



**ANNUAL  
REPORT  
2023**

**CAPITALAND INVESTMENT LIMITED**



# WHERE IDEAS TAKE SHAPE

At CapitaLand Investment Limited (CLI), we remain focused on creating long-term sustainable value for our stakeholders. We bring diverse ideas and leverage our global real estate investment management expertise across our multifaceted businesses - real estate investment trusts and business trusts, private funds, lodging and commercial management - supported by our strong teams on the ground.

The convergence and interconnection of distinct shapes on the cover page capture this essence. It also showcases our dynamic ONE CapitaLand Ecosystem, as we forge ahead together with a shared purpose of making a positive impact.

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# ABOUT US

## OUR GLOBAL PRESENCE

CapitaLand Investment's (CLI) core markets are Southeast Asia, China and India. But our boots on the ground extend far beyond that, to over 260 cities in more than 40 countries across Asia Pacific, Europe, the UK and the USA. Over 90% of our assets under management are in Asia Pacific, reflecting the Group's strong presence in the region. Our real asset management expertise has helped us build up a diversified portfolio of recognisable brands, assets and operating platforms — from retail, office and lodging properties to new economy asset classes such as business parks, industrial, logistics, data centres and self-storage.

### OUR CORE MARKETS



SOUTHEAST ASIA INCL. SINGAPORE



CHINA



INDIA



AUSTRALIA



JAPAN



SOUTH KOREA

### OTHER KEY MARKETS



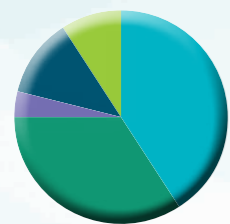
UK AND EUROPE



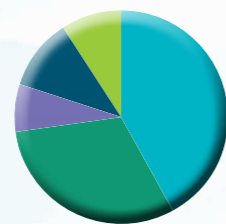
USA



RE AUM<sup>i</sup>  
\$**134** billion<sup>ii</sup>



FUM<sup>iii</sup>  
\$**100** billion<sup>iv</sup>



■ Southeast Asia incl. Singapore	41%	■ Southeast Asia incl. Singapore	42%
■ China	34%	■ China	31%
■ India	4%	■ India	7%
■ Other Asia	12%	■ Other Asia	11%
■ Non-Asia	9%	■ Non-Asia	9%

i RE AUM refers to Real Estate Assets Under Management. Represents total value of real estate managed by CLI Group entities stated at 100% property carrying value. Includes RE AUM of lodging assets which are operational and under development.  
 ii As at 31 December 2023.  
 iii FUM refers to Funds Under Management. Refers to the share of total assets under CLI listed funds and unlisted funds (private funds and/or investment vehicles, including but not limited to programmes, joint ventures and co-investments managed by CLI Group from time to time). Includes announced acquisitions/divestments from listed and private funds not yet completed, committed but undeployed capital for private funds on a leveraged basis and forward purchase contracts.  
 iv As at 27 February 2024.

CapitaLand Investment Limited (CLI) was listed on the Singapore Exchange on 20 September 2021 after a demerger from the development business of CapitaLand Limited, a major global real estate player listed from 2000 to 2021. As a leading listed global real asset manager, we focus on putting our proven track record of investment management and fee income growth to work in order to unlock more long-term value for our shareholders.

**Deep Roots in Asia**

CLI's investment management leadership in Asia began about two decades ago, when we listed Singapore's first two real estate investment trusts (REIT). Today, CLI is Asia Pacific's largest REIT manager by market capitalisation with six listed funds across Singapore and Malaysia. And that is only part of the portfolio of real assets that we have built — our fund management portfolio also comprises an expanding private funds platform comprising more than 30 private vehicles. In total, CLI has close to S\$100 billion of funds under management.

Including assets held by CLI and its funds, as well as assets managed through our global lodging management platform and commercial management platform, CLI has S\$134 billion in real estate assets under management.

**Diversified Play Across Geographies and Sectors**

CLI's global real asset portfolio spreads across more than 260 cities in over 40 countries, covering retail, office, lodging, business parks, industrial, logistics, data centres, and self-storage. In addition, being part of the ONE CapitaLand Ecosystem offers access to the development capabilities and pipeline investment opportunities from CapitaLand's development arm. This makes CLI a unique real asset platform with a full stack of operating capabilities.

**Sustainability At the Core of Everything We Do**

CLI is committed to being a responsible company and places sustainability at the core of what it does. CLI has committed to achieving Net Zero carbon emissions for Scope 1 and 2 by 2050, contributing to the environmental and social well-being of the communities where it operates, as it delivers long-term economic value to its stakeholders.

