CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

(Registration Number: 200308451M)

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

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Condensed Interim Consolidated Income Statement
For The Six-Month Period Ended 30 June 2023

		The Group Six-month Period Ended		
	Note	30 June 2023	30 June 2022	Better / (Worse)
		$'M	$'M	%
Revenue	5	1,345	1,354	(1)
Cost of sales		(717)	(720)	-
Gross profit		628	634	(1)
Other operating income	6(a)	74	194	(62)
Administrative expenses	6(b)	(219)	(251)	13
Other operating expenses	6(c)	(50)	(52)	4
Profit from operations		433	525	(18)
Finance costs		(239)	(197)	(21)
Share of results (net of tax) of:				
- associates		213	232	(8)
- joint ventures		41	45	(9)
		254	277	(8)
Profit before tax		448	605	(26)
Tax expense	7	(31)	(125)	75
Profit for the period		417	480	(13)
Attributable to:				
Owners of the Company (PATMI)		351	433	(19)
Non-controlling interests (NCI)		66	47	40
Profit for the period		417	480	(13)
Basic earnings per share (cents)	12	6.9	8.4	(18)
Diluted earnings per share (cents)	12	6.8	8.3	(18)

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

Condensed Interim Consolidated Statement of Comprehensive Income
For The Six-Month Period Ended 30 June 2023

	The Group Six-month Period Ended		
	30 June 2023	30 June 2022	Better / (Worse)
	$'M	$'M	%
Profit for the period	417	480	(13)
Other comprehensive income:			
Items that are/may be reclassified subsequently to profit or loss			
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	(151)	(199)	24
Recognition of foreign exchange differences on disposal or liquidation of foreign operations in profit or loss	32	(4)	NM
Effective portion of change in fair value of cash flow hedges	9	135	(93)
Recognition of hedging reserve in profit or loss	(8)	1	NM
Share of other comprehensive income of associates and joint ventures	46	(278)	NM
	(72)	(345)	79
Item that will not be reclassified subsequently to profit or loss			
Share of other comprehensive income of associates and joint ventures	(4)	–	NM
Total other comprehensive income, net of tax	(76)	(345)	78
Total comprehensive income	341	135	153
Attributable to:			
Owners of the Company	279	164	70
Non-controlling interests	62	(29)	NM
Total comprehensive income	341	135	153

NM: Not meaningful

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

Condensed Interim Balance Sheets
As At 30 June 2023

	Note	The Group		The Company	
		30 June 2023 $'M	31 December 2022 $'M	30 June 2023 $'M	31 December 2022 $'M
Non-current assets					
Property, plant and equipment		1,211	1,225	21	13
Intangible assets		1,138	1,142	*	*
Investment properties	8	14,699	14,706	-	-
Subsidiaries		-	-	11,175	11,168
Associates		10,497	10,417	-	-
Joint ventures		2,833	2,735	-	-
Deferred tax assets		64	63	-	-
Other non-current assets		532	401	-	-
		30,974	30,689	11,196	11,181
Current assets					
Development properties for sale		241	243	-	-
Trade and other receivables	9	966	1,025	980	700
Other current assets		63	70	-	-
Assets held for sale	10	40	415	-	-
Cash and cash equivalents		2,663	2,668	12	22
		3,973	4,421	992	722
Less: current liabilities					
Trade and other payables	11	1,457	2,093	204	221
Short term borrowings	16	1,569	1,208	7	12
Current portion of debt securities	17	220	160	-	-
Current tax payable		579	583	1	2
Liabilities held for sale	10	-	118	-	-
		3,825	4,162	212	235
Net current assets		148	259	780	487
Less: non-current liabilities					
Long term borrowings	16	9,920	9,880	-	1
Debt securities	17	1,637	1,342	-	-
Deferred tax liabilities		524	543	-	-
Other non-current liabilities		440	254	814	812
		12,521	12,019	814	813
Net assets		18,601	18,929	11,162	10,855
Representing:					
Share capital	18	10,760	10,760	10,760	10,760
Revenue reserve		9,602	10,267	674	385
Other reserves		(5,855)	(5,894)	(272)	(290)
Equity attributable to owners of the Company		14,507	15,133	11,162	10,855
Perpetual securities		396	396	-	-
Non-controlling interests		3,698	3,400	-	-
Total equity		18,601	18,929	11,162	10,855

** Less than $1 million*

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

Condensed Interim Statement of Changes in Equity
For The Six-Month Period Ended 30 June 2023

	Share capital $'M	Revenue reserve $'M	Reserve for own shares $'M	Capital reserve# $'M	Hedging reserve $'M	Fair value reserve $'M	Asset revaluation reserve $'M	Foreign currency translation reserve $'M	Total $'M	Perpetual securities $'M	Non-controlling interests $'M	Total equity $'M
At 1 January 2023	10,760	10,267	(315)	(4,759)	127	27	6	(980)	15,133	396	3,400	18,929
Total comprehensive income												
Profit for the year	–	351	–	–	–	–	–	–	351	–	66	417
Other comprehensive income												
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	–	–	–	–	–	–	–	(132)	(132)	–	(19)	(151)
Recognition of foreign exchange differences on disposal or liquidation of foreign operations in profit or loss	–	–	–	–	–	–	–	24	24	–	8	32
Effective portion of change in fair value of cash flow hedges	–	–	–	–	(1)	–	–	–	(1)	–	10	9
Recognition of hedging reserve in profit or loss	–	–	–	–	(2)	–	–	–	(2)	–	(6)	(8)
Share of other comprehensive income of associates and joint ventures	–	–	–	–	(1)	(4)	–	44	39	–	3	42
Total other comprehensive income, net of tax	–	–	–	–	(4)	(4)	–	(64)	(72)	–	(4)	(76)
Total comprehensive income	–	351	–	–	(4)	(4)	–	(64)	279	–	62	341
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners												
Issue of treasury shares	–	–	27	(21)	–	–	–	–	6	–	–	6
Contributions from non-controlling interests (net)	–	–	–	–	–	–	–	–	–	–	69	69
Dividends paid/payable	–	(927)	–	–	–	–	–	–	(927)	–	(65)	(992)
Distribution attributable to perpetual securities	–	(2)	–	–	–	–	–	–	(2)	7	(5)	–
Distribution paid to perpetual securities	–	–	–	–	–	–	–	–	–	(7)	–	(7)
Reclassification of other capital reserve	–	(3)	–	3	–	–	–	–	–	–	–	–
Share-based payments	–	–	–	8	–	–	–	–	8	–	–	8
Total contributions by and distributions to owners	–	(932)	27	(10)	–	–	–	–	(915)	–	(1)	(916)

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

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

Condensed Interim Statement of Changes in Equity
For The Six-Month Period Ended 30 June 2023

	Share capital $'M	Revenue reserve $'M	Reserve for own shares $'M	Capital reserve# $'M	Hedging reserve $'M	Fair value reserve $'M	Asset revaluation reserve $'M	Foreign currency translation reserve $'M	Total $'M	Perpetual securities $'M	Non-controlling interests $'M	Total equity $'M
Changes in ownership interests in subsidiaries and other capital transactions												
Changes in ownership interests in subsidiaries with a change in control	–	*	–	–	–	–	–	–	*	–	(41)	(41)
Changes in ownership interests in subsidiaries with no change in control	–	(49)	–	–	(3)	–	–	76	24	–	278	302
Share of reserves of associates and joint ventures	–	*	–	1	–	–	–	–	1	–	–	1
Others	–	(35)	–	20	–	–	–	–	(15)	–	–	(15)
Total changes in ownership interests in subsidiaries and other capital transactions	–	(84)	–	21	(3)	–	–	76	10	–	237	247
Total transactions with owners	–	(1,016)	27	11	(3)	–	–	76	(905)	–	236	(669)
At 30 June 2023	10,760	9,602	(288)	(4,748)	120	23	6	(968)	14,507	396	3,698	18,601

Includes equity compensation reserve and other capital reserves.

