For Shareholders who still wish to receive a printed copy of the Annual Report 2019 and the Letter to Shareholders dated 2 June 2020, they may submit their request(s) through the online Request Form at <https://www.cdl.com.sg/annualreports> no later than **8 June 2020**.

8. **Record and payment dates for final ordinary dividend and special final ordinary dividend.** Subject to the approval of the Ordinary shareholders at the 57th AGM for the payment of the Final Ordinary Dividend and Special Final Ordinary Dividend, the Ordinary Shares Transfer Books and Register of Holders of Ordinary Shares of the Company will be closed on 7 July 2020. Duly completed registrable transfers received by the Company's Share Registrar, M & C Services Private Limited of 112 Robinson Road, #05-01, Singapore 068902, up to 5.00 p.m. on 6 July 2020 will be registered to determine Ordinary shareholders' entitlement to the Final Ordinary Dividend and Special Final Ordinary Dividend. The Final Ordinary Dividend and Special Final Ordinary Dividend, if approved by the Ordinary shareholders at the 57th AGM, will be paid on 16 July 2020.

9. **Key dates/deadlines.** In summary, the key dates/deadlines which shareholders should take note of are set out in the table below:

Key dates	Actions
From 9.00 a.m. on 2 June 2020 (Tuesday)	Ordinary shareholders may begin to pre-register at https://www.cdl.com.sg/agm2020 for live audio-visual webcast/live audio-only stream of the AGM proceedings.
5.00 p.m. on 12 June 2020 (Friday)	CPF or SRS investors, who wish to appoint the Chairman of the Meeting as their proxy, must approach their respective CPF Agent Banks or SRS Operators to submit their votes by this deadline.
3.00 p.m. on 21 June 2020 (Sunday)	Deadline for ordinary shareholders to: <ul style="list-style-type: none"> • submit proxy forms • pre-register for the live audio-visual webcast/live audio-only stream of the 57th AGM proceedings; and • submit questions to be raised at the 57th AGM.
22 June 2020 (Monday)	Individuals or corporates that have pre-registered but whose status as ordinary shareholders cannot be verified will receive an email by this date to inform them of this.
By 12.00 noon on 22 June 2020 (Monday)	Authenticated shareholders will receive an email with login credentials, as well as the link to access the live audio-visual webcast and a toll-free telephone number to access the live audio-only stream of the AGM proceedings (the “ Confirmation Email ”). Shareholders who do not receive the Confirmation Email by 12.00 noon on 22 June 2020, but have registered by the 21 June 2020 deadline should contact our Share Registrar, M & C Services Private Limited, at GPD@mncsingapore.com or alternatively at +65 6228 0508 or +65 6228 0518 between 12.00 noon and 7.00 p.m. on 22 June 2020 or between 9.00 a.m. and 12.00 noon on 23 June 2020.
24 June 2020 (Wednesday)	Publication of answers to questions raised at the URL https://www.cdl.com.sg/agm and on SGX website at the URL https://www.sgx.com/securities/company-announcements .
3.00 p.m. on 24 June 2020 (Wednesday)	57th Annual General Meeting <ul style="list-style-type: none"> • Click on the link in the Confirmation Email and enter the password to access the live audio-visual webcast of the AGM proceedings; or • Call the toll-free telephone number in the Confirmation Email and enter the conference code to access the live audio-only stream of the AGM proceedings.

Key dates	Actions
5.00 p.m. on 6 July 2020 (Monday)	Record date for determining entitlements to FY2019 Ordinary Final and Special Final Dividends, subject to shareholders' approval at the 57th AGM.
16 July 2020 (Thursday)	Payment date for FY2019 Ordinary Final and Special Final Dividends, subject to shareholders' approval at the 57th AGM.

10. **Important reminder. Due to the constantly evolving COVID-19 situation in Singapore, we may be required to change our arrangements for the AGM at short notice. Shareholders should check our corporate website at <https://www.cdl.com.sg/agm> for the latest updates on the status of the AGM.**

The Company would like to thank all shareholders for their patience and co-operation in enabling us to hold our 57th AGM with the optimum safe distancing measures amidst the current COVID-19 pandemic.

By Order of the Board

Shufen Loh @ Catherine Shufen Loh
 Enid Ling Peek Fong
 Company Secretaries
 2 June 2020

APPENDIX

Steps for voting on the AGM resolutions, pre-registration to observe/listen to the AGM proceedings and pre-submission of questions in advance of the AGM

Ordinary Shareholders can only vote in respect of the resolutions proposed at the AGM by appointing the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the AGM. Ordinary Shareholders may, if they wish, observe and/or listen to the AGM proceedings through a live audio-visual webcast or live audio-only stream and may also submit questions in advance of the AGM. Please refer to the following steps for the submission of the proxy form, pre-registration for the audio-visual webcast or audio-only stream, and submission of questions.

No.	Steps	Details
1.	Submit proxy form to vote	<p>Appointment of Chairman of the Meeting as proxy. Due to the current COVID-19 situation and related safe distancing measures in Singapore, an ordinary shareholder will not be able to attend the AGM in person. A member (whether an individual or a corporate) cannot appoint any other person as his/her/its proxy for the AGM and must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such ordinary shareholder wishes to exercise his/her/its voting rights at the AGM.</p> <p>Specific voting instructions to be given. Where ordinary shareholders (whether an individual or a corporate) appoint the Chairman of the Meeting as their proxy, they must give specific instructions as to voting, or abstentions from voting, in respect of each resolution in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for any resolution without specific instructions will be treated as invalid.</p> <p>Submission of proxy forms. An ordinary shareholder who wishes to submit a proxy form appointing the Chairman of the Meeting as his proxy must first download the proxy form at the URL https://www.cdl.com.sg/agm and click on the hyperlink "Proxy Form" under the caption "57th Annual General Meeting", and thereafter complete and sign the proxy form, before submitting it in the manner provided below:</p> <p>(a) if submitted by post, to be received at the office of the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902; or</p> <p>(b) if submitted electronically, to be submitted via email to the Company's Share Registrar at GPD@mncsingapore.com</p> <p>in either case, by 3.00 p.m. on 21 June 2020.</p> <p>In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for shareholders to submit completed proxy forms by post, shareholders are strongly encouraged to submit completed proxy forms electronically via email.</p>

		CPF or SRS investors who wish to appoint the Chairman of the Meeting as their proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 12 June 2020 .
2.	Pre-registration for AGM	<p>Ordinary shareholders, who wish to observe or listen to the AGM proceedings, must pre-register at the pre-registration website at https://www.cdl.com.sg/agm2020 from 9.00 a.m. on 2 June 2020 to 3.00 p.m. on 21 June 2020 to enable the Company to verify their status as ordinary shareholders.</p> <p>Following the verification of the status of shareholders, authenticated shareholders will receive an email with login credentials, as well as the link to access the live audio-visual webcast or a toll-free telephone number to access the live audio-only stream of the AGM proceedings (the “Confirmation Email”).</p> <p>Ordinary shareholders who do not receive the Confirmation Email by 12.00 noon on 22 June 2020, but have registered by the 21 June 2020 deadline should contact the Company’s Share Registrar, M & C Services Private Limited, at GPD@mncsingapore.com or alternatively, +65 6228 0508 or +65 6228 0518 between 12.00 noon and 7.00 p.m. on 22 June 2020 or between 9.00 a.m. and 12.00 noon on 23 June 2020.</p> <p>Investors holding shares through relevant intermediaries (other than CPF/SRS investors) will not be able to pre-register at https://www.cdl.com.sg/agm2020 for the live broadcast of the AGM. If they wish to participate in the live broadcast of the AGM, they should instead approach his/her/its relevant intermediary as soon as possible in order to make the necessary arrangements to participate in the live broadcast of the AGM.</p>
3.	Submit questions in advance of the AGM	<p>Ordinary shareholders will not be able to ask questions at the AGM during the live audio-visual webcast or live audio only stream, and therefore it is important for ordinary shareholders to submit their questions in advance of the AGM.</p> <p>Submission of questions. Ordinary shareholders can submit questions related to the resolutions to be tabled for approval at the AGM to the Chairman of the Meeting, in advance of the AGM, in the following manner:</p> <p>(a) By email to agm2020@cdl.com.sg; or</p> <p>(b) By post to City Developments Limited, Corporate Secretariat, 9 Raffles Place #12-01 Republic Plaza, Singapore 048619.</p> <p>To ensure that questions are received by the Company by the stipulated deadline set out below, ordinary shareholders are strongly encouraged to submit questions by email.</p> <p>When sending questions, ordinary shareholders should also provide their full name as it appears on the CDP/CPF/SRS/Scrip share records, address, number of ordinary shares in the Company and the manner in which the shares are held in the Company (eg. via CDP, CPF or SRS, or scrip based) for verification. Mobile phone numbers provided will help the Company to reach out more easily if clarification is required.</p>

		<p>Deadline to submit questions. All questions must be submitted by 21 June 2020.</p> <p>Addressing questions. The Company will endeavour to address all substantial and relevant questions, primarily relating to the Annual Report and other agenda items set out in the Notice of AGM received from the ordinary shareholders. Responses to these substantial and relevant questions will be published on the Company's website at the URL https://www.cdl.com.sg/agm and will also be made available on SGX website at the URL https://www.sgx.com/securities/company-announcements by 24 June 2020.</p> <p>Minutes of AGM. The Company will publish the minutes of the 57th AGM on the Company's website and on SGX website within one month of the date of the AGM.</p>
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This Notice supersedes the Notice in the print copy of the Annual Report 2019

CITY DEVELOPMENTS LIMITED

(Co. Reg. No. 196300316Z)
(Incorporated in the Republic of Singapore)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty-Seventh Annual General Meeting (the "Meeting") of City Developments Limited (the "Company") will be convened and held by way of electronic means on Wednesday, 24 June 2020 at 3.00 p.m. for the following purposes:

(A) Ordinary Business

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 December ("FY") 2019 and the Auditors' Report thereon.
2. To declare a final one-tier tax-exempt ordinary dividend of 8.0 cents per ordinary share ("Final Ordinary Dividend") and a special final one-tier tax-exempt ordinary dividend of 6.0 cents per ordinary share ("Special Final Ordinary Dividend") for FY 2019.
3. To approve Directors' Fees of \$1,388,301.37 for FY 2019 (FY 2018: \$1,012,293.16).
4. To re-elect the following Directors, who are retiring in accordance with Clause 83(a) of the Constitution of the Company and who, being eligible, offer themselves for re-election:
 - (a) Mr Kwek Leng Beng
 - (b) Ms Tan Yee Peng
 - (c) Mr Koh Thiam Hock

Detailed information on Mr Kwek Leng Beng, Ms Tan Yee Peng and Mr Koh Thiam Hock can be found under the sections on "Board of Directors" and "Additional Information on Directors Seeking Re-election" of the Annual Report.

5. To re-elect the following Director, who is retiring in accordance with Clause 76 of the Constitution of the Company and who, being eligible, offers himself for re-election:
 - (a) Mr Sherman Kwek Eik Tse

Detailed information on Mr Sherman Kwek Eik Tse can be found under the sections on "Board of Directors" and "Additional Information on Directors Seeking Re-election" of the Annual Report.

