



## News Release

6 April 2017

### **CDL ISSUES THE FIRST GREEN BOND BY A SINGAPORE COMPANY**

- ***Green financing taps fast-growing demand for socially responsible investment products***
- ***Paves way for more Singapore firms to finance climate-resilient infrastructure projects, with potential market for future issuances***
- ***Strengthens CDL's industry leadership in Environmental, Social and Governance (ESG) performance***

City Developments Limited (CDL), through its wholly-owned subsidiary CDL Properties Ltd (CDLP), has successfully launched the first green bond by a Singapore company. The two-year senior secured green bond has raised S\$100 million at 1.98% fixed rate due 2019. The investors comprised mainly financial institutions and fund managers. The green bond is issued under the CDLP S\$700 million secured Medium Term Note (MTN) Programme first established in 2001. DBS Bank Ltd. (DBS) is the sole bookrunner on this transaction.

Moody's Investors Service expects global green bond issuance will reach another record in 2017, and could even rise to US\$206 billion, following an increase of 120% to US\$93.4 billion in 2016<sup>1</sup>.

The demand for green bonds is fuelled by the Paris Climate Change Agreement, which took effect on 4 November 2016. Singapore has since ratified the Paris Agreement, and pledged to reduce its carbon emissions intensity by 36% from 2005 levels by 2030 as well as stabilise its emissions with the aim of peaking around 2030. More investors are seeking to fund low-carbon and climate-resilient projects that are aligned with the goal of limiting global warming to below two degrees Celsius. Furthermore, the number of signatories to the United Nations-supported Principles for Responsible Investment has increased about 16 times from 100 in April 2006 to more than 1,600.<sup>2</sup>

Increasingly, the Singapore Government is taking steps to match the demand for sustainable investments. Green bonds are among a wider range of sustainability-oriented benchmarks, funds and products that the Monetary Authority of Singapore is seeking to promote locally.

As one of Singapore's largest commercial landlords, the success of CDL's inaugural green bond issuance paves the way for other Singapore firms to tap into the fast-growing green bond market to finance green building projects and sustainability initiatives.

Proceeds of CDL's first green bond will be allocated to the repayment of a S\$100 million loan extended by CDL to CDLP which owns Republic Plaza. Completed in 1996, Republic Plaza, one of Singapore's tallest skyscrapers, is a premium Grade A office building in the heart of Singapore's Central Business District, directly connected to the Raffles Place Mass Rapid Transit (MRT) station. Since its completion, Republic Plaza has continuously been upgraded, including the major retrofitting of chiller plants and installation of energy efficient lightings with motion sensors, to improve the building's energy efficiency. In 2012, Republic Plaza was awarded by Building and Construction Authority (BCA) with the highest Green Mark Platinum rating.

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<sup>1</sup> [Moody's](#): Global green bond issuance could rise to USD206B in 2017 after record in 2016

<sup>2</sup> <https://www.unpri.org/about>

As a result of continuous efforts to enhance energy and water efficiency, Republic Plaza saves more than six million kilowatt-hour of energy annually, equivalent to the annual energy consumption of about 1,200 three-bedroom apartment units of around 100 square metres each. It also saves approximately 10,255 cubic metres of water, equivalent to approximately four Olympic-sized swimming pools. In total, this translates into more than S\$1.2 million of savings from annual energy and water consumption.

Mr Sherman Kwek, CDL Deputy Chief Executive Officer said, “Green finance offers us an alternative financing stream. There is an increased interest in socially responsible investments and a growing demand for relevant products. CDL’s inaugural green bond, also the first by a Singapore company, links our sustainability initiatives with the capital markets and enables us to tap on investors who are supportive of the commitment that CDL has made over the past two decades towards sustainability best practices.”

“CDL’s green bond issuance also complements the Singapore Government’s target of greening at least 80% of the country’s building stock by 2030, which could potentially be the lynchpin of Singapore’s climate pledge to reduce its Greenhouse Gas (GHG) emissions. It is clear that for the next 13 years, real estate companies have a large role to play in mitigating climate change and contributing towards Singapore’s greening and GHG emissions reduction goals. We would certainly be keen to explore more green bond issuances in future.”

The green bond was prepared in alignment with the Green Bond Principles, a set of voluntary guidelines encouraging transparency and disclosure of a bond’s use of proceeds; project evaluation and selection criteria; management of proceeds; and ongoing impact reporting commitments.

Sustainalytics, a leading global provider of Environmental, Social and Governance (ESG) and corporate governance ratings and research, provided a second party opinion on the robustness of the green bond framework and its environmental credentials. The firm states in its assessment that CDL has a strong overall environmental commitment and is well positioned to issue green bonds. Given the alignment of the bond with the ICMA Green Bond Principles 2015, Sustainalytics considers the CDL green bond to be robust and credible. In addition, Sustainalytics has independently rated CDL as an industry leader in ESG performance.

Climate Bonds Certification of this green issuance has been verified by KPMG using the Climate Bonds Standard developed by the Climate Bonds Initiative (CBI). CBI is the only organisation in the world working solely to mobilise the largest capital market – the US\$100 trillion bond market, for climate change solutions.