** Less than $1 million*

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Condensed Interim Statement of Changes in Equity
For The Six-Month Period Ended 30 June 2023

	Share capital $'M	Revenue reserve $'M	Reserve for own shares $'M	Capital reserve# $'M	Hedging reserve $'M	Fair value reserve $'M	Asset revaluation reserve $'M	Foreign currency translation reserve $'M	Total $'M	Perpetual securities $'M	Non-controlling interests $'M	Total equity $'M
At 1 January 2022	10,760	10,165	(208)	(4,770)	(16)	36	6	71	16,044	396	3,661	20,101
Total comprehensive income												
Profit for the year	–	433	–	–	–	–	–	–	433	–	47	480
Other comprehensive income												
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	–	–	–	–	–	–	–	(113)	(113)	–	(86)	(199)
Recognition of foreign exchange differences on disposal or liquidation of foreign operations in profit or loss	–	–	–	–	–	–	–	(4)	(4)	–	–	(4)
Effective portion of change in fair value of cash flow hedges	–	–	–	–	121	–	–	–	121	–	14	135
Recognition of hedging reserve in profit or loss	–	–	–	–	1	–	–	–	1	–	–	1
Share of other comprehensive income of associates and joint ventures	–	–	–	–	30	(1)	–	(303)	(274)	–	(4)	(278)
Total other comprehensive income, net of tax	–	–	–	–	152	(1)	–	(420)	(269)	–	(76)	(345)
Total comprehensive income	–	433	–	–	152	(1)	–	(420)	164	–	(29)	135
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners												
Issue of treasury shares	–	–	26	(18)	–	–	–	–	8	–	–	8
Purchase of treasury shares	–	–	(106)	–	–	–	–	–	(106)	–	–	(106)
Contributions from non-controlling interests (net)	–	–	–	–	–	–	–	–	–	–	9	9
Dividends paid/payable	–	(772)	–	–	–	–	–	–	(772)	–	(43)	(815)
Distribution attributable to perpetual securities	–	(3)	–	–	–	–	–	–	(3)	7	(4)	–
Distribution paid to perpetual securities	–	–	–	–	–	–	–	–	–	(7)	–	(7)
Reclassification of other capital reserve	–	(3)	–	3	–	–	–	–	–	–	–	–
Share-based payments	–	–	–	16	–	–	–	–	16	–	–	16
Total contributions by and distributions to owners	–	(778)	(80)	1	–	–	–	–	(857)	–	(38)	(895)

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

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

Condensed Interim Statement of Changes in Equity
For The Six-Month Period Ended 30 June 2023

	Share capital $'M	Revenue reserve $'M	Reserve for own shares $'M	Capital reserve# $'M	Hedging reserve $'M	Fair value reserve $'M	Asset revaluation reserve $'M	Foreign currency translation reserve $'M	Total $'M	Perpetual securities $'M	Non-controlling interests $'M	Total equity $'M
Changes in ownership interests in subsidiaries and other capital transactions												
Changes in ownership interests in subsidiaries with a change in control	–	–	–	–	–	–	–	–	–	–	(150)	(150)
Changes in ownership interests in subsidiaries with no change in control	–	3	–	–	–	–	–	(1)	2	–	(2)	–
Share of reserves of associates and joint ventures	–	3	–	1	(4)	–	–	1	1	–	–	1
Others	–	19	–	(25)	–	–	–	1	(5)	–	(10)	(15)
Total changes in ownership interests in subsidiaries and other capital transactions	–	25	–	(24)	(4)	–	–	1	(2)	–	(162)	(164)
Total transactions with owners	–	(753)	(80)	(23)	(4)	–	–	1	(859)	–	(200)	(1,059)
At 30 June 2022	10,760	9,845	(288)	(4,793)	132	35	6	(348)	15,349	396	3,432	19,177

Includes equity compensation reserve and other capital reserves.

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

Condensed Interim Statement of Changes in Equity
For The Six-Month Period Ended 30 June 2023

	Share capital $'M	Revenue reserve $'M	Capital reserve[#] $'M	Total equity $'M
The Company				
At 1 January 2023	10,760	385	(290)	10,855
Total comprehensive income				
Profit for the period	–	1,221	–	1,221
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Issue of treasury shares	–	–	17	17
Tax-exempt dividends paid	–	(927)	–	(927)
Reclassification of equity compensation reserve		(3)	3	–
Share-based payments	–	–	1	1
Total contribution by and distributions to owners	–	(930)	21	(909)
Changes in ownership interests in subsidiaries and other capital transactions				
Others	–	(2)	(3)	(5)
Total changes in ownership interests in subsidiaries and other capital transactions	–	(2)	(3)	(5)
Total transactions with owners	–	(932)	18	(914)
At 30 June 2023	10,760	674	(272)	11,162
At 1 January 2022	10,760	105	(189)	10,676
Total comprehensive income				
Profit for the period	–	859	–	859
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Issue of treasury shares	–	–	16	16
Purchase of treasury shares	–	–	(106)	(106)
Tax-exempt dividends paid	–	(772)	–	(772)
Reclassification of equity compensation reserve		(3)	3	–
Share-based payments	–	–	6	6
Total contribution by and distributions to owners	–	(775)	(81)	(856)
Total transactions with owners	–	(775)	(81)	(856)
At 30 June 2022	10,760	189	(270)	10,679

[#] *Includes reserve for own shares, equity compensation reserve and other capital reserves.*

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

Condensed Interim Consolidated Statement of Cash Flows
For The Six-Month Period Ended 30 June 2023

	Note	The Group Six-month period ended 30 June 2023 $'M	 30 June 2022 $'M
Cash flows from operating activities			
Profit after tax		417	480
Adjustments for:			
Allowance for / (Write-back of):			
- impairment loss on receivables		(8)	1
Amortisation of intangible assets		9	8
Depreciation of property, plant and equipment and right-of-use assets		61	63
Distribution income	6(a)	(1)	(33)
Finance costs		239	197
Interest income	6(a)	(39)	(15)
Loss on disposal and write off of property, plant and equipment		-	1
Mark-to-market loss on derivative instruments		12	-
Net change in fair value of financial assets designated as fair value through profit or loss		-	2
Net loss/(gain) from change of ownership interests in subsidiaries, associates and joint ventures		37	(122)
Share of results of associates and joint ventures		(254)	(277)
Share-based expenses		19	29
Tax expense		31	125
		106	(21)
Operating profit before working capital changes		523	459
Changes in working capital:			
Trade and other receivables		(48)	77
Development properties for sale		(1)	(1)
Trade and other payables		(124)	(120)
Restricted bank deposits		(4)	3
		(177)	(41)
Cash generated from operations		346	418
Taxation paid		(77)	(109)
Net cash generated from operating activities		269	309

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

Condensed Interim Consolidated Statement of Cash Flows
For The Six-Month Period Ended 30 June 2023

	Note	The Group Six-month period ended 30 June 2023 $'M	 30 June 2022 $'M
Cash flows from investing activities			
Acquisition/ Development expenditure of investment properties		(420)	(293)
Acquisition of subsidiaries	21(b)	(12)	(117)
Deposits placed for acquisition of investment properties		-	(8)
Disposal of subsidiaries	21(d)	270	389
Dividends received from associates and joint ventures		245	104
Interest income received		38	14
(Investments in)/ Return of investments from associates, joint ventures and other investments		(306)	206
Proceeds from disposal of/(Investment in) other financial assets		5	(5)
Purchase of intangible assets and property, plant and equipment		(37)	(20)
Settlement of hedging instruments		23	7
Net cash (used in)/generated from investing activities		(194)	277
Cash flows from financing activities			
Contributions from non-controlling interests		69	9
Dividends paid to non-controlling interests		(65)	(43)
Distributions to perpetual securities holders		(7)	(7)
Dividends paid to shareholders		(615)	(772)
Amount paid to former shareholders of subsidiaries		-	(153)
Interest expense paid		(243)	(179)
Repayment of loans from associates and joint ventures		(28)	-
Purchase of treasury shares		-	(106)
Payment for acquisition of ownership interests in subsidiaries with no change in control		(11)	-
Proceeds from bank borrowings		1,940	1,728
Proceeds from issuance of debt securities		514	654
Repayments of lease liabilities		(30)	(34)
Repayments of bank borrowings		(1,431)	(1,172)
Repayments of debt securities		(145)	(2)
Repayment of loans from related companies		-	(13)
Decrease in bank deposits pledged for bank facilities		(7)	(7)
Net cash used in financing activities		(59)	(97)
Net increase in cash and cash equivalents		16	489
Cash and cash equivalents at beginning of the year		2,624	3,815
Effect of exchange rate changes on cash balances held in foreign currencies		(17)	(76)
Changes to cash and cash equivalents reclassified to assets held for sale		(1)	-
Cash and cash equivalents at end of the year		2,622	4,228
Restricted bank deposits		41	64
Cash and cash equivalents in the Balance Sheet		2,663	4,292

Significant non-cash transaction

In May 2023, the Company completed a distribution *in specie* of 291,982,358 stapled securities in CapitaLand Ascott Trust (CLAS) to its shareholders based on 0.057013 CLAS unit per ordinary share. Based on the closing market price of CLAS units on 11 May 2023 of $1.07, the distribution *in specie* amounted to $312 million.

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

1 Domicile and activities

CapitaLand Investment Limited (the Company) is incorporated in the Republic of Singapore and has its registered office at 168 Robinson Road, #30-01, Capital Tower, Singapore 068912.

The Company's immediate and ultimate holding companies are CapitaLand Group Pte. Ltd. and Temasek Holdings (Private) Limited respectively. Both companies are incorporated in the Republic of Singapore.