6. To re-appoint KPMG LLP as Auditors and to authorise the Directors to fix their remuneration.

(B) Special Business

To consider and, if thought fit, to pass, with or without any modifications, the following resolutions as Ordinary Resolutions:

7. That authority be and is hereby given to the Directors to:
 - (a) (i) issue ordinary shares of the Company whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require ordinary shares to be issued, including but not limited to the creation and

issue of (as well as adjustments to) warrants, debentures or other instruments convertible into ordinary shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

- (b) (notwithstanding the authority conferred by this Ordinary Resolution may have ceased to be in force) issue ordinary shares in pursuance of any Instrument made or granted by the Directors while this Ordinary Resolution was in force,

provided that:

- (1) the aggregate number of ordinary shares to be issued pursuant to this Ordinary Resolution (including ordinary shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution but excluding ordinary shares which may be issued pursuant to any adjustments effected under any relevant Instrument) does not exceed 100% of the total number of issued ordinary shares, excluding treasury shares and subsidiary holdings, of the Company (as calculated in accordance with paragraph (2) of this Ordinary Resolution), of which the aggregate number of ordinary shares to be issued other than on a *pro rata* basis to shareholders of the Company (including ordinary shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution but excluding ordinary shares which may be issued pursuant to any adjustments effected under any relevant Instrument) does not exceed 10% of the total number of issued ordinary shares, excluding treasury shares and subsidiary holdings, of the Company (as calculated in accordance with paragraph (2) of this Ordinary Resolution);
- (2) (subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited ("SGX-ST")) for the purpose of determining the aggregate number of ordinary shares that may be issued under paragraph (1) of this Ordinary Resolution, the percentage of issued ordinary shares, excluding treasury shares and subsidiary holdings, shall be based on the total number of issued ordinary shares, excluding treasury shares and subsidiary holdings, of the Company at the time this Ordinary Resolution is passed, after adjusting for:
- (i) new ordinary shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Ordinary Resolution is passed; and
- (ii) any subsequent bonus issue, consolidation or subdivision of ordinary shares,

and, in paragraph (1) of this Ordinary Resolution and this paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of SGX-ST;

- (3) in exercising the authority conferred by this Ordinary Resolution, the Company shall comply with the provisions of the Listing Manual of SGX-ST for the time being in force (unless such compliance has been waived by SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in a general meeting) the authority conferred by this Ordinary Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company ("AGM") or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

8. That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "Companies Act"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares ("Ordinary Shares") and/or non-redeemable convertible non-cumulative preference shares ("Preference Shares") of the Company not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

- (i) market purchases (each a “Market Purchase”) on SGX-ST; and/or
- (ii) off-market purchases (each an “Off-Market Purchase”) effected otherwise than on SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they may, in their absolute discretion, deem fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and rules of SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (“Share Purchase Mandate”);

- (b) the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution and expiring on the earliest of:
 - (i) the date on which the next AGM of the Company is held or required by law to be held;
 - (ii) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked in general meeting; or
 - (iii) the date on which the purchases or acquisitions of Ordinary Shares and/or Preference Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;
- (c) in this Ordinary Resolution:

“Prescribed Limit” means in relation to any purchase or acquisition of Ordinary Shares, the number of issued Ordinary Shares representing 10% of the total number of issued Ordinary Shares as at the date of the passing of this Ordinary Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of SGX-ST) as at that date), and in relation to any purchase or acquisition of Preference Shares, the number of issued Preference Shares representing 10% of the total number of issued Preference Shares as at the date of the passing of this Ordinary Resolution; and

“Maximum Price” in relation to an Ordinary Share or a Preference Share to be purchased or acquired (as the case may be) means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding whether pursuant to a Market Purchase or an Off-Market Purchase, 105% of the Average Closing Price of the Ordinary Shares or Preference Shares (as the case may be).

where:

“Average Closing Price” means the average of the Closing Market Prices of the Ordinary Shares or Preference Shares (as the case may be) over the last five (5) Market Days on SGX-ST, on which transactions in the Ordinary Shares or Preference Shares (as the case may be) were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such 5-Market Day period;

“Closing Market Price” means the last dealt price for an Ordinary Share or a Preference Share (as the case may be) transacted on SGX-ST as shown in any publication of SGX-ST or other sources;

“day of the making of the offer” means the day on which the Company makes an offer for the Off-Market Purchase of Ordinary Shares or Preference Shares (as the case may be) from holders of Ordinary Shares or holders of Preference Shares (as the case may be), stating the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase, calculated on the foregoing basis) for each Ordinary Share or Preference Share (as the case may be), and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

“Market Day” means a day on which SGX-ST is open for trading in securities; and

- (d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Ordinary Resolution.
9. (a) That approval be and is hereby given, for the purpose of Chapter 9 of the Listing Manual of SGX-ST, for the Company, its subsidiaries and its associated companies that are not listed on SGX-ST, or an approved exchange, over which the Company, its subsidiaries and/or its interested person(s), have control, or any of them, to enter into any of the transactions falling within the category of Interested Person Transactions, particulars of which are set out in the Company’s Letter to Shareholders dated 2 June 2020 (the “Letter to Shareholders”) with any party who is of the class or classes of Interested Persons described in the Letter to Shareholders, provided that such transactions are entered into in accordance with the review procedures for Interested Person Transactions as set out in the Letter to Shareholders, and that such approval (the “IPT Mandate”), shall unless revoked or varied by the Company in a general meeting, continue in force until the next AGM of the Company; and
- (b) That the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Ordinary Resolution.

By Order of the Board

Shufen Loh @ Catherine Shufen Loh
Enid Ling Peek Fong
Company Secretaries

Singapore, 2 June 2020

EXPLANATORY NOTES:

1. With reference to item 2 of the Ordinary Business above, the Ordinary Share Transfer Books and Register of Holders of Ordinary Shares of the Company will be closed from 5.00 p.m. on 6 July 2020 up to (and including) 7 July 2020. Duly completed registrable transfers received by the Company's Share Registrar up to 5.00 p.m. on 6 July 2020 will be registered to determine Ordinary Shareholders' entitlement to the Final Ordinary Dividend and Special Final Ordinary Dividend. If approved at the Meeting, they will be paid on 16 July 2020.
2. With reference to item 3 of the Ordinary Business above, the Directors' Fees of \$1,388,301.37 for FY 2019 will be payable upon approval of the shareholders at the Meeting. The structure of fees payable to Directors for FY 2019 can be found on page 44 of the Annual Report.
3. With reference to item 4(a) of the Ordinary Business above, Mr Kwek Leng Beng will, upon re-election as a Director of the Company, remain as Chairman of the Board and a member of the Board Committee ("BC") and Nominating Committee ("NC").

Key information on Mr Kwek Leng Beng is found on pages 26 and A1 onwards of the Annual Report.

4. With reference to item 4(b) of the Ordinary Business above, Ms Tan Yee Peng will, upon re-election as a Director of the Company, remain as chairman of the Board Sustainability Committee ("BSC") and a member of the BC, NC and Audit & Risk Committee ("ARC").

Key information on Ms Tan Yee Peng is found on pages 29 and A1 onwards of the Annual Report.

5. With reference to item 4(c) of the Ordinary Business above, Mr Koh Thiam Hock will, upon re-election as a Director of the Company, remain as a member of the ARC, BC and Remuneration Committee.

Key information on Mr Koh Thiam Hock is found on pages 29 and A1 onwards of the Annual Report.

6. With reference to item 5(a) of the Ordinary Business above, Mr Sherman Kwek Eik Tse will, upon re-election as a Director of the Company, remain as a member of the BSC.

Key information on Mr Sherman Kwek Eik Tse is found on pages 27 and A1 onwards of the Annual Report.

7. The Ordinary Resolution set out in item 7 above, if passed, will empower the Directors of the Company from the date of the Meeting until the next AGM (unless such authority is previously revoked or varied at a general meeting), to issue Ordinary Shares and/or make or grant Instruments that might require new Ordinary Shares to be issued up to a number not exceeding 100% of the total number of issued Ordinary Shares, excluding treasury shares and subsidiary holdings, of the Company, of which up to 10% may be issued other than on a *pro rata* basis to shareholders. The aggregate number of Ordinary Shares which may be issued under this Ordinary Resolution will be calculated based on the total number of issued Ordinary Shares, excluding treasury shares and subsidiary holdings, of the Company at the time that this Ordinary Resolution is passed, after adjusting for new Ordinary Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Ordinary Shares.

On 8 April 2020, SGX RegCo issued a news release which introduced measures to support issuers amid the challenging business and economic climate due to COVID-19, including enabling the acceleration of fund-raising efforts by allowing Mainboard issuers to seek a general mandate for an issue of shares and convertible securities of up to an aggregate of 100% of its issued shares (excluding treasury shares and subsidiary holdings), versus up to 50% previously (the "Enhanced Share Issue Limit"), of which the aggregate number of shares and convertible securities issued other than on a *pro rata* basis remains at not more than 20%. The Enhanced Share Issue Limit may be renewed at the 2021 AGM and is only valid until 31 December 2021, by which date any shares issued pursuant to the Enhanced Share Issue Limit must be listed, and no further shares may be issued under this limit.

The Company is proposing to avail itself to the Enhanced Share Issue Limit and accordingly to seek Shareholders' approval for the same at the Meeting. The Board of Directors is of the view that

it would be in the interests of the Company and its Shareholders to do so in the event that circumstances evolve before the 2021 AGM amid the COVID-19 situation to such an extent that a 50% limit for *pro rata* issue of shares is not sufficient to meet the Company's needs. If this were to occur and no Enhanced Share Issue Limit were to be in place, fund raising efforts would otherwise be unnecessarily hampered and compromised by the time needed to obtain Shareholders' approval to issue shares above the 50% threshold.

8. The Ordinary Resolution set out in item 8 above, if passed, will empower the Directors of the Company to make purchases or otherwise acquire the Company's issued Ordinary Shares and/or Preference Shares (collectively, the "Shares") from time to time subject to and in accordance with the guidelines set out in Annexure I of the Letter to Shareholders. This authority will expire at the conclusion of the next AGM of the Company, unless previously revoked or varied at a general meeting or when such purchases or acquisitions are carried out to the full extent mandated.

The Company intends to use internal resources and/or external borrowings to finance purchases or acquisitions of its Shares under the Share Purchase Mandate. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on whether the Shares are purchased or acquired out of capital or profits of the Company, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time and whether the Shares purchased or acquired are held in treasury or cancelled.

Based on the existing number of issued Ordinary Shares and Preference Shares of the Company as at 30 April 2020 (the "Latest Practicable Date") (disregarding the Ordinary Shares held in treasury), the exercise in full of the Share Purchase Mandate would result in the purchase of 90,690,133 Ordinary Shares (representing 10% of the total number of issued Ordinary Shares of the Company, disregarding the Ordinary Shares held in treasury) and 33,087,425 Preference Shares (representing 10% of the total number of issued Preference Shares of the Company).

In the case of Market Purchases and Off-Market Purchases by the Company and assuming that the Company purchases or acquires 90,690,133 Ordinary Shares at the Maximum Price of \$8.18 for one Ordinary Share (being the price equivalent to 105% of the Average Closing Price as at the Latest Practicable Date) and 33,087,425 Preference Shares at the Maximum Price of \$1.07 for one Preference Share (being the price equivalent to 105% of the Average Closing Price as at the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 90,690,133 Ordinary Shares and 33,087,425 Preference Shares is approximately \$742 million and \$35 million respectively.

The financial effects of the purchase or acquisition of such Shares pursuant to the proposed Share Purchase Mandate on the audited financial statements of the Group and the Company for the financial year ended 31 December 2019 based on these assumptions are set out in paragraph 3.5 of Annexure I of the Letter to Shareholders.

9. The Ordinary Resolution set out in item 9 above, if passed, will renew the IPT Mandate which was last approved by Shareholders on 26 April 2019, to facilitate the Company, its subsidiaries and its associated companies to enter into Interested Person Transactions, the details of which are set out in Annexure II and Appendix A of the Letter to Shareholders. The IPT Mandate will continue in force until the conclusion of the next AGM of the Company, unless previously revoked or varied at a general meeting.

Voting restriction pursuant to Rule 921(7) of the Listing Manual of SGX-ST

Hong Leong Investment Holdings Pte. Ltd. and its subsidiaries, the Directors of the Company and their associates, who are also shareholders of the Company and being Interested Persons under the IPT Mandate, are required to abstain from voting at the Meeting in respect of the Ordinary Resolution 9 in relation to the proposed renewal of the IPT Mandate.

Meeting Notes:

1. The Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice will not be sent to members, instead, this Notice will be made available to members by electronic means via publication on the Company's website at <https://www.cdl.com.sg/agm>. This Notice will also be made available on the SGX website at <https://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to the attendance at the Meeting via electronic means (including arrangements by which the Meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Meeting, addressing of substantial and relevant questions at the Meeting and voting by appointing the Chairman of the Meeting as proxy at the Meeting, are set out in the accompanying Company's announcement dated 2 June 2020. The announcement may be accessed at the Company's website at <https://www.cdl.com.sg/agm> and will also be made available on the SGX website at <https://www.sgx.com/securities/company-announcements>.
3. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting. The accompanying Proxy Form for the Meeting may be accessed at the Company's website at <https://www.cdl.com.sg/agm>, and is also available at the SGX website at <https://www.sgx.com/securities/company-announcements>.

Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to the voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

CPF or SFRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators (as relevant intermediary) to submit their votes by 5.00 p.m. on 12 June 2020.

4. The Chairman of the Meeting, as proxy, need not be a member of the Company.
5. The form appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
 - (i) if submitted by post, be lodged with the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902; or
 - (ii) if submitted electronically, via email to the Company's Share Registrar at GPD@mncsingapore.com

in either case, at least 72 hours before the time for holding the Meeting.

A member who wishes to submit an instrument of proxy must complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

6. The Annual Report and the Letter to Shareholders dated 2 June 2020 in relation to the proposed renewal of the Share Purchase Mandate and the IPT Mandate ("**Letter to Shareholders**") are available on the Company's website as follows:

- (a) the Annual Report (and updated Statistics of Ordinary and Preference Shareholdings as at 15 May 2020) may be accessed at <https://www.cdl.com.sg/annualreports> by clicking on the links for 'Annual Report 2019' and 'Statistics of Ordinary and Preference Shareholdings as at 15 May 2020' (updates to pages 264 and 266 of the Annual Report), respectively; and
- (b) the Letter to Shareholders may be accessed at <https://www.cdl.com.sg/agm>.

References pertaining to the particulars of AGM in the Annual Report to be disregarded.

Personal data privacy:

By (i) submitting a form appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Meeting and/or any adjournment thereof, or (ii) submitting details for the registration to observe the proceedings of the Meeting via a live audio-visual webcast or a live audio-only stream or (iii) submitting any question prior to the Meeting in accordance with this Notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (a) processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Meeting (including any adjournment thereof);
- (b) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to observe the proceedings of the Meeting and providing them with any technical assistance where necessary;
- (c) addressing relevant and substantial questions from members received before the Meeting and if necessary, following up with the relevant members in relation to such questions; and
- (d) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.