Mr Sean Kidney, CEO of CBI said, “This Climate Bonds Certified issuance is another tangible reflection of CDL’s leadership in the property sector, already demonstrated by its long-term environmental objectives and commitment to sustainability. There is enormous potential to improve the emissions and energy performance of commercial property within major urban centres. The Republic Plaza Green Bond by the CDL Group will garner well-deserved attention from within Singapore and wider Asian and Australian property markets for its best practice and innovation in green finance.”

Mr Clifford Lee, Head of Fixed Income, DBS said, “We are very pleased to partner CDL to successfully bring Singapore’s first SGD corporate green bond to the market. With this inaugural issue, it will kick-start the development of a green bond market in Singapore, further adding to the breadth and depth of Singapore’s debt market. More importantly, it will augment efforts by the financial industry towards responsible financing.”

Please refer to Annex for more information on Republic Plaza and some of its green retrofit projects.

For more information on the Green Bond Framework, please visit:

[www.cdl.com.sg/csr-sustainability/green-financing](http://www.cdl.com.sg/csr-sustainability/green-financing)

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### **About City Developments Limited**

City Developments Limited (CDL) is a Singapore-listed international real estate operating company with a global presence spanning 97 locations in 26 countries. As one of Singapore's largest companies by market capitalisation, its income stable and geographically-diversified portfolio comprises residences, offices, hotels, serviced apartments, integrated developments and shopping malls, totalling over 18 million square feet of floor area globally.

Globally, CDL has developed over 40,000 homes and is one of Singapore's largest commercial landlords, with one of the biggest landbanks amongst Singapore private-sector developers.

Having established its ethos of 'Conserving as we Construct' in 1995, CDL has been leading the industry with green building innovation from first-of-its-kind sustainable developments that inspire eco-friendly lifestyles to industry-changing methods that promote recycling, reduce waste and raise productivity. CDL is the first developer conferred the Building and Construction Authority (BCA) Green Mark Platinum Champion and Built Environment Leadership (Platinum) Awards. It has also achieved over 80 BCA Green Mark buildings and office interiors to date (including 33 Platinum projects), the highest among Singapore developers. Globally, CDL remains the first Singapore corporation to be listed on three of the world's leading sustainability benchmarks – FTSE4Good Index Series (since 2002), Global 100 Most Sustainable Corporations in the World (since 2010) and Dow Jones Sustainability Indices (since 2011). In the Channel NewsAsia Sustainability Ranking 2016, CDL was named Top Property Developer in Asia, Top Singapore Corporation, and second among the top 100 most sustainable companies in Asia.

For more information on CDL, visit [www.cdl.com.sg](http://www.cdl.com.sg)

**ANNEX:**

**ABOUT REPUBLIC PLAZA**



<b>Address</b>	9 Raffles Place, Singapore 048619
<b>Development Layout</b>	A 66-storey premium Grade A office building with an annexed 23-storey podium block, linked directly to Raffles Place MRT station via a pedestrian tunnel
<b>Tenure of Land</b>	999-year lease
<b>Site Area</b>	Approximately 6,765 square metres / 72,818 square feet
<b>Lettable Area</b>	Approximately 72,604 square metres / 781,503 square feet

**ANNEX: Examples of Upgrading and Retrofit Project for Republic Plaza**

<b>Year of works</b>	<b>Description / Main Objectives Achieved</b>	<b>Energy/ Water Savings (Per Year)</b>	<b>Estimated Savings (Per Year)</b>	<b>Capex Amount Spent</b>
2010	Toilet upgrading: raised level of comfort and hygiene for tenants, and increased water efficiency.	10,255 m <sup>3</sup> of water	S\$12,000	S\$7,198,299
2010	Lift interior lights: replacement of halogen lights with energy efficient lights that emit less heat. User comfort raised and energy usage reduced.	27,000 kWh	S\$5,400	S\$180,000
2011	Toilet lights upgrade: infra-red motion sensors installed in toilets. Reduced energy usage effectively.	171,000 kWh	S\$34,200	S\$150,000
2012	Retrofitting of chiller plants (Phase 1): significantly raised energy efficiency of air conditioning of the building.	3,100,000 kWh	S\$620,000	S\$4,433,100
2012	Lobby lighting at Level 1 & 2 at Tower 1: small-scaled upgrading to achieve energy savings.	10,000 kWh	S\$2,000	S\$290,000
2012	Common areas lighting upgrading: converted lighting to T5 and raised energy efficiency substantially.	289,926 kWh	S\$57,985	S\$77,655
2013	Atrium lighting upgrading: raise level of comfort for visitors and tenants, and increased energy efficiency.	25,112 kWh	S\$10,924	S\$48,955

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2013	Carpark lighting upgrading: adoption of light emitting diode (LED) lights with motion sensor significantly raised energy efficiency.	169,585 kWh	S\$33,917	S\$153,506
2013	Staircase lighting: motion detector installed for all staircases and replacement of T8 lighting to T5. Both initiatives contributed to tremendous energy savings.	172,299 kWh	S\$34,460	S\$8,855
2015	Upgrading of lighting to T5 fittings for offices.	196,923 kWh	S\$39,384	S\$58,095
2015	Retrofitting of chiller plants (Phase 2) for air conditioning: further raised energy efficiency.	1,800,000 kWh	S\$360,000	S\$2,972,000
2015	Façade crown lighting from neon to LED: raised energy efficiency and gave a more modern and dynamic look to the building.	44,388 kWh	S\$8,877	S\$725,250