The principal activities of the Company are those relating to investment holding and provision of consultancy services as well as being the corporate headquarters which gives direction, provides management support services and integrates the activities of its subsidiaries.

The principal activities of the significant entities included in these consolidated financial statements are investment advisory and management, lodging management, property management, and investment holding including investment in real estate assets and related financial products.

The consolidated financial statements relate to the Company and its subsidiaries (the Group) and the Group's interests in associates and joint ventures.

2 Summary of Significant Accounting Policies

2.1 Basis of preparation of the consolidated financial statements

Basis of Preparation

The condensed interim financial statements for the six-month period ended 30 June 2023 (Condensed Interim Financial Statements) have been prepared in accordance with Singapore Financial Reporting Standard (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* and International Accounting Standard 34 *Interim Financial Reporting*. SFRS(I)s are issued by the Accounting Standards Council and comprise standards and interpretations that are equivalent to International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standard Board (IASB). The Condensed Interim Financial Statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s and IFRSs, except for the adoption of new and amended standards as set out in Note 2.1(a).

The Condensed Interim Financial Statements are presented in Singapore Dollars, which is the Company's functional currency. All financial information presented in Singapore Dollars have been rounded to the nearest million, unless otherwise stated.

(a) New and amended standards adopted by the Group

The Group adopted various new and amended accounting standards which are effective from 1 January 2023. The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2023:

- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2
- Amendment to SFRS(I) 1-8 Definition of accounting estimates
- Amendments to SFRS(I) 1-12 Deferred tax related to assets and liabilities arising from a single transaction
- SFRS(I) 17 – Insurance contracts

The adoption of these new and amended accounting standards did not have a material effect on the financial statements.

2.2 Use of judgement and estimates

The preparation of the financial statements in conformity with SFRS(I) and IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the Group's financial statements as at and for the year ended 31 December 2022.

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period except for the lodging business. The Group's lodging business is subject to domestic and international economic conditions and seasonality factors. With the continued relaxation of travel restriction across most geographies, there was significant improvement in the Group's lodging business and the results of operations.

4 Operating segments

Operating segment

	Fee Income-related Business $'M	Real Estate Investment Business $'M	Corporate and Others $'M	Elimination $'M	Total $'M
Six-month period ended 30 June 2023					
Revenue					
External revenue	425	911	9	–	1,345
Inter-segment revenue	94	21	184	(299)	–
Total revenue	**519**	**932**	**193**	**(299)**	**1,345**
Segmental results					
Company and subsidiaries	214	259	30	–	503
Associates	–	213	–	–	213
Joint ventures	2	39	–	–	41
Earnings before interest, tax depreciation and amortisation (EBITDA)	**216**	**511**	**30**	**–**	**757**
Depreciation and amortisation					(70)
Finance costs					(239)
Tax expense					(31)
Profit for the period					**417**
Segment assets as at 30 June 2023	**2,350**	**31,090**	**8,380**	**(6,873)**	**34,947**
Segment liabilities as at 30 June 2023	**459**	**10,662**	**5,225**	**–**	**16,346**
Six-month period ended 30 June 2022					
Revenue					
External revenue	396	946	12	–	1,354
Inter-segment revenue	80	21	123	(224)	–
Total revenue	**476**	**967**	**135**	**(224)**	**1,354**
Segmental results					
Company and subsidiaries	223	363	10	–	596
Associates	–	232	–	–	232
Joint ventures	2	43	–	–	45
Earnings before interest, tax depreciation and amortisation (EBITDA)	**225**	**638**	**10**	–	**873**
Depreciation and amortisation					(71)
Finance costs					(197)
Tax expense					(125)
Profit for the period					**480**
Segment assets as at 31 December 2022	**2,257**	**31,666**	**8,060**	**(6,873)**	**35,110**
Segment liabilities as at 31 December 2022	**480**	**10,451**	**5,250**	**–**	**16,181**

Geographical information

	Singapore $'M	China[1] $'M	Other developed markets[2] $'M	Other emerging markets[3] $'M	Total $'M
Six-month period ended 30 June 2023					
External revenue	283	206	688	168	1,345
EBITDA	304	134	270	49	757
Six-month period ended 30 June 2022					
External revenue	293	231	680	150	1,354
EBITDA	495	109	202	67	873

[1] Includes Hong Kong
[2] Includes United Kingdom, France, Germany, Spain, Belgium, Ireland, Netherlands, Japan, South Korea, United States of America, Australia and New Zealand but excludes Singapore and Hong Kong
[3] Excludes China.

5 Revenue

(a) Revenue of the Group is analysed as follows:

	The Group Six-month period ended 30 June 2023 $'M	The Group Six-month period ended 30 June 2022 $'M
Revenue from contract with customers	446	423
Rental of investment properties:		
- Retail, office, business park, industrial, logistics and data centre rental and related income	218	282
- Lodging properties rental and related income	671	644
Others	10	5
	1,345	1,354

(b) Disaggregation of revenue from contracts with customers is as follow:

	The Group Six-month period ended 30 June 2023 $'M	The Group Six-month period ended 30 June 2022 $'M
Primary segment		
Fee income		
- Fee income-related business	415	393
- Real estate investment business	23	19
- Corporate and others	8	11
	446	423

	The Group	
	Six-month period ended	
	30 June 2023	30 June 2022
	$'M	$'M
Secondary segment		
Singapore	261	261
China [1]	83	85
Other developed markets	63	47
Other emerging markets	39	30
	446	423

[1] includes Hong Kong

Timing of revenue recognition		
Product transferred at a point in time	14	33
Products and services transferred over time	432	390
	446	423

6 Profit Before Tax

Profit before tax includes the following:

	The Group	
	Six-month period ended	
	30 June 2023	30 June 2022
	$'M	$'M
a. Other operating income includes:		
Interest income	39	15
Distribution income	1	33
Foreign exchange gain	7	–
Gain on change of ownership interests in subsidiaries, associates and joint ventures	–	122
Net change in fair value of financial asset designated as fair value through profit or loss	1	–
Forfeiture of security deposits	1	1
Government grants	–	4
b. Administrative expenses include:		
(Write back) / Allowance for impairment loss on trade receivables	(8)	*
Amortisation of intangible assets	9	8
Depreciation of property, plant and equipment	31	32
Depreciation of right-of-use assets	30	31
Staff costs	93	112

	The Group	
	Six-month period ended	
	30 June 2023	30 June 2022
	$'M	$'M
c. Other operating expenses include:		
Loss on change of ownership interests in subsidiaries, associates and joint ventures	37	–
Mark-to-market loss on derivative instruments	12	–
Foreign exchange loss	–	47

** less than $1 million*

7 Tax Expense

	The Group	
	Six-month period ended	
	30 June 2023	30 June 2022
	$'M	$'M
Current tax expense	66	103
Deferred tax (income) / expense	(58)	9
Withholding tax expense	23	13
	31	125

(a) The Group has preliminarily considered IASB's Exposure Draft International Tax Reform – Pillar Two Model Rules (Proposed Amendments to IAS 12). In view of the uncertainties of how each jurisdiction in which the Group has operations, would implement the Global Minimum Tax rules under Pillar Two, it is presently not possible to estimate the likely impact of Global Minimum Tax under Pillar Two on the Group's consolidated financial statements.

(b) In June 2021, the Group's subsidiary, CMMT Investments Limited (CMMTIL), was notified by the Inland Revenue Board of Malaysia (Tax Authority) that it had completed a tax audit review on CMMTIL, and found that certain interest payments made to CMMTIL's holding company outside of the relevant jurisdiction for the years of assessment 2011 to 2018 were subject to withholding tax and/or not permitted as expenses for tax deductions and that accordingly, CMMTIL was assessed to pay additional taxes and penalties amounting to approximately $40 million in total (Tax Claim). In this regard, the Tax Authority has issued notices of additional assessment for the Tax Claim. In April 2023, CMMTIL has reached an amicable settlement with the Tax Authority with a withholding tax payment of $4.5 million.

8 Investment Properties

	The Group	
	30 June 2023 $'M	**31 December 2022 $'M**
At 1 January	14,706	16,249
Acquisition of subsidiaries	–	220
Disposal of subsidiaries	–	(1,646)
Additions	197	1,273
Disposals	–	(36)
Reclassification to assets held for sale	(40)	(351)
Reclassification to property, plant and equipment	–	(327)
Changes in fair value	–	250
Translation differences	(164)	(926)
At 30 June/31 December	14,699	14,706

(a) Investment properties, which include those in the course of development, are stated at fair value based on independent professional valuations or internal valuations. The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had acted knowledgably and without compulsion. In determining the fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation rate, terminal yield rate, discount rate, comparative market price and occupancy rate.