STATEMENT PURSUANT TO SECTION 64A OF THE COMPANIES ACT

Non-Redeemable Convertible Non-Cumulative Preference Shares ("Preference Shares")

Class Meetings: Holders of Preference Shares ("Preference Shareholders") shall be entitled to attend, speak and vote at any class meeting of the Preference Shareholders. Every Preference Shareholder who is present in person (or by proxy) at such class meetings shall have on a show of hands one vote and on a poll one vote for every Preference Share of which he is the holder.

General Meetings: Preference Shareholders shall be entitled to attend (in person or by proxy) any general meeting of the Company and shall have on a show of hands one vote and on a poll one vote in respect of each Preference Share of which he is the holder if (i) dividends with respect to the Preference Shares (or any part thereof) due and payable and accrued is in arrears and has remained unpaid for at least six months; (ii) the resolution in question varies the rights attached to the Preference Shares; or (iii) the resolution in question is for the winding up of the Company.

Except as provided above, Preference Shareholders shall not be entitled to attend or vote at General Meetings of the Company.

CITY DEVELOPMENTS LIMITED

(Co. Reg. No. 196300316Z)
(Incorporated in the Republic of Singapore)

PROXY FORM for 57th Annual General Meeting

IMPORTANT:Alternative Arrangements for Annual General Meeting ("Meeting")

1. The Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of Meeting will not be sent to members. Instead, the Notice of Meeting will be made available to members by electronic means via publication at the Company's website at <https://www.cdl.com.sg/agm>. The Notice of Meeting will also be made available on SGX website at <https://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to attendance at the Meeting via electronic means (including arrangements by which the Meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Meeting, addressing of substantial and relevant questions at the Meeting and voting by appointing the Chairman of the Meeting as proxy at the Meeting, are set out in the accompanying Company's announcement dated 2 June 2020. The announcement may be accessed at the Company's website at <https://www.cdl.com.sg/agm>, and will also be made available on the SGX website at <https://www.sgx.com/securities/company-announcements>.
3. **Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the Meeting in person. A member (whether an individual or a corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting.**
4. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the Meeting.

CPF/SRS Investors

5. CPF/SRS Investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks/SRS Operators to submit their votes by 5.00 p.m. on 12 June 2020.

Personal Data

6. By submitting a form appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Meeting dated 2 June 2020.

I/We, (name) _____

with NRIC/Passport/Company Registration Number: _____

of (address) _____

being a member/members of City Developments Limited (the "Company"), hereby appoint **the Chairman of the Meeting** as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the Fifty-Seventh Annual General Meeting of the Company (the "Meeting") to be convened by electronic means on Wednesday, 24 June 2020 at 3.00 p.m., and at any adjournment thereof.

I/We have indicated with an 'X' in the appropriate box against each item below how I/we wish the Chairman of the Meeting as my/our proxy to vote, or to abstain from voting.

NOTE: Voting on all resolutions will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes "For" or "Against" a resolution, please indicate with an 'X' in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate with an "X" in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of ordinary shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in the "Abstain" box provided in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.**

No.	Resolutions	For	Against	Abstain
(A)	ORDINARY BUSINESS:			
1.	Adoption of the Directors' Statement and Audited Financial Statements together with the Auditors' Report thereon			
2.	Declaration of a Final Ordinary Dividend and a Special Final Ordinary Dividend			
3.	Approval of Directors' Fees			
4.	Re-election of Directors: (a) Mr Kwek Leng Beng (b) Ms Tan Yee Peng (c) Mr Koh Thiam Hock			
5.	Re-election of Mr Sherman Kwek Eik Tse as Director			
6.	Re-appointment of KPMG LLP as Auditors			
(B)	SPECIAL BUSINESS:			
7.	Authority for Directors to issue ordinary shares and/or make or grant offers, agreements or options pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and the listing manual of Singapore Exchange Securities Trading Limited			
8.	Renewal of Share Purchase Mandate			
9.	Renewal of IPT Mandate for Interested Person Transactions			

Dated this _____ day of _____ 2020.

No. of Ordinary Shares Held

Signature(s) or Common Seal of Member(s)

Notes:

1. Please insert the total number of ordinary shares held by you. If you have ordinary shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of ordinary shares. If you have ordinary shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of ordinary shares. If you have ordinary shares entered against your name in the Depository Register and ordinary shares registered in your name in the Register of Members, you should insert the aggregate number of ordinary shares. If no number is inserted, this form of proxy will be deemed to relate to all the ordinary shares held by you.
2. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting. This proxy form may be accessed at the Company's website at <https://www.cdl.com.sg/agm>, and will also be made available on the SGX website at <https://www.sgx.com/securities/company-announcements>. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m. on 12 June 2020**.

3. The Chairman of the Meeting, as proxy, need not be a member of the Company.

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4. The form appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
 - (a) if submitted by post, be deposited at the office of the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902; or
 - (b) if submitted electronically, be submitted via email to the Company's Share Registrar at GPD@mncsingapore.comin either case not less than 72 hours before the time appointed for holding the Meeting.

A member who wishes to submit a form of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

5. The form appointing the Chairman of the Meeting as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the form appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or signed by a director or an officer or an attorney duly authorised.
6. The Company shall be entitled to reject the form of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the form of proxy (including any related attachment). In addition, in the case of a member whose ordinary shares are entered in the Depository Register, the Company may reject any form of proxy lodged if the member, being the appointor, is not shown to have ordinary shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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**57TH AGM
PROXY FORM**

Affix
Postage
Stamp

CITY DEVELOPMENTS LIMITED
c/o The Share Registrar
M & C Services Private Limited
112 Robinson Road
#05-01
Singapore 068902

3rd fold and glue all sides firmly overleaf. Do not staple.



CITY DEVELOPMENTS LIMITED

(Co. Reg. No. 196300316Z)
(Incorporated in the Republic of Singapore)

ARRANGEMENTS FOR THE 57TH ANNUAL GENERAL MEETING (“AGM”) TO BE HELD ON 24 JUNE 2020 (IN FAQ FORMAT)

A THE AGM

A1 Why is the Company convening the AGM during the COVID-19 pandemic?

The Company has to continue to observe its statutory and regulatory obligations. It has however availed itself of recent rules and measures that allowed for a delayed AGM in view of the pandemic. The AGM will now be convened and held by way of electronic means on Wednesday, 24 June 2020 at 3.00 p.m. (Singapore time). Please click on the hyperlink “Notice of AGM” at <https://www.cdl.com.sg/agm> for full details.

A2 Will there be a financial presentation scheduled for this AGM?

Yes, the financial presentation will be given, followed by a presentation of responses to substantial and relevant questions received from ordinary shareholders before the motion to adopt the 2019 financial statements is tabled.

B ATTENDANCE AT THE AGM

B1 Are shareholders able to attend the AGM in person?

No, shareholders are not allowed to attend the AGM in person, following the strict social distancing measures imposed by the Government.

B2 How can I participate in the AGM if I am not allowed to attend in person?

Ordinary shareholders, who have pre-registered to observe and/or listen to the AGM proceedings and have been authenticated following the Company’s verification process, will be provided with a unique password to access a live audio-visual webcast or a toll-free telephone number for an audio only stream of the AGM proceedings. Please refer to the FAQ on “**Accessing the live AGM proceedings**” below at paragraph E.

B3 How can I ask questions about the Annual Report 2019 if I am not allowed to attend the AGM in person?

Ordinary shareholders can submit questions relating to the Annual Report 2019 to a dedicated email or mailing address in advance of the AGM. Please refer to the FAQ on “Questions from ordinary shareholders” below at paragraph C for more details.

B4 What if the COVID-19 situation improves before the day of the AGM? Will shareholders be allowed to attend the AGM in person at that point?

Unfortunately, the Company needs to prepare for the AGM logistics based on circumstances prevailing as at the latest practicable time before the issue of its Notice of AGM. Hence, shareholders will not be able to attend in person even if the situation improves by the AGM date.

C QUESTIONS FROM ORDINARY SHAREHOLDERS

C1 I have questions on the Annual Report 2019. How can I communicate my questions?

You can submit your question(s) relating to the Annual Report 2019 and resolutions to be tabled for approval at the AGM to the Chairman of the Meeting, in advance of the AGM, in the following manner:

- (a) By email to agm2020@cdl.com.sg; or
- (b) By post to City Developments Limited, Corporate Secretariat, 9 Raffles Place #12-01 Republic Plaza, Singapore 048619.

All questions must be submitted and reach us by 3.00 p.m. on 21 June 2020.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for shareholders to submit questions by mail, shareholders are strongly encouraged to submit your questions via email. We wish to highlight that the Company will address only substantial and relevant questions, primarily relating to the Annual Report 2019 and the other AGM agenda items set out in the Notice of AGM.

C2 Do I need to identify myself when posing questions (email or by mail) to the Company?

Yes, please provide:

- your full name as it appears on your CDP/CPF/SRS/Scrip share records;
- your address;
- number of ordinary shares held; and
- the manner in which you hold the ordinary shares in the Company (e.g., via CDP, CPF or SRS, or scrip based).

We regret that we will not be able to answer your questions if we are unable to verify your shareholder status.

C3 Is there a cut-off date for sending in questions (via email or mail)?

Yes, all questions must reach us by 3.00 p.m. on 21 June 2020. We regret that we are unable to address questions received after the cut-off time and date.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for shareholders to submit questions by mail, shareholders are strongly encouraged to submit your questions via email to agm2020@cdl.com.sg.

C4 How do I know if my questions are answered?

Responses to these substantial and relevant questions will be published on the Company's website at <https://www.cdl.com.sg/agm> and will also be made available on SGX website at the URL <https://www.sgx.com/securities/company-announcements> by 24 June 2020. If time permits, the Company will address some of the key questions during the AGM. The minutes of the AGM will be posted on the Company's website and announced through the SGXNET within one month from the date of the AGM.

D PRE-REGISTRATION FOR THE LIVE AUDIO-VISUAL WEBCAST OR AUDIO ONLY LIVE STREAM OF AGM PROCEEDINGS

D1 When can I start to pre-register for the live AGM proceedings?

You can start your pre-registration from 9.00 a.m. on 2 June 2020.

D2 Is there a closing date for pre-registration?

Yes, please complete your pre-registration before 3.00 p.m. on 21 June 2020. We regret that only shareholders who have pre-registered before the closing date and whose shareholding status have been verified, will be allowed access to the live AGM proceedings.

D3 Who can pre-register for the live audio-visual webcast or audio-only streaming of the AGM proceedings?

Only shareholders, whose names appear on the Company's Ordinary Register of Members/CDP Depository Register/CPF and SRS agent bank's lists as at 21 June 2020, can pre-register for the live AGM proceedings. Registrations that do not meet this requirement will be rejected during the verification stage.

D4 Can I pre-register my representative for the live AGM proceedings?

No. Only shareholders whose names appear on the Company's Ordinary Register of Members/CDP Depository Register/CPF and SRS agent bank's lists as at 21 June 2020 can pre-register for the live AGM proceedings. Registrations that do not meet this requirement will be rejected during the verification stage.

D5 How do I pre-register for the live AGM proceedings?

How To Register?

You will need to take the following steps:

- Step 1 : Go to the pre-registration website at <https://www.cdl.com.sg/agm2020>
- Step 2 : Click on the “Register for Audio-Visual” button if you wish to watch and listen to a live video feed of the AGM proceedings; OR
Click on the “Register for Audio Only” button if you wish to phone in and only listen to the AGM proceedings.
- Step 3 : Complete the information required on registration page and click “Preview”.
- Step 4 : Review your input and ensure it is accurate before clicking “Submit”.
- Step 5 : After you click “Submit”, an acknowledgement of your registration will appear on the registration page, followed by an acknowledgement sent to your email address.
- Step 6(a) : Following verification that you are an ordinary shareholder of City Developments Limited, an email will be sent to you by 12.00 noon on 22 June 2020 with your login credentials and the link to access the audio-visual or audio-only stream.
- Step 6(b) : If we are unable to verify that you are an ordinary shareholder on our records, you will receive an email by 12.00 noon on 22 June 2020 to notify you that we are unable to verify your shareholder status.
- Step 7 : On the day of the AGM (24 June 2020), you will need to log in to the audio-visual or dial in to the toll-free telephone number to listen to the audio-only stream.

Notes:

1. If you do not receive an email acknowledgement after your registration, please check your spam/junk email folder. If the email acknowledgment cannot be found in your inbox as well as your spam/junk email folder, it means your pre-registration is not successful. Please try again.
2. Shareholders who hold ordinary shares through a relevant intermediary as defined in Section 181 of the Companies Act, Chapter 50 of Singapore (e.g. nominee companies) are not able to pre-register online. Please contact your respective relevant intermediaries for assistance.
3. The login credentials and the link to access the audio-visual or audio only stream will be sent upon verification of your shareholder status 72 hours before the AGM.
4. Once you have been verified as a shareholder, an email (Confirmation Email) will be sent to you by 12.00 p.m. on 22 June 2020 with your login password and the link to access the live audio visual webcast or toll-free telephone number and conference code to call for the audio-only stream. Shareholders who do not

receive the Confirmation Email by 12.00 noon on 22 June 2020, but have registered by the 21 June 2020 deadline should contact our Share Registrar, M & C Services Private Limited, at +65 6228 0508 or +65 6228 0518 between 12.00 noon and 7.00 p.m. on 22 June 2020 or between 9.00 a.m. and 12.00 noon on 23 June 2020.

