



# Independent Limited Assurance Report

To the management of CDL Properties Limited

## Conclusion

We were engaged by the management of CDL Properties Limited (the Issuer) to provide limited assurance on their Republic Plaza Green Bond ISIN SG7AG5000005 (the Bond) issued in April 2017 and the accompanying Bond Allocation Report for the period from 06 April 2017 to 31 December 2017 (the Report) provided in Appendix A.

Based on the evidence we obtained from the procedures performed as described in the *Our Responsibilities* section of our report, nothing has come to our attention that causes us to believe that the Issuer and the Bond do not conform to the post-issuance requirements of the Climate Bonds Standard Version 2.1 (the Standard) and the Low Carbon Buildings Sector Criteria (Upgrades) V1.0.

The list of testing procedures carried out are provided in Appendix B along with the list of documents reviewed in Appendix C.

The proceeds of the Bond have been used to repay a SGD100 million loan extended by City Developments Limited (CDL) to the Issuer for financing of the Republic Plaza building. Retrofit projects have been undertaken for the building between 2010 and 2015 that are together estimated to reduce approximately 2,939 tCO<sub>2</sub> per year. This is a reduction of approximately 34% as compared to the building's baseline emissions in 2009 (8,553 tCO<sub>2</sub>), thus meeting the target defined under the Standard for Upgrade projects in Low Carbon Buildings. A complete list of the retrofit projects and corresponding estimate of emission reductions is provided in Appendix D.

## Basis for Conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagement 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information* (ISAE 3000). Our responsibilities are further described in the *Our Responsibilities* section of our report.

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



## Responsibilities of Management

Management is responsible for ensuring that the Issuer and their Bond complies with the requirements of the Standard. Management is also responsible for preparing and presenting the Report that is free from material misstatement and for the information contained therein.

This responsibility includes designing, implementing and maintaining systems and processes relevant for the management of Bond proceeds and internal controls relevant to the preparation and presentation of the Report that is free from material misstatement whether due to fraud or error. It also includes ensuring that the Issuer complies with the requirements of the Standard, selecting and applying policies and procedures in relation to financial information, making estimates and judgements that are reasonable in the circumstances and for maintaining adequate records in relation to the Report.

Management is responsible for preventing and detecting fraud and for identifying and ensuring that the Issuer complies with laws and regulations applicable to its activities.

Management is also responsible for ensuring that staff involved with the preparation and presentation of the Report are properly trained, information systems are properly updated and that any changes in reporting encompass all significant reporting units.

## Specific limitations and exclusions

Our assurance process was subject to the following limitations as we have not been engaged to:

- Determine which, if any, recommendations should be implemented
- Provide assurance on information outside the defined reporting boundary and period
- Verify the Issuer's financial statements & economic performance
- Verify the Issuer's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention.

## Our Responsibilities

Our responsibility is to carry out a limited assurance engagement in accordance with ISAE 3000 and to express a conclusion based on the work performed. ISAE 3000 requires that we plan and perform the engagement to obtain limited assurance about whether the Bond conforms to the post-issuance requirements of the Standard and the Report is free from material misstatement. The extent of our work performed depends on our professional judgement and our assessment of the engagement risk.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:

- Understanding the Issuer's Framework that describes processes, systems and controls in place for management of bond proceeds and investment areas for green bond proceeds.
- Reading relevant sections of the bond issuance document on disclosure of the intended use of bond proceeds.





- Conducting interviews with management and key staff of the Issuer responsible for the Bond to obtain an understanding of the processes, systems and controls in place for management of bond proceeds.
- Confirming the amount of bond proceeds allocated for loan repayment through examination of the Issuer's internal accounting system and crediting bank's electronic communication.
- Confirming the nominated asset identified in the Report to which bond proceeds have been allocated and its conformance with the criteria defined in the Standard.
- Checking electricity consumption records and computation of greenhouse gas emission savings estimated in the nominated asset identified in the Report.
- Comparing the information presented in the Report to corresponding information in the relevant underlying sources to determine whether all the relevant information contained in such underlying sources has been included in the Report.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Due to the inherent limitations of any internal control structure it is possible that errors or irregularities in the information presented in the Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

#### Restriction on use

This report has been prepared for the management of CDL Properties Limited for the purpose of providing an assurance conclusion on the Bond's conformance to the post-issuance requirements of the Standard and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the management of CDL Properties Limited, or for any other purpose than that for which it was prepared.

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05 April 2018

Appendix A: Bond Allocation Report for the period from 06 April 2017 to 31 December 2017

Appendix B: Assessment of Republic Plaza Green Bond against post-issuance requirements of  
Climate Bonds Standard Version 2.1

Appendix C: List of documents reviewed

Appendix D: List of retrofit projects for Republic Plaza undertaken from 2010 to 2015