As at 30 June 2023, management conducted an assessment of the valuation of the investment properties, taking into consideration any significant changes in operating performance of the properties during the period, confirmations from independent valuers for certain significant investment properties, and assessed whether movement in market data such as discount rates and capitalisation rates have any significant impact to the valuation of investment properties. Based on the assessment, management is of the view that the fair value of the investment properties has not materially changed from 31 December 2022 valuation.

9 Trade and Other Receivables

	The Group		The Company	
	30 June 2023 $'M	31 December 2022 $'M	30 June 2023 $'M	31 December 2022 $'M
Trade receivables	296	286	–	–
Less: Allowance for impairment loss on receivables	(40)	(51)	–	–
	256	235	–	–
Deposits	18	20		–
Other receivables	129	174	1	4
Less: Allowance for impairment loss on receivables	(15)	(16)	–	–
	114	158	1	4
Tax recoverable	13	13	–	–
Amounts due from:				
- subsidiaries	–	–	966	686
- associates	198	202	–	–
- joint ventures	218	269	–	–
- related corporations	73	73	12	8
Loans and receivables	890	970	979	698
Prepayments	76	55	1	2
	966	1,025	980	700

10 Assets / Liabilities Held for Sale

	The Group	
	30 June 2023 $'M	31 December 2022 $'M
Investment properties	40	352
Other non-current assets	–	11
Trade and other receivables	–	23
Cash and cash equivalents	–	29
	40	415
Trade and other payables	–	53
Borrowings	–	21
Current tax payable	–	4
Deferred tax liabilities	–	40
	–	118

Details of assets and liabilities held are as follows:

2023

On 3 April 2023, Capitaland Ascott REIT entered into four conditional sales and purchase agreements with an unrelated third party, to divest its interests in Citadines Castellane Marseille, Citadines City Centre Lille, Citadines Croisette Cannes and Citadines Prado Chanot Marseille for purchase consideration of EUR 44.4 million.

2022

(a) On 29 December 2022, the Group announced that it has through its wholly-owned subsidiary, Ascendas India Development VII and its joint venture partner Maharashtra Industrial Development Corporation entered into separate agreements with CapitaLand India Trust (CLINT) to divest their respective 79% and 22% shareholding in Ascendas IT Park (Pune) (AIPP) to CLINT for approximately INR13.5 billion (S$222 million). AIPP owns International Tech Park Pune in Hinjawadi in India. Accordingly, all assets and liabilities held by the AIPP were reclassified to asset held for sale and liabilities held for sale respectively as at 31 December 2022. The divestment was completed in May 2023.

(b) On 29 November 2022, the Group's subsidiary, Zircon Alpha Holdings Pte. Ltd., entered into a shareholder agreement with an external investor to invest in Zillion Alpha Holdings Pte. Ltd. (ZAH) and its subsidiaries. The Investor has committed to contribute capital of RMB1.89 billion or 70% of the total capital commitment and Group's stake in ZAH will dilute from 100% to 30%. ZAH holds two data centre development projects in China. Accordingly, all assets and liabilities held by ZAH were reclassified to assets held for sale and liabilities held for sale respectively as at 31 December 2022. The divestment was completed in March 2023.

11 Trade and Other Payables

	The Group		The Company	
	30 June 2023 $'M	31 December 2022 $'M	30 June 2023 $'M	31 December 2022 $'M
Trade payables	118	151	3	2
Accruals	563	648	17	24
Accrued development expenditure	69	74	–	–
Other payables	288	741	1	1
Rental and other deposits	75	78	–	*
Derivative financial instruments	2	4	–	–
Liability for employee benefits	39	46	1	4
Amounts due to:				
- subsidiaries	–	–	21	21
- associates	10	9	1	1
- joint ventures	72	102	–	*
- non-controlling interests	4	4	–	–
- related corporations	217	236	160	168
	1,457	2,093	204	221

** Less than $1 million*

12 Earnings per Share

(a) Basic earnings per share

	The Group Six-month period ended 30 June 2023 $'M	The Group Six-month period ended 30 June 2022 $'M
Basic earnings per share is based on:		
Net profit attributable to owners of the Company	351	433

	The Group Six-month period ended 30 June 2023 No. of shares ('000)	The Group Six-month period ended 30 June 2022 No. of shares ('000)
Weighted average number of ordinary shares in issue during the period	5,119,202	5,141,347

(b) Diluted earnings per share

In calculating diluted earnings per share, the net profit attributable to owners of the Company and weighted average number of ordinary shares in issue during the period are adjusted for the effects of all potential dilutive ordinary shares:

	The Group Six-month period ended 30 June 2023 $'M	The Group Six-month period ended 30 June 2022 $'M
Diluted earnings per share is based on:		
Net profit attributable to owners of the Company	351	433

	The Group Six-month period ended 30 June 2023 No. of shares ('000)	The Group Six-month period ended 30 June 2022 No. of shares ('000)
Weighted average number of ordinary shares in issue during the period	5,119,202	5,141,347
Adjustments for potential dilutive ordinary shares under:		
- CLI Performance Share Plan	50,949	68,170
- CLI Restricted Share Plan	4,527	11,646
	55,476	79,816
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	5,174,678	5,221,163

13 Dividends

(a) For the financial year ended 31 December 2022, a tax-exempt ordinary dividend of 12.0 cents per share and a special distribution in specie of 0.057013 unit in CLAS per ordinary share were approved at the Annual General Meeting held on 25 April 2023. Based on the closing market price of S$1.07 per CLAS Unit on 11 May 2023, the cash equivalent rate of the distribution per Share is S$0.06100391. The said dividends of $927 million were paid and settled in May 2023.

(b) The Company did not declare or recommend any dividend for the six-month period ended 30 June 2023 and 30 June 2022.

(c) The Company only pays first and final dividend.

14 Net Asset Value and Net Tangible Assets per Share

	The Group		The Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	$	$	$	$
Net asset value (NAV) per ordinary share[1]	2.83	2.96	2.18	2.12
Net tangible assets (NTA) per ordinary share[1]	2.61	2.74	2.18	2.12

[1] *Excluding treasury shares*

15 Fair Value Of Assets And Liabilities

(a) Accounting classification and fair values

The table does not include fair value information of financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount					Fair value			
	Fair value - hedging instruments $'M	FVOCI $'M	FVTPL $'M	Amortised Cost $'M	Total $'M	Level 1 $'M	Level 2 $'M	Level 3 $'M	Total $'M
The Group									
30 June 2023									
Financial assets measured at fair value									
Equity investments at FVOCI	–	55	–	–	55	55	–	–	55
Equity investments at FVTPL	–	–	122	–	122	3	–	119	122
Derivative financial assets	184	–	–	–	184	–	184	–	184
	184	55	122	–	361				
Financial assets not measured at fair value									
Other non-current assets	–	–	–	30	30				
Loans due from associates	–	–	–	205	205				
Loans due from joint ventures	–	–	–	377	377				
Trade and other receivables	–	–	–	890	890				
Cash and cash equivalents	–	–	–	2,663	2,663				
	–	–	–	4,165	4,165				

	Note	Carrying amount: Fair value - hedging instruments $'M	Carrying amount: FVOCI $'M	Carrying amount: FVTPL $'M	Carrying amount: Amortised Cost $'M	Carrying amount: Total $'M	Fair value: Level 1 $'M	Fair value: Level 2 $'M	Fair value: Level 3 $'M	Fair value: Total $'M
The Group										
30 June 2023										
Financial liabilities measured at fair value										
Derivative financial instruments		(5)	–	–	–	(5)	–	(5)	–	(5)
		(5)	–	–	–	(5)				
Financial liabilities not measured at fair value										
Other non-current liabilities#		–	–	–	(408)	(408)	–	–	(396)	(396)
Bank borrowings^	16	–	–	–	(10,841)	(10,841)	–	(10,801)	–	(10,801)
Debt securities	17	–	–	–	(1,856)	(1,856)	–	(1,861)	–	(1,861)
Trade and other payables#		–	–	–	(1,342)	(1,342)				
		–	–	–	(14,447)	(14,447)				

\# *Excludes liability for employee benefits, derivative liabilities and deferred income.*
^ *Excludes lease liabilities.*

	Carrying amount					Fair value			
	Fair value - hedging instruments $'M	FVOCI $'M	FVTPL $'M	Amortised Cost $'M	Total $'M	Level 1 $'M	Level 2 $'M	Level 3 $'M	Total $'M
The Group									
31 December 2022									
Financial assets measured at fair value									
Equity investments at FVOCI	–	67	–	–	67	55	12	–	67
Equity investments at FVTPL	–	–	114	–	114	3	–	111	114
Derivative financial assets	184	–	–	–	184	–	184	–	184
	184	67	114	–	365				
Financial assets not measured at fair value									
Other non-current assets	–	–	–	30	30				
Loans due from associates	–	–	–	87	87				
Loans due from joint ventures	–	–	–	393	393				
Trade and other receivables	–	–	–	970	970				
Cash and cash equivalents	–	–	–	2,668	2,668				
	–	–	–	4,148	4,148				