D6 What information do I need to provide for the pre-registration?

You will need to provide the following mandatory information:

- Name as per CDP/CPF/SRS/Scrip-based records
- Email Address
- Shareholding type (How your CDL shares are held)
- NRIC or Passport Number

For Joint account holders, please register both names. However, only one NRIC/Passport number and email address is required.

D7 When will I receive the login credentials for the live audio-visual webcast or audio-only live stream?

Authenticated shareholders will receive a Confirmation Email by 12.00 noon on 22 June 2020. The email will contain:

- Log-in password and a URL link to view the live webcast (for those who opted for audio-visual at pre-registration)
- A toll-free telephone number and conference code to access the audio-only stream (for those who opted for live audio-only stream at pre-registration)

Shareholders who do not receive the Confirmation Email by 12.00 noon on 22 June 2020, but have registered by the 21 June 2020 deadline should contact our Share Registrar, M & C Services Private Limited, at +65 6228 0508 or +65 6228 0518 between 12.00 noon and 7.00 p.m. on 22 June 2020 or between 9.00 a.m. and 12.00 noon on 23 June 2020.

D8 If I hold shares via a securities sub-account in a depository agent (e.g. a nominee company), can I register for the live AGM proceedings?

We regret that you will not be able to register for the AGM's live audio-visual webcast or audio-only stream.

Please contact the relevant intermediary through which you hold such shares as soon as possible in order to make the necessary arrangements for access to the live AGM proceedings.

D9 I am a relevant intermediary as defined in Section 181 of the Companies Act, Chapter 50 of Singapore. How do I register my beneficial shareholders for the live AGM proceedings?

Please email GPD@mncsingapore.com immediately for a copy of the Excel template for completion. Upon receipt of this Excel template, please input your list of beneficial shareholders' details into the respective fields and return the completed template to GPD@mncsingapore.com latest by 3.00 p.m. on 21 June 2020.

A confirmation email containing the log-in password and URL link to view the live audio-visual webcast or toll-free telephone number and conference code to call for the audio-only stream (depending on the preferred option) will be emailed to each beneficial shareholder by 12.00 p.m. on 22 June 2020.

E ACCESSING THE LIVE AGM PROCEEDINGS

E1 I have received the confirmation email. What should I do next?

The AGM commences at 3.00 p.m. sharp on 24 June 2020.

Audio-visual option

- For ordinary shareholders who have opted for the audio-visual live webcast, you may access the URL link indicated in your confirmation letter from 2.50 p.m. onwards.
- Key in your unique password when prompted.
- The AGM will commence at 3.00 p.m.

Audio-only option

- Call the toll-free telephone number indicated on your confirmation email and the conference code when prompted to do so.
- Specify your name clearly when prompted.
- The telephone line will be open from 2.50 p.m. onwards. You will be put on hold until the AGM commences at 3.00 p.m. sharp.

E2 Can I watch the live audio-visual webcast from my mobile phone?

Yes, you can watch the live audio-visual webcast from any device as long as

- Your browser is HTML5-compatible (e.g. Microsoft Edge, Chrome, Firefox, Safari)
- You have a stable WIFI connection or LAN connection
- You have a connection speed of at least 1.8mbps to watch the webcast in 480p or a connection speed of at least 2.5mbps to watch the webcast in 720p

E3 Can I ask questions during the live audio-visual webcast or through the audio- only stream?

Both the live audio-visual webcast and audio-only stream allow you to view/listen to the AGM proceedings respectively. There is no online interaction which will allow shareholders to ask questions during the AGM proceedings.

All questions must be submitted to the dedicated email address at agm2020@cdl.com.sg by 21 June 2020. Please refer to the FAQ on “**Questions from ordinary shareholders**” above at paragraph C.

F VOTING ON THE RESOLUTIONS TABLED FOR APPROVAL AT THE AGM

F1 Since I am not able to attend the AGM, how can I exercise my votes?

Ordinary shareholders who watch/listen to the live AGM proceedings will not be able to vote online. Ordinary shareholders (whether an individual or a corporate) who wish to vote on the resolutions to be tabled for approval at the AGM must complete the proxy form to appoint the Chairman of the Meeting as their proxy to vote on their behalf.

Where ordinary shareholders (whether an individual or a corporate) appoint the Chairman of the Meeting as their proxy, they must give specific instructions as to voting, or abstentions from voting, in respect of each resolution in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for any resolution without specific instructions will be treated as invalid.

F2 Where can I find the proxy form?

Please access the Company’s website at <https://www.cdl.com.sg/agm> and click on the hyperlink “Proxy Form” under the caption “57th Annual General Meeting” to download the proxy form.

F3 Can I email or post my completed proxy form?

You may do so either way.

For ordinary shareholders who wish to post the proxy form, please print the proxy form and post the completed proxy form using the self-addressed envelope attached to the proxy form.

Alternatively, please email the completed scanned or downloaded copy to our Share Registrar, M & C Services Private Limited at GPD@mncsingapore.com.

Completed proxy forms sent by post or email must reach our Share Registrar by 3.00 p.m. on 21 June 2020. We regret that incomplete or incorrectly completed proxy forms will be rejected.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for shareholders to submit completed proxy forms by post, shareholders are strongly encouraged to submit completed proxy forms by email.

F4 In view of the COVID-19 situation, is there flexibility in accepting proxy forms that are submitted late?

We regret that proxy forms received after 3.00 p.m. on 21 June 2020 will be rejected.

F5 My shares are held through a relevant intermediary as defined in Section 181 of the Companies Act, Chapter 50 of Singapore. How do I exercise my votes?

Please approach your relevant intermediary as soon as possible to inform them of your voting instructions.

F6 My shares are held through a CPF/SRS agent bank. How can I exercise my votes?

Please approach your agent bank before **5.00 p.m. on 12 June 2020** and liaise with them regarding the exercise of your votes.

F7 I am a CPF/SRS agent bank and I have been approached by CPF/SRS investors who wish to exercise their votes on their shares. What do I need to do?

Please collate all the votes from your CPF/SRS investors and complete the proxy form appointing the Chairman of the Meeting as proxy to vote in accordance with the CPF/SRS investors' instructions.

Ensure you complete the proxy form indicating your CPF/SRS investors' **specific instructions as to voting, or abstentions from voting**, in respect of each resolution in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for any resolution without specific instructions will be treated as invalid.

Please print the proxy form and post the completed proxy form using the self-addressed envelope attached to the proxy form.

Alternatively, please email the completed scanned or downloaded copy to our Share Registrar, M & C Services Private Limited at GPD@mncsingapore.com.

Completed proxy forms sent by post or email must reach our Share Registrar by 3.00 p.m. on 21 June 2020. We regret that incomplete or incorrectly completed proxy forms will be rejected.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult to submit completed proxy forms by post, you are strongly encouraged to submit completed proxy forms by email



CITY DEVELOPMENTS LIMITED

(Co. Reg. No. 196300316Z)
(Incorporated in the Republic of Singapore)

LETTER TO SHAREHOLDERS DATED 2 JUNE 2020

IN RELATION TO

- (1) THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE; AND**

- (2) THE PROPOSED RENEWAL OF THE IPT MANDATE FOR INTERESTED PERSON TRANSACTIONS**

CONTENTS

LETTER TO SHAREHOLDERS

1. Introduction.....	1
2. Directors' and Substantial Shareholders' Interests	2
3. Directors' Responsibility Statement.....	3

ANNEXURE I

PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

1. Background	4
2. Definitions.....	4
3. Renewal of the Share Purchase Mandate	6
4. Recommendation	15

ANNEXURE II

PROPOSED RENEWAL OF THE IPT MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. Background	16
2. Renewal of the IPT Mandate	16
3. Interested Person Transactions conducted in the year ended 31 December 2019.....	17
4. Audit & Risk Committee's Statement	17
5. Recommendation	17

APPENDIX A

THE IPT MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. Chapter 9 of the Listing Manual	18
2. Introduction and Rationale for the IPT Mandate	19
3. Scope of the IPT Mandate	20
4. Benefits of the IPT Mandate	20
5. Classes of Interested Persons	20
6. Categories of Interested Person Transactions	21
7. Review Procedures for Interested Person Transactions.....	22
8. Expiry and Renewal of the IPT Mandate	26
9. Disclosure	26

CITY DEVELOPMENTS LIMITED

(Co. Reg. No. 196300316Z)
(Incorporated in the Republic of Singapore)

Board of Directors:

Kwek Leng Beng	(Executive Chairman)
Kwek Leng Peck	(Non-executive Director)
Sherman Kwek Eik Tse	(Executive Director)
Lim Yin Nee Jenny	(Lead Independent Director)
Philip Yeo Liat Kok	(Non-executive Independent Director)
Tan Poay Seng	(Non-executive Independent Director)
Tan Yee Peng	(Non-executive Independent Director)
Koh Thiam Hock	(Non-executive Independent Director)

Registered Office:

9 Raffles Place
#12-01 Republic Plaza
Singapore 048619

2 June 2020

To: The Shareholders of City Developments Limited (“**Shareholders**”)

Dear Sir/Madam

- (I) **PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**
- (II) **PROPOSED RENEWAL OF THE IPT MANDATE FOR INTERESTED PERSON TRANSACTIONS**

1. INTRODUCTION

We refer to the Notice of the Fifty-Seventh Annual General Meeting of City Developments Limited (“**CDL**” or the “**Company**”) (“**57th AGM**”) issued by the Company on 2 June 2020 (the “**Notice**”).

Item 8 of the Notice is an Ordinary Resolution (“**Resolution 8**”) to be proposed at the 57th AGM for the renewal of the Company’s Share Purchase Mandate which will empower the Directors to make purchases or otherwise acquire issued ordinary shares of the Company (“**Ordinary Shares**”) and/or issued non-redeemable convertible non-cumulative preference shares of the Company (“**Preference Shares**”) from time to time subject to certain restrictions set out in the listing manual of Singapore Exchange Securities Trading Limited (“**Listing Manual**”). Information relating to Resolution 8 is set out in Annexure I.

Item 9 of the Notice is an Ordinary Resolution (“**Resolution 9**”) to be proposed at the 57th AGM for the renewal of the Company’s IPT Mandate for interested person transactions which will facilitate the Company, its subsidiaries and its associated companies, to enter into transactions with its interested persons, the details of which are set out in Annexure II and Appendix A.

The purpose of this letter is to provide Shareholders with the reasons for, and information relating to Resolutions 8 and 9.

2. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors in issued Ordinary Shares and Preference Shares, and the interests of the Substantial Shareholders in issued Ordinary Shares based on the Company's Register of Directors' Shareholdings and Register of Substantial Shareholders respectively as at 6 May 2020 (the "Latest Practicable Date"), were as follows:

Directors	Class of Shares	Number of Shares held	% ⁽¹⁾
Kwek Leng Beng	Ordinary	397,226	0.044
	Preference	144,445	0.044
Kwek Leng Peck	Ordinary	43,758	0.005

Substantial Shareholders	Number of Ordinary Shares			% ⁽¹⁾
	Direct Interest	Deemed Interest	Total	
Hong Realty (Private) Limited ("HR")	32,088,799	30,488,981 ⁽²⁾	62,577,780	6.900
Hong Leong Holdings Limited ("HLH")	148,787,477	19,546,445 ⁽³⁾	168,333,922	18.561
Hong Leong Investment Holdings Pte. Ltd. ("HLIH")	140,169,335	300,146,809 ⁽⁴⁾	440,316,144	48.552
Davos Investment Holdings Private Limited ("Davos")	–	440,316,144 ⁽⁵⁾	440,316,144	48.552
Kwek Holdings Pte Ltd ("KH")	–	440,316,144 ⁽⁵⁾	440,316,144	48.552

Notes:

⁽¹⁾ Based on 906,901,330 issued Ordinary Shares (excluding treasury shares) and 330,874,257 issued Preference Shares as at the Latest Practicable Date. As at that date, there were 2,400,000 treasury shares and no subsidiary holdings.

"Subsidiary holdings" is defined in the Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Chapter 50.

⁽²⁾ HR is deemed under Section 4 of the Securities and Futures Act, Chapter 289 of Singapore ("SFA") to have an interest in the 30,488,981 Ordinary Shares held directly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.

⁽³⁾ HLH is deemed under Section 4 of the SFA to have an interest in the 19,546,445 Ordinary Shares held directly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.

⁽⁴⁾ HLIH is deemed under Section 4 of the SFA to have an interest in the 300,146,809 Ordinary Shares held directly and/or indirectly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof which includes (i) the 62,577,780 Ordinary Shares held directly and indirectly by HR; and (ii) the 168,333,922 Ordinary Shares held directly and indirectly by HLH, out of which 9,304,616 Ordinary Shares have been identified as Ordinary Shares in which HR is also deemed to have an interest in under note ⁽²⁾ above.

⁽⁵⁾ Davos and KH are deemed under Section 4 of the SFA to have an interest in the 440,316,144 Ordinary Shares held directly and/or indirectly by HLIH in which they are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.

Directors of the Company will abstain from voting their shareholdings in the Company, if any, and have undertaken to ensure that their associates will abstain from voting their respective shareholdings in the Company, if any, on Resolution 9 relating to the proposed renewal of the IPT Mandate at the 57th AGM.

The relevant companies within the Hong Leong Investment Holdings Pte. Ltd. ("HLIH") group (which includes HLIH, a controlling shareholder of the Company and its associates), being Interested Persons under the IPT Mandate, will abstain from voting their respective shareholdings in the Company on Resolution 9 at the 57th AGM.

The Company will disregard any votes cast by Directors and the relevant companies within the HLIH group (which includes HLIH, a controlling shareholder of the Company and its associates) in respect of their shareholdings in the Company, if any, on Resolution 9. The Company will also disregard any votes cast by the associates of Directors in respect of their shareholdings in the Company, if any.

3. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this letter (including the Annexures and Appendix A) and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this letter constitutes full and true disclosure of all material facts about the renewal of the Share Purchase Mandate and of the IPT Mandate, and the Company and its subsidiaries and the Directors are not aware of any facts the omission of which would make any statement in this letter misleading.

Where information contained in this letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this letter in its proper form and context.

Shareholders who are in any doubt as to the action they should take, should consult their stockbrokers or other professional advisers immediately.

Yours faithfully

CITY DEVELOPMENTS LIMITED

KWEK LENG BENG

Executive Chairman

Note: Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Letter to Shareholders.

PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

1. BACKGROUND

At the Annual General Meeting of the Company held on 26 April 2019 (the "**56th AGM**"), Ordinary Shareholders had approved, *inter alia*, the renewal of the Share Purchase Mandate to enable the Company to purchase or otherwise acquire its issued Shares. The rationale for, authority and limitations on, and the financial effects of, the Share Purchase Mandate were set out in the Letter to Shareholders dated 27 March 2019 and Ordinary Resolution 7 set out in the Notice of 56th AGM.

The Share Purchase Mandate was expressed to take effect from the passing of the Ordinary Resolution at the 56th AGM and will expire on the date of the forthcoming Fifty-Seventh Annual General Meeting to be held on 24 June 2020 (the "**57th AGM**"). Accordingly, Ordinary Shareholders' approval will be sought for the renewal of the Share Purchase Mandate at the 57th AGM.

2. DEFINITIONS

In this Annexure I, the following definitions shall apply throughout unless otherwise stated:

"CDP"	:	The Central Depository (Pte) Limited
"Company"	:	City Developments Limited
"Companies Act"	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
"Constitution"	:	The Constitution of the Company, as amended or modified from time to time
"EPS"	:	Earnings per Ordinary Share
"Group"	:	The Company and its subsidiaries
"HLIH"	:	Hong Leong Investment Holdings Pte. Ltd.
"HLIH Group"	:	HLIH and its subsidiaries
"Income Tax Act"	:	Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time
"Latest Practicable Date"	:	6 May 2020, being the latest practicable date prior to the printing of this Letter to Shareholders
"Listing Manual"	:	The Listing Manual of SGX-ST, as amended or modified from time to time
"Market Day"	:	A day on which SGX-ST is open for trading in securities
"Market Purchase"	:	An on-market purchase of Shares by the Company effected on SGX-ST, through one or more duly licensed stockbrokers appointed by the Company for the purpose
"NAV"	:	Net Asset Value

“Off-Market Purchase”	:	An off-market purchase of Shares by the Company effected in accordance with an equal access scheme
“Ordinary Shareholders”	:	Registered holders of Ordinary Shares, except where the registered holder is CDP, the term “Ordinary Shareholders” shall in relation to such Ordinary Shares, mean the Depositors whose securities accounts maintained with CDP are credited with the Ordinary Shares
“Ordinary Shares”	:	Ordinary shares of the Company
“Preference Shares”	:	Non-redeemable convertible non-cumulative preference shares of the Company
“SFA”	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Purchase Mandate”	:	The mandate to enable the Company to purchase or otherwise acquire its issued Shares
“Shareholders”	:	Registered holders of Shares, except where the registered holder is CDP, the term “Shareholders” shall in relation to such Shares, mean the Depositors whose securities accounts maintained with CDP are credited with the Shares
“Shares”	:	Ordinary Shares and Preference Shares
“SIC”	:	Securities Industry Council of Singapore
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers

The terms **“Depositor”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Annexure I to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Income Tax Act, the SFA, the Listing Manual or Take-over Code or any statutory modification thereof and not otherwise defined in this Annexure I shall have the same meaning assigned to it under the Companies Act, the Income Tax Act, the SFA, the Listing Manual or Take-over Code or any statutory modification thereof, as the case may be.

Any discrepancies in the tables in this Annexure I between the listed amounts and the totals thereof are due to rounding.

3. RENEWAL OF THE SHARE PURCHASE MANDATE

3.1 Rationale for the Share Purchase Mandate

The Share Purchase Mandate will give the Directors the flexibility to purchase or acquire its Shares, if and when circumstances permit, with a view to enhancing the EPS and/or the NAV per Ordinary Share. The Directors believe that share purchases also provide the Company and its Directors with an alternative to facilitate the return of surplus cash over and above its ordinary capital requirements and exercise greater control over the Company's share capital structure.

The Directors further believe that share purchases or acquisitions may bolster confidence of Ordinary Shareholders and/or holders of Preference Shares. With the Share Purchase Mandate, the Directors will have the ability to purchase Shares on SGX-ST, where appropriate, to stabilise the demand for the Shares and to buffer against short-term share price volatility due to market speculation.

Purchases of Shares by the Company will be made only in circumstances where it is considered to be in the best interests of the Company. Further, the Directors do not propose to carry out share purchases to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Company or the Group, or result in the Company being delisted from SGX-ST.

3.2 Authority and Limits of the Share Purchase Mandate

The authority and limitations placed on the purchase or acquisition of issued Shares by the Company under the Share Purchase Mandate are summarised below:

3.2.1 Maximum Number of Shares

Only Shares which are issued and fully paid may be purchased or acquired by the Company under the Share Purchase Mandate.

Subject to the Companies Act, the Share Purchase Mandate will authorise the Company, from time to time, to purchase such number of Shares which represents up to:

- (i) in the case of Ordinary Shares, a maximum of 10% of the total number of issued Ordinary Shares (excluding any Ordinary Shares which are held as treasury shares and subsidiary holdings (as defined in the Listing Manual)); and
- (ii) in the case of Preference Shares, a maximum of 10% of the total number of issued Preference Shares,

as at the date of the 57th AGM at which the renewal of the Share Purchase Mandate is approved.

Treasury shares or subsidiary holdings will be disregarded for purposes of computing the 10% limit. As at the Latest Practicable Date, the Company had 2,400,000 treasury shares and no subsidiary holdings.

For illustrative purposes only, based on 906,901,330 issued Ordinary Shares (excluding 2,400,000 treasury shares) and 330,874,257 issued Preference Shares as at the Latest Practicable Date, and assuming that no further Ordinary Shares and Preference Shares are issued on or prior to the 57th AGM, not more than 90,690,133 Ordinary Shares and 33,087,425 Preference Shares (representing 10% of the issued Ordinary Shares and 10% of the Preference Shares as at that date) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate. There are no subsidiary holdings in the share capital of the Company.

3.2.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, by the Company from the date of the 57th AGM, at which the renewal of the Share Purchase Mandate is approved, up to the earliest of:

- (i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;
- (ii) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked in general meeting; or
- (iii) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated.

3.2.3 Manner of Purchase or Acquisition of Shares

Purchases or acquisitions of Shares may be made by way of Market Purchases and/or Off-Market Purchases.

Market Purchases refer to purchases or acquisitions of Shares by the Company effected on SGX-ST, through one or more duly licensed stockbrokers appointed by the Company for the purpose.

Off-Market Purchases refer to purchases or acquisitions of Shares by the Company made under an equal access scheme. The Directors may impose such terms and conditions, which are not inconsistent with the Share Purchase Mandate, the Listing Manual, the Companies Act or the Constitution, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes. Under the Companies Act, an equal access scheme must satisfy all the following conditions:

- (i) the offers for the purchase or acquisition of shares under the scheme are to be made to every person who holds shares to purchase or acquire the same percentage of their shares;
- (ii) all of those persons have a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers are the same except that there shall be disregarded:
 - (aa) differences in consideration attributable to the fact that the offers relate to shares with different accrued dividend entitlements;
 - (bb) differences in consideration attributable to the fact that the offers relate to shares with different amounts remaining unpaid; and
 - (cc) differences in the offers introduced solely to ensure that each person is left with a whole number of shares.

In addition, the Listing Manual provides that in making an Off-Market Purchase, a listed company must issue an offer document to all shareholders containing, *inter alia*:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed share purchases;
- (4) the consequences, if any, of share purchases by the listed company that will arise under the Take-over Code or other applicable take-over rules;

- (5) whether the share purchases, if made, could affect the listing of the listed company's shares on SGX-ST;
- (6) details of any share purchases made by the listed company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (7) whether the shares purchased by the listed company will be cancelled or kept as treasury shares.

3.2.4 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. However, the purchase price must not exceed, in the case of both Market Purchases and Off-Market Purchases, 105% of the Average Closing Price (as defined below) (the "**Maximum Price**").

For the above purposes:

"**Average Closing Price**" means the average of the Closing Market Prices of the Ordinary Shares or Preference Shares (as the case may be) over the last five Market Days on SGX-ST, on which transactions in the Ordinary Shares or Preference Shares (as the case may be) were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such 5-Market Day period;

"**Closing Market Price**" means the last dealt price for an Ordinary Share or a Preference Share (as the case may be) transacted on SGX-ST as shown in any publication of SGX-ST or other sources; and

"**day of the making of the offer**" means the day on which the Company makes an offer for the Off-Market Purchase of Ordinary Shares or Preference Shares (as the case may be) from Ordinary Shareholders or holders of Preference Shares (as the case may be), stating the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase, calculated on the foregoing basis) for each Ordinary Share or Preference Share (as the case may be) and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

3.3 Source of Funds

In purchasing or acquiring Shares, the Company may only apply funds legally available for such purchase or acquisition in accordance with the Constitution and applicable laws in Singapore. Payment may be made by the Company in consideration of the purchase or acquisition of its own Shares out of the Company's capital as well as from its profits.

The Company intends to use internal resources and/or external borrowings to finance purchases or acquisitions of its Shares under the Share Purchase Mandate. The Directors do not intend to exercise the Share Purchase Mandate to such extent as would have a material adverse effect on the working capital requirements or the gearing levels of the Group. In determining whether to undertake any purchases or acquisitions of Shares under the Share Purchase Mandate, the Directors will take into account, *inter alia*, the prevailing market conditions, the financial position of the Group and other relevant factors.

3.4 Status of Purchased or Acquired Shares

Under the Companies Act, Preference Shares which are purchased or acquired by the Company will be deemed cancelled immediately on purchase or acquisition. Ordinary Shares purchased or acquired by the Company may be held or dealt with as treasury shares or cancelled. As such, Shares cancelled upon purchase or acquisition by the Company will be automatically delisted by SGX-ST, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as practicable following settlement of any such purchase or acquisition.

Some of the provisions on treasury shares under the Companies Act are summarised below:

3.4.1 Maximum Holdings

The number of Ordinary Shares held as treasury shares (including shares held by a subsidiary under Sections 21(4B) and 21(6C) of the Companies Act) cannot at any time exceed 10% of the total number of issued Ordinary Shares.

3.4.2 Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote in respect of treasury shares and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

3.4.3 Disposal and Cancellation

Where Ordinary Shares are held as treasury shares, the Company may at any time but subject always to the Take-over Code:

- (i) sell the treasury shares for cash;
- (ii) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
- (iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares; or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "usage"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares of the usage, the number of treasury shares before and after the usage, and the percentage of the number of treasury shares of the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on SGX-ST before and after the usage and the value of the treasury shares of the usage.

3.5 Financial Effects

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of capital or profits of the Company, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effects on the Company and the Group based on the audited financial statements of the Group for the financial year ended 31 December 2019 are based on the assumptions set out below:

3.5.1 Purchase or Acquisition out of Capital or Profits

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

The purchases or acquisitions of Shares by the Company will reduce the cash reserves and/or increase the borrowings of the Company and the Group, thereby reducing the working capital and shareholders' funds of the Company and the Group. As a result of this, the gearing ratio of the Company and the Group will increase and the current ratios will decrease on the assumption that the additional external borrowings obtained, if any, are classified as current liabilities.

3.5.2 Maximum Price Paid for Shares Purchased or Acquired

As at the Latest Practicable Date, the Company has 906,901,330 issued Ordinary Shares (excluding treasury shares and subsidiary holdings) and 330,874,257 Preference Shares.