	Note	Carrying amount Fair value - hedging instruments $'M	FVOCI $'M	FVTPL $'M	Amortised Cost $'M	Total $'M	Fair value Level 1 $'M	Level 2 $'M	Level 3 $'M	Total $'M
The Group										
31 December 2022										
Financial liabilities measured at fair value										
Derivative financial instruments		(13)	–	–	–	(13)	–	(13)	–	(13)
		(13)	–	–	–	(13)				
Financial liabilities not measured at fair value										
Other non-current liabilities#		–	–	–	(218)	(218)	–	–	(211)	(211)
Bank borrowings^	16	–	–	–	(10,429)	(10,429)	–	(10,391)	–	(10,391)
Debt securities	17	–	–	–	(1,502)	(1,502)	–	(1,481)	–	(1,481)
Trade and other payables#		–	–	–	(1,971)	(1,971)				
		–	–	–	(14,120)	(14,120)				

\# *Excludes liability for employee benefits, derivative liabilities and deferred income.*
^ *Excludes lease liabilities.*

	<------- Carrying amount-------->		< ------------------------------ Fair value ------------------------------- >			
	Amortised Cost $'M	Total $'M	Level 1 $'M	Level 2 $'M	Level 3 $'M	Total $'M
The Company						
30 June 2023						
Financial assets not measured at fair value						
Amount due from subsidiaries	4,302	4,302				
Trade and other receivables	979	979				
Cash and cash equivalents	12	12				
	5,293	5,293				
Financial liabilities not measured at fair value						
Other non-current liabilities#	(811)	(811)				
Trade and other payables#	(203)	(203)				
	(1,014)	(1,014)				
31 December 2022						
Financial assets not measured at fair value						
Amount due from subsidiaries	4,295	4,295				
Trade and other receivables	698	698				
Cash and cash equivalents	22	22				
	5,015	5,015				
Financial liabilities not measured at fair value						
Other non-current liabilities#	(811)	(811)				
Trade and other payables#	(217)	(217)				
	(1,028)	(1,028)				

Excludes liability for employee benefits.

The following table shows the carrying amounts and fair values of significant non-financial assets, including their levels in the fair value hierarchy.

The Group	**Note**	**Fair value Level 3 $'M**
30 June 2023		
Non-financial assets measured at fair value		
Investment properties	8	14,699
Assets held for sale – investment properties	10	40
		14,739
31 December 2022		
Non-financial assets measured at fair value		
Investment properties	8	14,706
Assets held for sale – investment properties	10	352
		15,058

(b) Level 3 fair value measurements

(i) Reconciliation of Level 3 fair value

The movements of financial assets classified under Level 3 and measured at fair value are presented as follows:

	Equity investments at FVTPL $'M	**Asset held for sale – investment properties $'M**
2023		
At 1 January 2023	111	352
Additions	8	44
Disposal	–	(354)
Changes in fair value recognised in profit or loss	1	–
Translation differences	(1)	(2)
At 30 June 2023	119	40
2022		
At 1 January 2022	104	2
Additions	31	351
Disposals	–	(1)
Changes in fair value recognised in profit or loss	(20)	–
Translation differences	(4)	–
At 31 December 2022	111	352

(i) Measurement of fair values

The valuation techniques and the significant unobservable inputs used in measuring Level 3 fair values as at 30 June 2023 for financial instruments measured at fair value in the statement of financial position are consistent with those disclosed in the Group's consolidated financial statements for the year ended 31 December 2022.

16 Borrowings

	The Group		The Company	
	30 June 2023 $'M	31 December 2022 $'M	30 June 2023 $'M	31 December 2022 $'M
Bank borrowings				
- secured	4,078	3,810	–	–
- unsecured	6,763	6,619	–	–
	10,841	10,429	–	–
Lease liabilities	648	659	7	13
	11,489	11,088	7	13
Repayable:				
Not later than 1 year	1,569	1,208	7	12
Between 1 and 5 years	8,216	8,312	–	1
After 5 years	1,704	1,568	–	–
After 1 year	9,920	9,880	–	1
	11,489	11,088	7	13

Movement during the period are as follows:

	2023 $'M
The Group	
At 1 January 2023	11,088
Repayments of bank borrowings and lease liabilities	(1,461)
Proceeds from bank borrowings	1,940
Translation differences	(103)
Others	25
At 30 June 2023	11,489

Bank borrowings are secured by the following assets:

(i) mortgages on the borrowing subsidiaries' property, plant and equipment, investment properties, development properties for sale, trade and other receivables and shares of certain subsidiaries of the Group; and

(ii) assignment of all rights, titles and benefits with respect to the properties mortgaged.

17 Debt Securities

	The Group	
	30 June 2023 $'M	31 December 2022 $'M
Secured notes and bonds	124	187
Unsecured notes and bonds	1,733	1,315
	1,857	1,502
Repayable:		
Not later than 1 year	220	160
Between 1 and 5 years	1,052	1,173
After 5 years	585	169
After 1 year	1,637	1,342
	1,857	1,502

Movement during the period are as follows:

	2023 $'M
The Group	
At 1 January 2023	1,502
Repayments of debt securities	(145)
Proceeds from issuance of debt securities	514
Translation differences	(15)
At 30 June 2023	1,856

As at 30 June 2023, the secured notes and bonds amounting to $124 million (31 December 2022: $187 million) were fully secured by deposits pledged and mortgages on the investment properties of the Group.

18 Share Capital

Issued Share Capital

	The Company	
	30 June 2023 No. of shares ('000)	31 December 2022 No. of shares ('000)
Issued and fully paid, with no par value		
At 1 January, including treasury shares	5,203,196	5,203,196
Less: Treasury shares	(81,381)	(89,031)
At 30 June and 31 December, excluding treasury shares	5,121,815	5,114,165

Capital management

The Group's policy is to build a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group monitors the return on capital, which the Group defines as total shareholders' equity, excluding non-controlling interests, perpetual securities and the level of dividends to ordinary shareholders.

The Group monitors its capital using a net debt-to-equity ratio, which is defined as net borrowings divided by total equity (including non-controlling interests and perpetual securities).

	The Group	
	30 June 2023 $'M	31 December 2022 $'M
Borrowings and debt securities	13,346	12,590
Cash and cash equivalents	(2,663)	(2,668)
Net debt	10,683	9,922
Total equity	18,601	18,929
Net debt-to-equity ratio (times)	0.57	0.52

The Group seeks to strike a balance between the higher returns that might be possible with higher level of borrowings and the liquidity and security afforded by a sound capital position.

In addition, the Company has a share purchase mandate as approved by its shareholders which allows the Company greater flexibility over its share capital structure with a view to improving, inter alia, its return on equity. The shares which are purchased are held as treasury shares which the Company may transfer for the purposes of or pursuant to its employee share-based incentive schemes so as to enable the Company to take advantage of tax deductions under the current taxation regime. The use of treasury shares in lieu of issuing new shares would also mitigate the dilution impact on existing shareholders.

The Group's capital structure is regularly reviewed and managed with due regard to the capital management practices of the group to which the company belongs. Adjustments are made to the capital structure in light of changes in economic conditions, regulatory requirements and business strategies affecting the Company or the Group.

Treasury Shares

Movements in the Company's treasury shares were as follows:

	The Company 30 June 2023 No. of shares ('000)
At 1 January	89,031
Treasury shares transferred pursuant to employee share plans	(7,471)
Payment of directors' fees	(179)
At 30 June	81,381

As at 30 June 2023, the Company held 81,381,021 (1H 2022: 82,127,101) treasury shares which represents 2% (1H 2022: 2%) of the total number of issued shares (excluding treasury shares).

19 Share Plans

Share Plans of CapitaLand Group Pte. Ltd.

Prior to the restructuring and listing of the Company, the Group's employees participated in the share-based incentive plans of the Company's immediate holding company, CapitaLand Group Pte. Ltd. which comprise the Performance Share Plan (CL PSP) and Restricted Share Plan (CL RSP).

The outstanding contingent CL PSP awards granted to the employees were replaced by awards under the CLI Share Plan on 1 October 2021 in accordance with a conversion ratio and released in accordance with the original vesting schedule. The number of awards to be granted have also been finalised at 200% of the baseline awards.

The outstanding CL RSP awards were converted to cash-settled based awards with an implied value of $4.102 per CL shares. Contingent awards granted under the CL RSP have been finalised at 150% of the baseline awards based on the same implied value. The cash payment will be released to eligible employees according to the original vesting schedule of respective CL RSP award.