Based on the existing number of issued Ordinary Shares and Preference Shares of the Company as at the Latest Practicable Date, the exercise in full of the Share Purchase Mandate would result in the purchase of 90,690,133 Ordinary Shares (representing 10% of the total number of issued Ordinary Shares of the Company) and 33,087,425 Preference Shares (representing 10% of the total number of issued Preference Shares of the Company).

In the case of Market Purchases and Off-Market Purchases by the Company and assuming that the Company purchases or acquires 90,690,133 Ordinary Shares at the Maximum Price of \$8.18 for one Ordinary Share (being the price equivalent to 105% of the Average Closing Price as at the Latest Practicable Date) and 33,087,425 Preference Shares at the Maximum Price of \$1.07 for one Preference Share (being the price equivalent to 105% of the Average Closing Price as at the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 90,690,133 Ordinary Shares and 33,087,425 Preference Shares is approximately \$742 million and \$35 million respectively.

3.5.3 Whether the underlying Shares are cancelled or held in treasury

The financial effects on the Group arising from purchases or acquisitions of Shares will also depend on whether the Shares purchased or acquired are cancelled or held in treasury.

For illustrative purposes only, on the basis that the Company purchases or acquires 90,690,133 Ordinary Shares and 33,087,425 Preference Shares by way of Market Purchases made out of profits and/or capital and held in treasury for Ordinary Shares purchased or acquired and cancelled for Preference Shares purchased or acquired, and that the Share Purchase Mandate had been effective on 1 January 2019, the financial effects on the audited financial statements of the Group and the Company for the financial year ended 31 December 2019 would have been as follows:

	GROUP		COMPANY	
	Before Purchase of Ordinary Shares and Preference Shares	After Purchase of Ordinary Shares and Preference Shares ^{(1),(8)}	Before Purchase of Ordinary Shares and Preference Shares	After Purchase of Ordinary Shares and Preference Shares ^{(1),(8)}
As at 31 December 2019	\$'000	\$'000	\$'000	\$'000
Share Capital and Reserves ⁽¹⁾	10,520,250	10,486,136	6,607,283	6,573,169
Treasury Shares	–	(741,845)	–	(741,845)
NAV	10,520,250	9,744,291	6,607,283	5,831,324
Total Equity	11,266,556	10,490,597	6,607,283	5,831,324
Current Assets ⁽²⁾	9,834,273	9,058,314	6,972,595	6,196,636
Current Liabilities ⁽²⁾	3,777,213	3,777,213	4,155,772	4,155,772
Working Capital	6,057,060	5,281,101	2,816,823	2,040,864
Net Borrowings ^{(2),(3)}	6,851,085	7,627,044	4,315,015	5,090,974
Number of Ordinary Shares ⁽⁷⁾	906,901,330	816,211,197	906,901,330	816,211,197
Financial Ratios				
NAV per Ordinary Share (\$)	11.60	11.94	7.29	7.14
Basic EPS (Ordinary) (cents) ⁽⁴⁾	60.83	67.75	7.37	8.35
Net Gearing (times) ⁽⁵⁾	0.61	0.73	0.65	0.87
Current Ratio (times) ⁽⁶⁾	2.60	2.40	1.68	1.49

Notes:

- (1) Assuming no Preference Shares are converted.
- (2) Assuming the purchases or acquisitions of Ordinary Shares and Preference Shares are funded using all available cash and cash equivalents (excluding amounts held under project accounts which withdrawals are restricted to payment for expenditure incurred on development projects) of the Company and the balance, if any, via short term bank borrowings. For the purpose of this calculation, we have not taken into account any interest foregone on the utilised cash and cash equivalents, or any interest payable on the additional borrowings.
- (3) Net borrowings refer to the aggregate borrowings from banks and financial institutions, and lease liabilities, after deducting cash and cash equivalents. Unamortised balance of transaction costs have not been deducted from the gross borrowings.
- (4) Basic EPS is based on the net profit attributable to Ordinary Shareholders after adjustment of non-redeemable convertible non-cumulative preference dividends and the number of Ordinary Shares.
- (5) Net gearing is computed based on the ratio of net borrowings to total equity.
- (6) Current ratio is computed based on the ratio of current assets to current liabilities.
- (7) Number of Ordinary Shares refers to number of issued and paid-up Ordinary Shares (excluding 2,400,000 treasury shares) as at the Latest Practicable Date as well as the weighted average number of Ordinary Shares outstanding during the year.
- (8) The funds used for effecting the number of Shares purchased or acquired are taken from capital (50%) and out of accumulated profits (50%).

Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are for illustration purposes only.

In particular, it is important to note that the above analysis is based on the latest audited financial statements of the Group for the financial year ended 31 December 2019, and is not necessarily representative of the future financial performance of the Group or the Company. In addition, the actual impact will depend on the actual number and price of Shares that may be acquired or purchased by the Company as well as how the purchase or acquisition is funded, and the Company may not carry out the Share Purchase Mandate to the full 10% mandated and may cancel or hold in treasury all or part of the Ordinary Shares purchased or acquired.

3.6 Taxation

Purchase or Acquisition of Ordinary Shares

The proceeds received by the shareholder from the buyback will be treated as proceeds from the disposal of Ordinary Shares. Whether or not such proceeds are taxable in the hands of such shareholder will depend on whether such proceeds are receipt of an income or capital nature.

Any gains from the disposal of the Ordinary Shares considered to be capital in nature will not be taxable in Singapore. However, any gains derived by any person from the disposal of the Ordinary Shares which are considered as revenue income from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable in Singapore.

Holders of the Ordinary Shares who apply or are required to apply Singapore Financial Reporting Standard 109 - Financial Instruments ("**FRS 109**") or Singapore Financial Reporting Standard (International) 9 (Financial Instruments) ("**SFRS(I) 9**") (as the case may be), may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Ordinary Shares, irrespective of disposal, in accordance with FRS 109 or SFRS(I) 9 (as the case may be).

Holders of the Ordinary Shares should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Ordinary Shares.

Purchase or Acquisition of Preference Shares

The tax consequences of the purchase or acquisition of Preference Shares are as per those stated under "Purchase or Acquisition of Ordinary Shares".

Holders of the Preference Shares should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Preference Shares.

Shareholders should note that the foregoing does not constitute, and should not be regarded as constituting, advice on the tax position of any Shareholder. Shareholders who are in doubt as to their respective tax positions or any tax implications, including those who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

3.7 Listing Manual

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to SGX-ST, in such reporting format as prescribed by SGX-ST or the Listing Manual, not later than 9.00 a.m. (a) in the case of a Market Purchase, on the Market Day following the day of purchase of any of its shares; and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. The Listing Manual restricts a listed company from purchasing shares by way of a Market Purchase at a price which is more than 105% of the Average Closing Market Price (as defined in Section 3.2.4 of this Annexure I). Hence, the Maximum Price for the purchase or acquisition of Shares by the Company by way of a Market Purchase complies with this requirement.

Although the Listing Manual does not prescribe a maximum price in relation to purchase or acquisition of shares by way of an Off-Market Purchase, the Company has set a cap of 105% of the Average Closing Price of an Ordinary Share or a Preference Share (as the case may be) as the Maximum Price for an Ordinary Share or a Preference Share to be purchased or acquired by way of an Off-Market Purchase.

While the Listing Manual does not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time or times, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after any matter or development of a price sensitive nature has occurred or has been the subject of a decision until such price sensitive information has been publicly announced. In particular, in line with the Company's Internal Code On Securities Trading, the Company will not purchase or acquire any Shares during the period commencing one month before the announcement of the Company's financial statements for the half year and full financial year (as the case may be).

The Listing Manual requires a listed company to ensure that at least 10% of the total number of issued shares excluding treasury shares and subsidiary holdings (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by public shareholders. Under the Listing Manual, "**public**" is defined as persons other than the directors, substantial shareholders, chief executive officer or controlling shareholders of the company and its subsidiaries, as well as the associates of such persons.

Based on information available to the Company as at the Latest Practicable Date, approximately 51.31% of the issued Ordinary Shares were held by public Ordinary Shareholders. In the event that the Company purchases the maximum of 10% of its issued Ordinary Shares from such public Ordinary Shareholders, the resultant percentage of the issued Ordinary Shares held by public Ordinary Shareholders would be reduced to approximately 45.90%. Accordingly, the Directors are of the view that there is, at present, a sufficient number of Ordinary Shares in issue held by public Ordinary Shareholders that would permit the Company to potentially undertake purchases or acquisitions of the Ordinary Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without affecting adversely the listing status of the Ordinary Shares on SGX-ST, and that the number of Ordinary Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect orderly trading of the Ordinary Shares.

3.8 Obligation to Make a Take-Over Offer

- (i) As the Preference Shares do not carry general voting rights, there will be no Take-over Code implications arising from the purchase or acquisition by the Company of Preference Shares pursuant to the Share Purchase Mandate.
- (ii) If, as a result of any purchase or acquisition of Ordinary Shares made by the Company under the Share Purchase Mandate, an Ordinary Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 14 of the Take-over Code. Consequently, an Ordinary Shareholder or group of Ordinary Shareholders acting in concert could obtain or consolidate effective control of the Company and become obliged to make a take-over offer for the Company under Rule 14.

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert: (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts); (b) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with each other, and (c) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second-mentioned company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company.

The circumstances under which Ordinary Shareholders, including Directors, and persons acting in concert with them, respectively, will incur an obligation to make a take-over offer after a purchase or acquisition of Ordinary Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code.

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that unless exempted (or if exempted, such exemption is subsequently revoked), Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code if, as a result of a purchase or acquisition of Ordinary Shares by the Company:

- (aa) the percentage of voting rights held by such Directors and their concert parties in the Company increase to 30% or more; or
- (bb) if the Directors and their concert parties hold 30% or more but less than 50% of the Company's voting rights, and their voting rights increase by more than 1% in any period of six months.

In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, an Ordinary Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing its Ordinary Shares, the voting rights of such Ordinary Shareholder would increase to 30% or more, or, if such Ordinary Shareholder holds 30% or more but less than 50% of the Company's voting rights, the voting rights of such Ordinary Shareholder would increase by more than 1% in any period of six months. Such Ordinary Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Shareholders who are in doubt as to whether they would incur any obligation to make a takeover offer under the Take-over Code as a result of any purchase or acquisition of Ordinary Shares by the Company pursuant to the Share Purchase Mandate are advised to consult their professional advisers and/or the SIC at the earliest opportunity.

3.9 Certain General Take-Over Code Implications Arising from the Share Purchase Mandate

Based on information available to the Company as at the Latest Practicable Date, HLIH and its concert parties ("**HLIH Concert Parties**") hold approximately 49.21% of the total number of issued Ordinary Shares.

Assuming that there is no change in the said shareholding interests of the HLIH Concert Parties in the Company, the purchase or acquisition by the Company of the maximum 90,690,133 Ordinary Shares (being 10% of the total number of issued Ordinary Shares of the Company as at the Latest Practicable Date) from Ordinary Shareholders other than the HLIH Concert Parties, will result in their collective shareholding interests increasing from 49.21% to 54.68%. In addition, if the Company were to exercise its right to convert the Preference Shares into Ordinary Shares, the percentage shareholding of the HLIH Concert Parties may also increase (depending on whether and the extent to which, the Company converts the Preference Shares into Ordinary Shares).

Based on the above information as at the Latest Practicable Date, the percentage of voting rights held by the HLIH Concert Parties in the Company may be increased by more than 1% in any 6-month period as a result of acquisition of Ordinary Shares by the Company pursuant to the Share Purchase Mandate and/or the conversion of the Preference Shares.

The HLIH Concert Parties has made an application to SIC and it has been confirmed by SIC, *inter alia*, that:

- (i) the HLIH Concert Parties will not be obliged under the Take-over Code to make a take-over offer for the Ordinary Shares even if their aggregate shareholdings were to so increase by more than 1% in any 6-month period, provided that their collective shareholdings amount to more than 49% for at least six months prior to such increase. As at the Latest Practicable Date, the HLIH Concert Parties have collectively held more than 49% of the Company for more than six months; and
- (ii) no take-over obligation will arise even if any individual member or sub-group within the HLIH Concert Parties group increases its holding to 30% or more, or if already holding between 30% and 50%, acquires further voting rights in the Company sufficient to increase its holding by more than 1% in any 6-month period.

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any substantial Shareholder (together with persons acting in concert with it) who would become obliged to make a mandatory take-over offer for the Company under the Take-over Code in the event that the Company purchases the maximum 90,690,133 Ordinary Shares pursuant to the Share Purchase Mandate.

3.10 No Previous Purchase

The Company has not undertaken any purchase or acquisition of its issued Ordinary Shares pursuant to the Share Purchase Mandate approved by Shareholders at the 56th AGM.

4. RECOMMENDATION

For the reasons set out in Section 3 of Annexure I, the Directors recommend that Ordinary Shareholders vote in favour of the Ordinary Resolution 8 for the renewal of the Share Purchase Mandate at the forthcoming 57th AGM.

PROPOSED RENEWAL OF THE IPT MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. BACKGROUND

On 29 May 2003, the Company obtained shareholders' approval at an Extraordinary General Meeting of the Company ("**2003 EGM**") for the Company, its subsidiaries and its associated companies not listed on Singapore Exchange Securities Trading Limited ("**SGX-ST**") or an approved exchange, over which the Company, its subsidiaries and/or interested persons have control (collectively "**CDL EAR Group**"), to enter into transactions within the categories of Interested Person Transactions set out in the Company's circular to shareholders dated 28 April 2003, with such persons within the class or classes of Interested Persons as described in the said circular, provided that such transactions are entered into in accordance with the review procedures set out in the said circular (the "**IPT Mandate**"). The IPT Mandate was renewed at each of the Company's Annual General Meetings since 2004, including the Annual General Meeting held on 26 April 2019 (the "**56th AGM**"). Given that such Interested Person Transactions are expected to occur with some degree of frequency and may arise at any time, and to allow the Group to undertake such transactions in an expeditious manner, shareholders' approval will be sought at the forthcoming 57th AGM of the Company for the renewal of the IPT Mandate.

2. RENEWAL OF THE IPT MANDATE

Under Chapter 9 of the Listing Manual, a general mandate for transactions with interested persons is subject to annual renewal. The IPT Mandate approved at the 56th AGM was expressed, unless revoked or varied by the Company in general meeting, to continue in force until the next Annual General Meeting of the Company, being the 57th AGM, which is to be held on 24 June 2020. Accordingly, it is proposed that the IPT Mandate be renewed at the 57th AGM, to take effect until the conclusion of the next Annual General Meeting of the Company to be held in 2021.

The nature of the Interested Person Transactions and the classes of Interested Persons in respect of which the IPT Mandate is sought to be renewed remain unchanged.

Particulars of the IPT Mandate, including the rationale for, the benefits to be derived by the Company, as well as the review procedures for determining transaction prices with the specified classes of Interested Persons and other general information relating to Chapter 9 of the Listing Manual, are set out in Appendix A.

3. INTERESTED PERSON TRANSACTIONS CONDUCTED IN THE YEAR ENDED 31 DECEMBER 2019

Interested Person Transactions conducted by the CDL EAR Group under the IPT Mandate during the year ended 31 December 2019 (“FY 2019”) were as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions conducted in FY 2019 under the IPT Mandate pursuant to Rule 920 (excluding transactions less than \$100,000) \$'000	
Subsidiaries of Hong Leong Investment Holdings Pte. Ltd.	Hong Leong Investment Holdings Pte. Ltd. is a controlling shareholder of the Company. Its subsidiaries are interested persons being associates of a controlling shareholder.	<u>Property-related</u>	8,325
		(a) Provision to interested persons of housekeeping services for a hospitality development; and (b) Lease of premises to interested persons.	
		<u>Management and Support Services</u> Provision of management and consultancy services by interested persons.	449
		Total:	8,774
Directors and their immediate family members			Nil

4. AUDIT & RISK COMMITTEE’S STATEMENT

The Audit & Risk Committee of the Company confirms that:

- (a) the methods or procedures for determining the transaction prices of the Interested Person Transactions conducted under the IPT Mandate remain appropriate since the Shareholders approved the renewal of the IPT Mandate at the 56th AGM of the Company held on 26 April 2019; and
- (b) the methods or procedures referred to in (a) above continue to be sufficient to ensure that these Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

5. RECOMMENDATION

The Directors who are considered independent for the purposes of the proposed renewal of the IPT Mandate are Ms Lim Yin Nee Jenny, Mr Philip Yeo Liat Kok, Mr Tan Poay Seng, Ms Tan Yee Peng and Mr Koh Thiam Hock.

They are of the opinion that the entry into of the Interested Person Transactions (as described in Section 6 of Appendix A) between the CDL EAR Group (as defined in Section 2 of Appendix A) and the Interested Persons (as described in Section 5 of Appendix A) in the ordinary course of business will be entered into to enhance the efficiency of the Group and are in the best interests of the Company. For the reasons set out in Sections 2 and 4 of Appendix A, they recommend that Shareholders vote in favour of Resolution 9 for the renewal of the IPT Mandate at the forthcoming 57th AGM.

THE IPT MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. CHAPTER 9 OF THE LISTING MANUAL

1.1 Chapter 9 of the Listing Manual of Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Chapter 9**”) applies to transactions between a party that is an entity at risk and a counter party that is an interested person. The objective of Chapter 9 (as stated in Rule 901 of the Listing Manual) is to guard against the risk that interested persons could influence a listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders. The aforementioned terms “entity at risk”, “interested person” and “associated companies” are defined below.

1.2 Main terms used in Chapter 9:

- (a) An “**entity at risk**” means
- (i) the listed company;
 - (ii) a subsidiary of the listed company that is not listed on SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed company that is not listed on SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the “**listed group**”), or the listed group and its interested person(s), has or have control over the associated company.
- (b) An “**associated company**” of a listed company means a company in which at least 20 per cent. but not more than 50 per cent. of its shares are held by the listed company or the listed group.
- (c) An “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9.
- (d) An “**interested person**”, in the case of a company, means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder.
- (e) An “**associate**” in relation to an interested person who is a director, chief executive officer or controlling shareholder of the listed company (being an individual) means an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder; the trustees of any trust of which the director and/or his immediate family, or the chief executive officer and/or his immediate family or the controlling shareholder and/or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and any company in which the director and/or his immediate family, or the chief executive officer and/or his immediate family or the controlling shareholder and/or his immediate family has or have an aggregate interest (directly or indirectly) of 30 per cent. or more; and, where a controlling shareholder of the listed company is a corporation, its “associate” means its subsidiary or holding company or fellow subsidiary or a company in which it and/or such other companies taken together have (directly or indirectly) an interest of 30 per cent. or more.
- (f) A “**chief executive officer**” of a listed company means the most senior executive officer who is responsible under the immediate authority of the board of directors for the conduct of the business of the listed company.

- (g) A “**controlling shareholder**” of a listed company means a person who holds directly or indirectly 15 per cent. or more of the total voting rights in the company; or a person who in fact exercises control over a company.
- (h) An “**interested person transaction**” means a transaction between an entity at risk and an interested person.

1.3 Materiality thresholds, announcement requirements and shareholders’ approval

When Chapter 9 applies to a transaction with an interested person (except for any transaction which is below \$100,000 in value and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and are hence excluded from certain requirements of Chapter 9) and the value of the transaction alone or on aggregation with other transactions conducted with the interested person during the financial year reaches or exceeds certain materiality thresholds (which are based on the listed company’s latest audited consolidated net tangible assets (“**NTA**”)¹), the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders’ approval for the transaction.

In particular, shareholders’ approval is required for an interested person transaction of a value equal to, or exceeding:

- (a) 5 per cent. of the listed group’s latest audited NTA²; or
- (b) 5 per cent. of the listed group’s latest audited NTA, when aggregated with other transactions entered into with the same interested person (such term as construed under Chapter 9) during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

1.4 Shareholders’ general mandate

Chapter 9 allows a listed company to seek a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses, which may be carried out with the listed company’s interested persons.

2. INTRODUCTION AND RATIONALE FOR THE IPT MANDATE

2.1 Hong Leong Investment Holdings Pte. Ltd. (“**HLIH**”), the controlling shareholder of the Company and its associates (the “**HLIH Group**”) are interested persons of the Company.

2.2 Due to the size of the HLIH Group and the diversity of the activities of CDL and its subsidiaries (the “**Group**”), it is anticipated that:

- (a) CDL;
- (b) subsidiaries of CDL that are not listed on SGX-ST or an approved exchange; and
- (c) associated companies of CDL that are not listed on SGX-ST or an approved exchange, provided that the Group or the Group and its interested person(s), has or have control over the associated companies,

¹ Based on the audited financial statements of the Group for the financial year ended 31 December 2019, the annual NTA of the Group was \$10,480,206,000.

² In relation to the Company, for the purposes of Chapter 9, in the current financial year and until such time that the annual financial statements of the Group for the year ending 31 December 2020 are published by the Company, 5 per cent. of the latest annual audited NTA of the Group would be \$524,010,300.

(together, the “**CDL EAR Group**”), or any of them, would, in the ordinary course of its businesses, enter into certain transactions with its interested persons. It is likely that such interested person transactions will occur with some degree of frequency and may arise at any time. Thus, the IPT Mandate is intended to facilitate transactions in the normal course of business of the CDL EAR Group falling within the categories of interested person transactions as set out in Section 6 below (the “**Interested Person Transactions**”), that are transacted from time to time with the interested persons as specified in Section 5 below (the “**Interested Persons**”) provided that they are carried out at arm’s length and on the Group’s normal commercial terms and which are not prejudicial to the interests of the Company and its minority Shareholders.

3. SCOPE OF THE IPT MANDATE

- 3.1 The IPT Mandate will not cover any Interested Person Transaction which has a value below \$100,000 as the threshold and aggregation requirements of Chapter 9 of the Listing Manual of SGX-ST do not apply to such transactions.
- 3.2 Transactions with interested persons, which do not fall within the ambit of the IPT Mandate (including any renewal thereof), will be subject to the applicable provisions of Chapter 9 and/or any other applicable provisions of the Listing Manual.

4. BENEFITS OF THE IPT MANDATE

- 4.1 The Directors are of the view that it will be beneficial to the CDL EAR Group to transact or continue to transact with the Interested Persons, especially since the Interested Person Transactions are undertaken on an arm’s length basis, on normal commercial terms consistent with the Group’s usual business practices and policies and will not be prejudicial to the interests of the Company and its minority Shareholders.
- 4.2 Where the Interested Person Transactions relate to the provision to, and the obtaining from, Interested Persons of products or services as contemplated in Sections 6(a), (b) and (d), the CDL EAR Group will benefit from having access, where applicable, to competitive quotes from its Interested Persons as well as from unrelated third parties, and may also derive savings in terms of cost efficiencies and greater economies of scale in its transactions with Interested Persons. The provision of products and services to Interested Persons are also an additional source of revenue for the CDL EAR Group, provided that such products and services are provided on arm’s length basis and on normal commercial terms. Where the Interested Person Transactions relate to financial and treasury transactions as contemplated in Section 6(c), the CDL EAR Group will benefit from the competitive quotes received from its Interested Persons, thus leveraging on the financial strength and credit standing of the Interested Persons.
- 4.3 The adoption of the IPT Mandate and the renewal of the same on an annual basis would eliminate the need for the Company to convene separate general meetings on each occasion to seek Shareholders’ approval as and when such Interested Person Transactions with the Interested Persons arise, thereby reducing substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the Group. This would also enable the Group to maximise its business opportunities especially in commercial transactions which are time-sensitive in nature. At the same time, the Group would be able to channel the significant amount of administrative resources, including time and expenses, saved towards its other corporate objectives.

5. CLASSES OF INTERESTED PERSONS

The IPT Mandate will apply to transactions with the following classes of Interested Persons:

- (a) the HLIH Group; and
- (b) Directors, chief executive officer(s) and controlling shareholders of the Company (other than entities who fall under the HLIH Group described in paragraph (a) above) and their respective associates.

6. CATEGORIES OF INTERESTED PERSON TRANSACTIONS

The Interested Person Transactions between the CDL EAR Group and Interested Persons which will be covered by the IPT Mandate relate to recurrent transactions of a revenue or trading nature or those necessary for the Group's day-to-day operations, and are set out as follows:

(a) Property-related Transactions

Transactions within the ambit of this category comprise the leasing or rental of properties; the award of contracts to main contractors, suppliers and consultants for property development projects; the provision and/or receipt of project management services; marketing and property agency services; cleaning, security and building maintenance services; property and estate management services including serviced apartments and serviced offices management services; and carpark management services.

(b) Management and Support Services

This category comprises transactions in relation to the receipt or provision of management services; legal; and financial advisory and consultancy services.

(c) Financial and Treasury Transactions

This category comprises transactions in relation to the placement of funds with Interested Persons, the borrowing of funds from Interested Persons, and the entry into foreign exchange, swap and option transactions with Interested Persons that do not fall under the exceptions to interested person transactions pursuant to Rule 915(6) and Rule 915(7) of Chapter 9³; and the subscription by the CDL EAR Group of debt securities issued by any Interested Person and the issue of debt securities by the CDL EAR Group to any Interested Person.

Pursuant to Rule 916(3) of Chapter 9, the provision of a loan by the CDL EAR Group to a joint venture with an Interested Person does not require the seeking of shareholders' approval provided that such loan is extended by all joint venture partners on the same terms and in proportion to their equity interest in the joint venture; the Interested Person does not have an existing equity interest in the joint venture prior to the participation of the CDL EAR Group in the joint venture; and the Company has announced that its Audit & Risk Committee (as defined herein) is of the view that: (i) the provision of the loan is not prejudicial to the interests of the Company and its minority Shareholders; (ii) the risks and rewards of the joint venture are in proportion to the equity of each of the joint venture partners; and (iii) the terms of the joint venture are not prejudicial to the interests of the Company and its minority Shareholders.

(d) General Transactions

This category comprises transactions in relation to the purchase and sale of goods including building materials, electronic and engineering equipment, building automation systems, computer systems (hardware and software), vehicles, parts and accessories, and the provision and receipt of after-sales services.