Share Plans of CapitaLand Investment Limited

Performance Share Plan (PSP)

As at 30 June 2023, the number of shares comprised in contingent awards granted under the CapitaLand Investment Performance Share Plan 2021, in respect of which (a) the final number of shares has not been determined, and (b) the final number of shares has been determined but not released, is 6,890,387 (30 June 2022: 3,344,038) and 9,292,219 (30 June 2022: 17,751,561) respectively, of which 4,045,642 (30 June 2022: nil) are to be cash-settled. The number of shares comprised 13,993,239 (30 June 2022: 16,847,265) shares granted to the employees of the Group and 2,189,367 (30 June 2022: 4,248,334) shares granted to the employees of the related corporations.

Under the PSP, a specified number of shares will only be released by the ERCC of the Company to the recipients at the end of the qualifying performance period, provided the threshold targets are achieved. The final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 300% of the baseline award. The ERCC has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors. On 9 February 2023, the ERCC has approved that, upon vesting according to the original vesting schedule, the awards granted under the PSP shall be settled in a combination of cash and fully paid shares, currently set at 25% and 75% respectively, at no cost.

Founders Performance Share Plan

As at 30 June 2023, the number of shares comprised in contingent awards granted under the CapitaLand Investment Founders Performance Share Plan 2021 which has not been released were 14,091,721 (30 June 2022: 14,948,568), of which 371,941 (30 June 2022: 371,941) shares are to be cash-settled. The number of shares comprised 11,824,643 (30 June 2022: 12,681,490) shares granted to the employees of the Group and 2,267,078 (30 June 2022: 2,267,078) shares granted to the employees of the related corporations.

Under Founders Performance Share Plan, the awards granted to selected key executives of the Company and/or its group companies are conditional on performance target set over 5 financial year performance period and are based on longer term wealth creative objectives. Participants will receive a specified number of performance shares after the end of 2 performance cycles conditional on achievement of performance conditions.

The ERCC grants an initial number of shares (baseline award) which are conditional on the target of the share price over net asset value per share of the Company set for a performance period, currently prescribed to be a five-year performance period. A specified number of shares will only be released by the ERCC to the recipients at the end of the qualifying performance period, provided the threshold target is achieved. No share will be released if the threshold target is not met at the end of the performance period. If the minimum performance target is achieved, the achievement factor will be 0.2. If the performance target exceeds minimum but below superior, the achievement factor will be adjusted accordingly within the range of 0.2 to 3.0. If the performance level is superior and above, the achievement factor will be 3.0.

Restricted Share Plan (RSP)

As at 30 June 2023, the number of shares comprised in contingent awards granted under the CapitaLand Investment Restricted Share Plan 2021 in respect of which (a) the final number of shares has not been determined, and (b) the final number of shares has been determined but not released, is nil (30 June 2022: 8,915,866) and 4,799,621 (30 June 2022: nil) respectively, of which 811,874 (30 June 2022: 1,728,124) shares are to be cash-settled. No contingent awards have been granted as at 30 June 2023 due to a change in the Group's compensation framework whereby variable bonuses paid to eligible managerial grade employees will be settled in a combination of cash and shares after the end of the current performance period. The shares will be granted pursuant to the RSP and shall vest progressively over 3 years subject to service conditions. Recipients can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost.

Under the RSP, awards granted to eligible participants vest only after the satisfactory completion of time-based service conditions or where the award is performance-related, after a further period of service beyond the performance target completion date (performance-based restricted awards). In addition, the RSP also enables grants of fully paid shares to be made to non-executive directors as part of their remuneration in respect of their office as such in lieu of cash.

20 Significant Related Party Transactions

In addition to the related party information disclosed elsewhere in the financial statements, there were significant related party transactions which were carried out in the normal course of business on terms agreed between the parties as follows:

	The Group	
	Six-month period ended	
	30 June 2023	30 June 2022
	$'M	$'M
Related corporations of ultimate holding company		
Capital contribution from joint ventures	26	2
Immediate holding company		
Management fee income	1	4
IT support services income	3	2
Others	2	3
Fellow subsidiaries under the immediate holding company		
Management fee income	11	13
IT support services income	4	4
Rental Income	–	2
Administrative support services income	2	4
Management fee expenses	(1)	(3)
Rental expense	(2)	*
Capital contribution in joint venture	–	3
Others	7	7

** less than $1 million*

Associates and joint ventures		
Management fee income	231	215
Interest income	4	1
Rental expense	(8)	(3)
Fees from acquisition and divestment fees, accounting service fee, marketing income and others	85	94
Proceeds from sale of investments	126	392

21 Acquisition / Disposal of Subsidiaries

(a) Acquisition of subsidiaries

There were no significant subsidiaries acquired in the six-month period ended 30 June 2023.

The list of significant subsidiaries acquired in the six-month period ended 30 June 2022 is as follows:

Name of subsidiary	Date acquired	Effective interest acquired
Zhonglongyun (Zhuozhou) Data Technology Co., Ltd.	April 2022	100%
Zhuozhou Malongda Fire Technology Co., Ltd.	April 2022	100%
Yuanying (Foshan) Warehousing Services Co., Ltd.	May 2022	100%

(b) Effects of acquisitions

The cash flows and net assets of subsidiaries acquired are provided below:

	Note	Recognised values 30 June 2023 $'M	Recognised values 30 June 2022 $'M
The Group			
Investment properties	8	–	156
Trade and other receivables		–	9
Trade and other payables		–	(26)
Borrowings		–	(4)
Net assets acquired		–	135
Deferred purchase consideration and other adjustments		–	(44)
Deferred purchase consideration paid in relation to prior year's acquisition of subsidiaries		12	26
Cash outflow on acquisition of subsidiaries		12	117

(c) Disposal of subsidiaries

The list of significant subsidiaries disposed in the six-month period ended 30 June 2023 is as follows:

Name of subsidiary	Date disposed	Effective interest disposed
Zircon Alpha Holdings Pte Ltd	March 2023	80%
Ascendas IT Park (Pune) Private Limited	May 2023	55%

The disposed subsidiary previously contributed net profit of $1 million from 1 January 2023 to the date of disposal.

The list of significant subsidiary disposed in the six-month period ended 30 June 2022 is as follows:

Name of subsidiary	Date disposed	Effective interest disposed
Southernwood Property Pte Ltd	April 2022	65%

The disposed subsidiary previously contributed net profit of $2 million from 1 January 2022 to the date of disposal.

(d) Effects of disposals

The cash flows and net assets of subsidiaries disposed are provided below:

	Note	The Group 30 June 2023 $'M	The Group 30 June 2022 $'M
Investment properties	8	–	1,116
Trade and other receivables		–	2
Assets held for sale		434	–
Cash and cash equivalents		–	13
Trade and other payables		–	(40)
Other current liabilities		–	(7)
Liabilities held for sale		(86)	–
Borrowings		–	(618)
Deferred tax liabilities		–	(25)
Non-controlling interests		(32)	(150)
Equity interest retained as joint venture		–	(3)
Net assets disposed		316	288
Realisation of reserves		(15)	(4)
Gain on disposal of subsidiaries		(31)	120
Sale consideration		270	404
Deferred proceeds and other adjustments		(49)	(2)
Payment received for prior year disposal		49	–
Cash of subsidiaries disposed		–	(13)
Cash inflow on disposal of subsidiaries		270	389

22 Commitments

The Group has the following significant commitments as at balance sheet date.

	The Group 30 June 2023 $'M	The Group 31 December 2022 $'M
Commitments in respect of:		
- capital expenditure contracted but not provided for in the financial statements	36	17
- development expenditure contracted but not provided for in the financial statements	176	374
- capital contribution in associates, joint ventures and investee companies	1,004	940
- purchase of land/properties contracted but not provided for in the financial statements	266	107
	1,482	1,438
Notional principal value of interest rate swaps, forward foreign exchange contracts and cross currency swaps	6,022	5,592

23 Financial Guarantee Contracts and Contingent Liabilities

The Group accounts for its financial guarantees as financial liabilities. At the reporting date, the Group does not consider that it is probable that a claim will be made against the Group under the financial guarantee contracts. Accordingly, the Group does not expect any net cash outflows resulting from the financial guarantee contracts. The Group and the Company issue guarantees only for subsidiaries and related parties.

The Group has the following significant undertakings as at balance sheet date.

(i) As at 30 June 2023, two subsidiaries of the Group have pledged their shares in joint ventures for term loan and revolving facilities of $1,049 million (31 December 2022: $1,076 million) obtained by the joint ventures. As at 30 June 2023, the outstanding amount was $938 million (31 December 2022: $982 million).

(ii) As at 30 June 2023, a subsidiary of the Group has provided several undertakings on cost overrun, security margin and interest shortfall on several basis as well as project completion undertakings on a joint and several basis, in respect of term loan and revolving construction facilities amounting to $173 million (31 December 2022: $351 million) granted to joint ventures. As at 30 June 2023, the amounts outstanding under the term loan and revolving facilities is $99 million (31 December 2022: $224 million).