³ Pursuant to Rule 915(6) and Rule 915(7) of Chapter 9, the provision or receipt of financial assistance or services by or from a financial institution that is licensed or approved by the Monetary Authority of Singapore, on normal commercial terms and in the ordinary course of business does not constitute an interested person transaction which would require compliance with Rules 905, 906 and 907 of Chapter 9. Rule 905 relates to requirements for immediate announcement of interested person transactions, Rule 906 relates to requirements for seeking shareholders' approval for interested person transactions, and Rule 907 relates to requirements for disclosure of the aggregate value of interested person transactions in the listed company's annual report.

7. REVIEW PROCEDURES FOR INTERESTED PERSON TRANSACTIONS

7.1 In general, there are procedures established by the Group to ensure that Interested Person Transactions, which are reviewed and approved by the management, are undertaken on an arm's length basis, on normal commercial terms consistent with the Group's usual business practices and policies, are not prejudicial to the interests of the Company and its minority Shareholders, and on terms which are generally no more favourable to the Interested Persons than those extended to or received from unrelated third parties.

7.1.1 Property-related Transactions, Management and Support Services, and General Transactions

All Interested Person Transactions (other than the Financial and Treasury Transactions covered in Section 7.1.2 below) are to be carried out at the published or prevailing rates/prices of the service or product providers (including, where applicable, preferential rates/prices/discounts accorded to a class or classes of customers or for bulk purchases where the giving of such preferential rates/prices/discounts are commonly practised within the applicable industry and may be similarly extended to unrelated third parties), on the service or product provider's usual commercial terms which may also be similarly extended to unrelated third parties, or otherwise in accordance with other applicable industry norms.

In addition, the CDL EAR Group will monitor the Interested Person Transactions (other than the Financial and Treasury Transactions covered in Section 7.1.2 below) as follows:

- (a) Property-related Transactions comprising the award of contracts to main contractors, suppliers and consultants for property development projects
 - (i) an Interested Person Transaction under this sub-paragraph (a) with a value in excess of \$10 million shall be reviewed and approved by the audit & risk committee of the Company (the "**Audit & Risk Committee**") prior to the entry into of such Interested Person Transaction, or if it is expressed to be conditional on Shareholders' approval, prior to the completion of such Interested Person Transaction;
 - (ii) an Interested Person Transaction under this sub-paragraph (a) with a value below or equal to \$10 million but in excess or equal to \$100,000 shall be reviewed by the Audit & Risk Committee at its quarterly meetings; and
 - (iii) Interested Person Transactions under this sub-paragraph (a) shall be undertaken based on tenders which may be conducted for the award of such contracts with at least two bids from unrelated third parties to be obtained for comparison purposes. In the absence of tenders or the ability to obtain at least two bids for any tender, an Interested Person Transaction under this sub-paragraph (a) shall be undertaken based on comparison of rates/prices and terms offered by the Interested Person with the rates/prices and terms offered or generally quoted by at least two unrelated third parties who are engaged in providing similar services or products.
- (b) Property-related Transactions comprising the leasing or rental of properties
 - (i) an Interested Person Transaction under this sub-paragraph (b) with a value in excess of \$5 million shall be reviewed and approved by the Audit & Risk Committee prior to the entry into of such Interested Person Transaction, or if it is expressed to be conditional on Shareholders' approval, prior to the completion of such Interested Person Transaction;
 - (ii) an Interested Person Transaction under this sub-paragraph (b) with a value below or equal to \$5 million but in excess or equal to \$100,000 shall be reviewed by the Audit & Risk Committee at its quarterly meetings; and

- (iii) Interested Person Transactions under this sub-paragraph (b) shall be entered into after comparison of rates quoted to at least two unrelated third parties (in the case of leases granted to Interested Persons) or comparison of rates quoted by or obtained from at least two unrelated third parties (in the case of leases granted by Interested Persons) and after taking into account the prevailing market rental rates for other properties within its vicinity of similar or comparable standing and facilities, the tenure of the lease, the area of the leased premises and any other factor which may affect the rental rates or terms of the lease.
- (c) Property-related Transactions (other than those covered under sub-paragraphs (a) and (b) herein), Management and Support Services and General Transactions
- (i) an Interested Person Transaction under this sub-paragraph (c) with a value in excess of \$3 million shall be reviewed and approved by the Audit & Risk Committee prior to the entry into of such Interested Person Transaction, or if it is expressed to be conditional on Shareholders' approval, prior to the completion of such Interested Person Transaction;
 - (ii) an Interested Person Transaction under this sub-paragraph (c) with a value below or equal to \$3 million but in excess or equal to \$100,000 shall be reviewed by the Audit & Risk Committee at its quarterly meetings; and
 - (iii) Interested Person Transactions under this sub-paragraph (c) shall be entered into, where applicable:
 - (1) in the case of the provision of services or products by an Interested Person, based on tenders (with at least two bids from unrelated third parties to be obtained for comparison purposes) or comparison of rates and terms offered by or generally quoted by at least two unrelated third parties who are engaged in providing similar services or products; and
 - (2) in the case of the provision of services or products to an Interested Person, based on comparison of rates and terms offered to at least two unrelated third parties for transactions of a similar nature, size or complexity and taking into account the availability of resources, expertise or manpower for the performance of such services or provision of such goods and the existence of any cost and/or time saving factors.
- (d) In the event that comparison quotations cannot be obtained in respect of the Interested Person Transactions covered under sub-paragraphs (a), (b) and (c) above (for example, where there are no unrelated third party providers or users of such services or products, or where the service or product is a proprietary item or due to the nature, speciality or confidentiality of the service or product to be supplied), such Interested Person Transactions shall be entered into only after the senior management staff of the relevant company in the CDL EAR Group (having no interest, direct or indirect, in the interested person transaction and having the authority in such company to approve the entering into of transactions of such nature and value), has evaluated and weighed the benefits of, and rationale for, transacting with the Interested Person and in their report submitted to the Audit & Risk Committee, confirmed that the price and terms offered to or by the Interested Person are fair and reasonable. In such evaluation and confirmation, the factors which may be taken into account include, but shall not be limited, to the following:

- (i) in relation to the sale of goods or services to the Interested Person and as determined by the senior management staff of the relevant company in the CDL EAR Group and reported to the Audit & Risk Committee, the terms of supply should be in accordance with the CDL EAR Group's usual business practice and consistent with the margins obtained by the CDL EAR Group in its business operations or the margins obtained for the same or substantially the same type of transactions;
- (ii) in relation to the purchase of goods or services from the Interested Person, the terms of supply will be compared to those for the same or substantially the same types of transactions entered into between the Interested Person and unrelated third parties. The review procedures in such cases may include where applicable, reviewing the standard price lists provided by the Interested Person to its customers for such products or services;
- (iii) the efficiencies and flexibilities derived by the CDL EAR Group in transacting with the Interested Person as compared with transacting with unrelated third parties; and
- (iv) prevailing industry norms.

7.12 Financial and Treasury Transactions

(a) Placement of Funds

In relation to the placement with any Interested Person by the CDL EAR Group of its funds, the Company will require that quotations be obtained from such Interested Person and at least two principal bankers or financial institutions of the Group ("**Principal Bankers**") for rates offered by such Principal Bankers for deposits of an amount and currency and for a period equivalent to that of the funds to be placed by the CDL EAR Group. The CDL EAR Group will only place its funds with such Interested Person provided that the interest rate quoted is not less than the highest of the rates quoted by such Principal Bankers and after evaluating and taking into account any factor that may materially and adversely affect the credit standing of the Interested Person with whom the funds are to be placed by the CDL EAR Group or the risks associated in the placement of such funds with the Interested Person, and such other factors relevant for consideration.

(b) Borrowing of Funds

In relation to the borrowing of funds from any Interested Person by a company within the CDL EAR Group, the Company will require that quotations be obtained from such Interested Person and at least two bankers of the borrowing company within the CDL EAR Group for rates offered by such bankers for loans of an amount and currency and for a period equivalent to that of the funds to be borrowed by such borrowing company within the CDL EAR Group. The CDL EAR Group will only borrow funds from such Interested Person provided that the interest rate quoted is not more than the lowest of the rates quoted by such bankers.

(c) Foreign Exchange, Swaps and Options

In relation to foreign exchange, swap and option transactions with any Interested Person by the CDL EAR Group, the Company will require that rate quotations be obtained from such Interested Person and at least two Principal Bankers. The CDL EAR Group will only enter into such foreign exchange, swap and option transactions with such Interested Person provided that such rates quoted are no less favourable than the rates quoted by such Principal Bankers.

(d) Subscription of Debt Securities

In relation to the subscription by the CDL EAR Group of debt securities issued by the Interested Persons, the CDL EAR Group will only enter into the subscription of such debt securities provided that the price(s) at which the CDL EAR Group subscribes for such debt securities will not be higher than the price(s) at which such debt securities are subscribed for by unrelated third parties.

In relation to the issue of debt securities by the CDL EAR Group to Interested Persons, the CDL EAR Group will only issue such debt securities to Interested Persons provided that the price(s) at which the CDL EAR Group issues such debt securities will not be lower than the price(s) at which such debt securities are issued to unrelated third parties.

In addition to the foregoing, the following threshold limits will be applied to ensure further monitoring by the Group of the Financial and Treasury Transactions entered into by the CDL EAR Group:

Placement of Funds and Subscription of Debt Securities

Where the aggregate of the outstanding principal amount of funds placed with, and debt securities subscribed from, the same Interested Person (as such term is construed under Chapter 9) shall at any time exceed the equivalent of 10 per cent. of the consolidated shareholders' funds of the Group (based on its latest audited financial statements), each subsequent placement of funds with, or subscription of debt securities from, the same Interested Person shall require the prior approval of the Audit & Risk Committee.

Where the aggregate of the outstanding principal amount of funds placed with, and debt securities subscribed from, the same Interested Person does not at any time exceed the limit set out above, the placement of funds with, and subscription of debt securities from, that Interested Person will not require the prior approval of the Audit & Risk Committee but shall be reviewed by the Audit & Risk Committee at its quarterly meetings.

- 7.2 A register will be maintained by the Group to record all Interested Person Transactions (and the basis including the quotations, if any and where relevant, obtained to support such basis on which they are entered into) which are entered into pursuant to the IPT Mandate.

The Company shall, on a quarterly basis, report to the Audit & Risk Committee on all Interested Person Transactions, and the basis of such transactions, entered into with Interested Persons during the preceding quarter. The Audit & Risk Committee shall review such Interested Person Transactions at its quarterly meetings except where such Interested Person Transactions are required under the review procedures to be approved by the Audit & Risk Committee prior to the entry thereof.

- 7.3 The annual internal audit plan shall incorporate a review of the established review procedures for the monitoring of Interested Person Transactions entered into pursuant to the IPT Mandate.

The Audit & Risk Committee shall review the internal audit report on Interested Person Transactions to ascertain that the established review procedures to monitor Interested Person Transactions have been complied with. If, during a review by the Audit & Risk Committee, the Audit & Risk Committee is of the view that the established review procedures are not sufficient or have become inappropriate, in view of changes to the nature of, or the manner in which, the business activities of the CDL EAR Group are conducted, it will take such actions as it deems appropriate and/or institute additional procedures as necessary to ensure that future transactions of a similar nature are on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, and the Company will revert to the Shareholders for a fresh mandate based on new review procedures for transactions with Interested Persons.

For the purpose of the review process, if a member of the Audit & Risk Committee has an interest in the transaction to be reviewed by the Audit & Risk Committee, he will abstain from any decision making by the Audit & Risk Committee in respect of that transaction. For example, where two members of the Audit & Risk Committee have an interest each in the transaction to be reviewed by the Audit & Risk Committee, the review of that transaction will be undertaken by the remaining member(s) of the Audit & Risk Committee.

8. EXPIRY AND RENEWAL OF THE IPT MANDATE

The IPT Mandate will take effect from the date of receipt of Shareholders' approval, and will (unless revoked or varied by the Company in General Meeting) continue in force until the next Annual General Meeting of the Company and will apply to Interested Person Transactions entered into from the date of receipt of Shareholders' approval. Approval from Shareholders will be sought for the renewal of the IPT Mandate at each subsequent Annual General Meeting, subject to review by the Audit & Risk Committee of its continued application to the Interested Person Transactions.

If the Audit & Risk Committee is of the view that the review procedures under the IPT Mandate are not sufficient to ensure that the Interested Person Transactions are transacted on normal commercial terms and will be prejudicial to the interests of the Company and its minority Shareholders, the Company will seek a fresh mandate from the Shareholders based on new review procedures for Interested Person Transactions.

9. DISCLOSURE

In accordance with Chapter 9, the Company will disclose in its annual report the aggregate value of the Interested Person Transactions conducted pursuant to the IPT Mandate during the financial year (as well as in the Company's annual reports for subsequent financial years that the IPT Mandate continues to be in force). In addition, the Company will announce the aggregate value of the Interested Person Transactions conducted pursuant to the IPT Mandate for the financial periods which it is required to report on (pursuant to Rule 705 of the Listing Manual) within the time required for the announcement of such report. These disclosures will be in the form set out in Rule 907 of the Listing Manual.