24 Subsequent Events

(a) On 2 August 2023, CLAS has signed a memorandum of understanding with CLI's wholly owned subsidiary, The Ascott Limited to acquire three lodging properties in London, Dublin and Jakarta at an agreed property value of $531 million. CLAS intends to finance the acquisition with approximately $174 million of gross proceeds to be raised from a placement and preferential offering and other sources of fundings.

(b) On 10 August 2023, CLI has launched a business park development fund, CapitaLand India Growth Fund 2 (CIGF2), with a target fund size of $525 million to invest in Grade A business parks in prime locations across gateway cities in India. Including CLI's equity contribution for 20% stake in the fund, total equity commitment for the first closing is $368 million. CIGF2 has acquired an equity stake of 70% in International Tech Park Chennai, Radial Road from CLI for approximately $95 million as its seed asset.

1. Review of Performance

1(a) Explanatory Notes to Income Statement (Please refer to Page 1)

(A) Revenue

Amidst a challenging macroeconomic environment this year, the Group recorded revenue of $1,345 million for 1H 2023 which is comparable to the revenue of $1,354 million for 1H 2022. With the continued relaxation of travel restriction, the Group registered strong growth in both the fee income from lodging management and rental from lodging properties, underpinned by higher revenue per available unit (RevPau) and occupancy rates across most geographies. However, this was partially offset by the loss of contribution from two offices in Singapore and Korea divested in 2022 as well as the slower than expected recovery of China economy which impacted the operational performance of our properties.

(B) Cost of Sales

In line with lower revenue, cost of sales decreased slightly to $717 million from $720 million in 1H 2022.

(C) Other Operating Income

Other operating income comprises interest income, distribution income, foreign exchange gains, as well as non-recurrent income such as government grants, income from pre-termination of contracts, forfeiture of deposits, write back of impairment of non-trade receivables, and gains from divestment of properties or change of our interests in equity investments (Please refer to page 15).

Other operating income for 1H 2023 decreased by 62% to $74 million (1H 2022: $194 million), mainly due to the absence of portfolio gains and lower distribution income received in the current period. These were partially mitigated by higher interest income received in 1H 2023 attributable to higher interest rates from funds placed with banks.

(D) Administrative Expenses

Administrative expenses comprised staff costs, depreciation, amortisation and other miscellaneous expenses. The Group recorded lower administrative expenses at $219 million in 1H 2023 (1H 2022: $251 million) mainly due to lower staff costs and writeback of an allowance for doubtful receivables.

(E) Other Operating Expenses

Other operating expenses comprised mainly loss from divestment of a property, foreign exchange loss and marked-to-market loss on derivative instruments (Please refer to page 16).

The decrease in other operating expenses in 1H 2023 was mainly attributed to the absence of foreign exchange losses during the period. These were partially offset by a loss from the divestment of a property in India, due to realisation of foreign currency reserve.

(F) Share of Results (net of tax) of Associates and Joint Ventures

Share of results from associates in 1H 2023 fell 8% to $213 million (1H 2022: $232 million) mainly due to lower portfolio gains as well as lower operating performance from associates in China partially mitigated by improved contribution from CICT in Singapore.

Share of results from joint ventures for 1H 2023 decreased by 9% to $41 million (1H 2022: $45 million), mainly due to lower operating performance from the joint venture projects in China.

(G) Taxation expense and adjustments for over or under-provision of tax in respect of prior years

The taxation expense includes current and deferred tax expenses. The current tax expense is based on the statutory tax rates of the respective countries in which the Group operates and takes into account non-deductible expenses, non-taxable income and temporary differences.

The tax expense in 1H 2023 was $31 million (1H 2022: $125 million). The decrease was mainly due to lower tax provision for divestments due to lower asset recycling transactions this year. Included in 1H 2023 tax expenses a reversal of tax provision for prior years of $8 million (1H 2022: $7 million).

(H) Gain/(Loss) from the sale of investments

The net gains/ (losses) from the sale of investments for the six-month period ended 30 June 2023 and 30 June 2022 were as follow:

Six-month period ended 30 June 2023	**PATMI ($'M)**
Queensbay Mall, Malaysia	13
KA Place, Singapore	2
Ascendas IT Park Pune, India	1
Dilution on private placement in CLAR	(9)
	7

Six-month period ended 30 June 2022	**PATMI ($'M)**
CapitaSky, Singapore	71
JCube, Singapore	13
Others	3
	87

1(b) Explanatory Notes to Statement of Comprehensive Income (Please refer to Page 2)

(A) Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations

1H 2023 exchange differences arose mainly from the appreciation of SGD against JPY, USD, MYR and RMB by 4%, 3%, 2% and 1% respectively, partially offset by depreciation of SGD against GBP and EUR by 3% and 2% respectively during the first half of the year.

(B) Effective portion of change in fair value of cash flow hedges

The effective portion of change in fair value of cash flow hedges for 1H 2023 arose mainly from the mark-to-market gains of the Group's interest rate swaps and cross currency swaps contracts which were entered into for hedging purposes.

(C) Share of other comprehensive income of associates and joint ventures

The share of other comprehensive income of associates and joint ventures relates mainly to share of foreign currency translation and hedging reserves. 1H 2023's share of exchange difference arose mainly from the appreciation of RMB against USD by 2%, partially offset by appreciation of SGD against RMB by 1%. The Group's share of effective portion of change in fair value of cash flow hedges for 1H 2023 arose mainly from the mark-to-market gains of the interest rate swap contracts which were entered into by associates and joint ventures.

1(c) Explanatory Notes to Balance Sheet (Please refer to page 3)

(A) Investment Properties

The decrease was mainly due to the reclassification of four lodging properties in France to assets held for sale and foreign currency translation losses, mitigated by the acquisition of two rental housing properties in Japan and capital expenditure on properties under development.

(B) Cash and cash equivalents

The cash balances as at 30 June 2023 included $1.5 billion held at CapitaLand Investment Limited and its treasury vehicles (comprising CLI Treasury Limited and The Ascott Capital Pte Ltd).

(C) Trade and other payables

The decrease was mainly due to the repayment of borrowings for the acquisition of an office building in China.

(D) Borrowings

The increase in the Group’s borrowings was mainly due to the net drawdown of borrowings and debt securities.

1(d) Explanatory Notes to Consolidated Statement of Cash Flows (Please refer to Page 9 – 10)

(A) Cash from operating activities

In 1H 2023, the Group generated net cash from operating activities of $269 million (1H 2022: $309 million), mainly from the recurring cashflow from investment properties portfolio as well as fee income from fee income-related businesses.

(B) Cash from investing activities

Net cash used in investing activities for 1H 2023 was $194 million, mainly associated with the acquisition/development expenditure of investment properties and investments in associates and joint ventures. The cash outflow was partially offset by the proceeds from divestments of investments as well as dividends received from associates and joint ventures.

(C) Cash from financing activities

Net cash used in financing activities for 1H 2023 was $59 million, mainly attributable to dividends paid to shareholders and interest expense paid, partially offset by net proceeds from bank borrowings and debt securities as well as contributions from non-controlling interests.

1(e) Group Overview

	Six-month Period Ended		
	30 June 2023 $'M	**30 June 2022 $'M**	**Better/(Worse) (%)**
Revenue	1,345	1,354	(1)
Earnings before Interest, Tax Depreciation and Amortisation (EBITDA)	757	873	(13)
Finance costs	(239)	(197)	(21)
Profit Before Taxation	448	605	(26)
Total PATMI	**351**	**433**	**(19)**
Comprising:			
Operating PATMI [1]	344	346	(1)
Portfolio gains [2]	7	87	(92)

Notes:

1. *Operating PATMI refers to profit from business operations excluding any gains or losses from divestments, revaluations, and impairments.*

2. *Portfolio gains comprise gains/losses arising from divestments, gains from bargain purchase or re-measurement on acquisitions and realised fair value gains/losses arising from revaluation of investment properties to agreed selling prices of properties.*

Six-month period ended: 30 June 2023 (1H 2023) vs 30 June 2022 (1H 2022)

Revenue

The Group's revenue of $1,345 million for 1H 2023 was marginally lower than 1H 2022 as the lower contribution from Real Estate Investment Business (REIB) was partially mitigated by Fee Related-Income Business (FRB) which registered a 9% growth during the period.

The growth in FRB revenue was mainly driven by lodging management business underpinned by travel recovery globally. The decrease in REIB revenue was mainly due to the absence of contribution from 2 office properties divested in 2022 and lower contribution from properties in China.

Collectively, the Group's two core markets, Singapore and China, accounted for 36% (1H 2022: 39%) of the Group's total revenue. The remaining revenue was contributed by other developed markets (51%) and other emerging markets (13%).

EBITDA

EBITDA for 1H 2023 fell 13% to $757 million as compared to $873 million in 1H 2022 mainly due to lower portfolio gains from asset recycling, the loss of contribution from divested assets in Singapore, Korea and China in 2022 and the absence of performance fees from funds. These were partially mitigated by improved performance from the lodging management business and lodging properties driven by higher RevPau and occupancy from properties in China, Europe and Asia as well as foreign exchange gain and lower operating expenses.

The Group recorded a portfolio loss at EBITDA level of $37 million in 1H 2023 as compared to a portfolio gain of $133 million in 1H 2022 mainly due to the realisation of foreign currency reserve upon the completion of the divestment of a business park in India and dilution loss on the private placement by CLAR.

EBITDA Contribution by Geography

In terms of contribution by geographical segments, approximately $574 million or 76% of the Group's EBITDA were derived from developed markets and $183 million or 24% derived from emerging markets. Collectively, the Group's two core markets, Singapore and China, accounted for 40% and 18% of the Group's EBITDA for 1H 2023 respectively.

Singapore EBITDA declined by $191 million, mainly due to the absence of portfolio gains from the divestment of CapitaSky as well as performance fee from 2 private funds in 1H 2022.

China EBITDA increased by $25 million, mainly due to better performance from lodging properties from higher RevPAU and occupancy 1H 2023.

Finance Cost

Finance costs for 1H 2023 increased 21% to $239 million (1H 2022: $197 million) on the account of higher bank borrowings and interest rates. The Group's implied interest cost for 1H 2023 was higher at 3.7% (FY 2022: 3.1%)

PATMI

Overall, the Group achieved a PATMI of $351 million in 1H 2023, 19% lower than the same period last year as a result of lower velocity in asset recycling activities. Excluding the portfolio gains which are lumpy in nature, the Group's operational performance remains resilient. The operating PATMI for 1H 2023 of $344M was comparable to $346m achieved in the same period last year as the stronger performance from lodging operations and lower operating expenses mitigated the impact of rising interest rates as well as the lower event driven fees from fund management business.

Segment Performance

For financial reporting, the Group's primary segment is based on its strategic businesses. The Group's secondary segment is reported by geographical locations, namely Singapore, China, other emerging markets, and other developed markets.

Fee Income-Related Businesses (FRB)

	Six-month Period Ended		
	30 June 2023 $'M	30 June 2022 $'M	Better/ (Worse) (%)
Revenue	519	476	9
EBITDA	216	225	(4)

Revenue for 1H 2023 comprised fee income from fund management of $208 million (1H 2022: $207 million), lodging management of $159 million (1H 2022: $118 million) and property management of $152 million (1H 2022: $151 million).

The increase in revenue in 1H 2023 mainly came from lodging management business underpinned by improved operating performance due to the easing of travel restrictions and contributions from new management contracts. The fund management business also contributed to the higher revenue as base management fees increased with the growth in funds under management (FUM) to $89 billion as at 30 June 2023 from $86 billion as at 30 June 2022, partially offset by lower event driven fees this year.

1H 2023 EBITDA decreased by 4% mainly due to lower event-driven fees from private funds recognised under other operating income in 1H 2022 as well as higher staff costs as the Group invests in strengthening its fund raising capabilities.

Real Estate Investment Businesses (REIB)

	Six-month Period Ended		
	30 June 2023 $'M	30 June 2022 $'M	Better/ (Worse) (%)
Revenue	932	967	(4)
EBITDA	511	638	(20)

Revenue for 1H 2023 was lower mainly due to absence of contribution from divested properties in Singapore and Korea in 2022 as well as lower contribution from properties in China. These were partially offset by higher rental revenue from the Group's lodging operations, as it registered both RevPau and occupancy growth across most geographies.

The decline in EBITDA for 1H 2023 was mainly attributed to the absence of portfolio gains from asset recycling and the loss of contribution from divested assets in Singapore, Korea and China in 2022.

Corporate and others

	Six-month Period Ended		
	30 June 2023 $'M	30 June 2022 $'M	Better/ (Worse) (%)
Revenue	(106)	(89)	(19)
EBITDA	30	10	200

Corporate includes corporate office costs recovery and group eliminations.

The higher EBITDA was primarily due to higher interest income from fixed deposits and lower operating expenses.

2. Variance from Prospect Statement

The Company released its First Quarter Business Update on 11 May 2023.

The 1H 2023 operating performance was broadly in line with the guidance provided.

3. Commentary of the significant trends and the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Group Overall Prospects

Global economic growth remains relatively muted, although outlooks in certain markets have improved over the last few months. The World Bank[1] has upgraded its 2023 global economic growth estimate to 2.1%, up from its January estimate of 1.7%. However, divergent economic growth trajectories are observed in different markets. Interest rates remain elevated, and while inflation has slowed in some markets, central banks continue to commit to bringing inflation down, raising the prospects of higher interest rates for longer in many markets[2]. Adding to this, ongoing geopolitical tensions and heightened trade risks continue to impact business sentiments.

Against this backdrop, CLI expects to face continued headwinds in transaction activity and fundraising, in addition to operational pressures in markets such as China, Australia, the UK, and Europe. In these markets, CLI also anticipates potential downward pressure on property valuations if market transactions for properties occur at depressed asset values. Nonetheless, CLI's well-diversified portfolio, spanning multiple markets, asset classes, and income streams, should help maintain the resilience of CLI's business during these uncertain times.

CLI remains committed to achieving its target of S$100 billion in funds under management by 2024. CLI's hands-on approach and boots-on-the-ground presence in Asia give it a competitive advantage in managing portfolios and sourcing deals, enabling it to offer differentiated products catering to evolving investor needs. Despite heightened risk concerns and uncertainties in asset prices, CLI continues to exercise prudence in its investment decisions and asset management. CLI continues to be optimistic about its lodging business, given the on-going global travel recovery and is targeting S$500 million in lodging management fee revenue by 2028.

CLI recently refreshed its 2030 Sustainability Master Plan (SMP) with elevated targets, including a 46% reduction in carbon emissions, an increase in renewable energy use to 45%, and a 20% reduction of waste intensity. CLI has also included new targets focused on social impact, human capital development, and employee wellness and diversity, aiming for at least 40% female representation in senior management[3]. CLI remains focused on effective implementation of our 2030 SMP to reach its ESG targets.

[1] Source: Global Economic Prospects, June 2023, World Bank Group

[2] Source: Fed holds off on rate hike, but says two more are coming later this year, 14 June 2023, CNBC

[3] Source: These targets are intended to reflect the organisation-wide goals set by CLI on a group basis, and are intended to be implemented subject to and taking into account (i) fair and equitable employment practices and principles under applicable laws and market practice and (ii) the business and operational needs of the company and the organisation, as applicable.

4. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have neither been audited nor reviewed by our auditors.

5. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of a matter)

Not applicable.

6. Interested Person Transactions

The Company has not sought a general mandate from shareholders for Interested Person Transactions.

7. Confirmation pursuant to Rule 720(1) of the SGX-ST Listing Manual

The Company confirms that it has procured undertakings from all its Directors and executive officers in the form set out in Appendix 7.7 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "Listing Manual"), as required by Rule 720(1) of the Listing Manual.

8. Confirmation Pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited condensed interim financial statements of the Group and the Company (comprising the balance sheet, consolidated income statement, statement of comprehensive income, statement of changes in equity and consolidated statement of cash flows, together with their accompanying notes) as at 30 June 2023 and for the six months ended on that date, to be false or misleading in any material aspect.

On behalf of the Board

Miguel Ko	**Lee Chee Koon**
Chairman	Director

9. In the review of performance, the factors leading to any material changes in contributions to revenue and earnings by the business or geographical segments

Please refer to item 1(e).

10. Breakdown of Group's revenue and profit after tax for first half year and second half year

Not Applicable

11. Breakdown of Total Annual Dividend (in dollar value) of the Company

Not Applicable

BY ORDER OF THE BOARD

Michelle Koh
Company Secretary
11 August 2023

This announcement may contain forward-looking statements. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other developments or companies, shifts in customer demands, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training, property operating expenses), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management regarding future events. No representation or warranty express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this announcement. Neither CapitaLand Investment Limited (CLI) nor any of its affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use of, reliance on or distribution of this announcement or its contents or otherwise arising in connection with this announcement.

The past performance of CLI or any of the listed funds managed by CLI Group (CLI Listed Funds) is not indicative of future performance. The listing of the shares in CLI (Shares) or the units in the CLI Listed Funds (Units) on the Singapore Exchange Securities Trading Limited and Bursa Malaysia Securities Berhad does not guarantee a liquid market for the Shares or Units.

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