**We stand committed to our principles and values**



**VISION**

The preferred global real asset manager creating sustainable positive impact



**MISSION**

Creating long-term sustainable returns through responsible capital stewardship and impactful investment in real assets globally



**OUR CORE VALUES**

**Winning Mindset** - passion in pursuing excellence, persevering to overcome difficulties, being bold, courageous and resilient

**Enterprising** - innovative and agile, dare to be different and challenge status quo, sustained interest to learn and grow

**Integrity** - ethical and trustworthy, driven to always do the right thing, caring for our community and environment

**Respect** - being inclusive, collaborative, breaking down silos and embracing diversity, remaining humble and appreciative towards one another

**OUR BUSINESS MODEL**

An integrated ecosystem empowering fee income growth through four distinct products, supported by a strong global real asset portfolio and dedicated local teams.



**Private Funds Management**

- Drive FUM growth
- Deepen and diversify private funds strategies and expand fund raising channels



**Lodging Management**

- Scale via asset-light management and franchise contracts



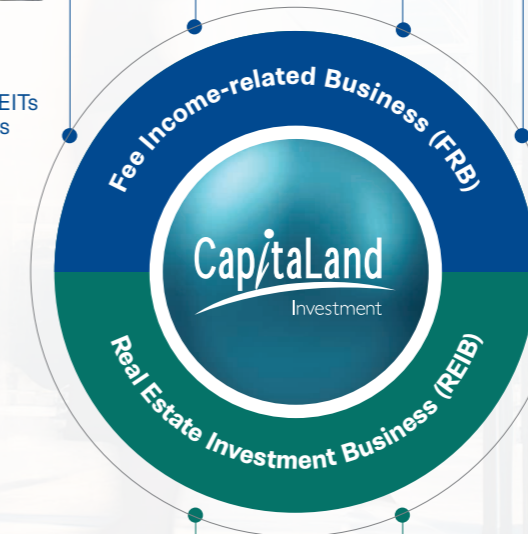
**Listed Funds Management**

- Drive FUM growth
- Maintain organic REITs and Business Trusts growth momentum



**Commercial Management**

- Best-in-class operating platform enabling optimal asset performance
- Grow fee income via third-party management contracts



**Investment Properties**

- Properties on balance sheet generate income and provide pipeline for capital recycling
- Divestment of properties potentially seed growth in fund vehicles

**Sponsor stakes in listed funds and General Partner stakes in private funds**

- Ensure alignment with capital partners and unitholders
- Benefit from income contribution

## FY 2023 PERFORMANCE HIGHLIGHTS



### SUSTAINABLE GROUP RETURNS

REVENUE

**S\$2,784m**

FY 2022: S\$2,876m

REVENUE UNDER MANAGEMENT<sup>1</sup>

**S\$7,768m**

FY 2022: S\$7,557m

TOTAL PATMI

**S\$181m**

FY 2022: S\$861m

PORTFOLIO GAINS

**S\$213m**

FY 2022: S\$222m

OPERATING PATMI

**S\$568m**

FY 2022: S\$609m



### REAL ESTATE INVESTMENT BUSINESS (REIB)

REIB REVENUE

**S\$1,930m**

FY 2022: S\$2,110m

REIB EBITDA

**S\$669m**

FY 2022: S\$1,519m

ASSETS ON DIVESTMENT PIPELINE

**S\$8.6b**

FY 2022: S\$10b



### FEE INCOME-RELATED BUSINESS (FRB)

FRB REVENUE

**S\$1,070m**

FY 2022: S\$984m<sup>2</sup>

FUND MANAGEMENT (FM) FEE-RELATED EARNINGS (FRE)

**S\$410m**

FY 2022: S\$429m

LODGING MANAGEMENT FRE

**S\$331m**

FY 2022: S\$258m

OVERALL ALL-IN FRE/FUM RATIO

**81bps**

FY 2022: 78bps

FM FRE/FUM RATIO

**46bps**

FY 2022: 49bps

COMMERCIAL MANAGEMENT FRE

**S\$329m**

FY 2022: S\$297m



### DISCIPLINED CAPITAL MANAGEMENT

GROUP CASH AND UNUTILISED FACILITIES OF CLI'S TREASURY VEHICLES

**S\$6.4b**

CAPITAL RECYCLED

**S\$2.1b**

FY 2022: S\$3.1b

NET DEBT/EQUITY

**0.56x**

FIXED RATE DEBT

**63%**

IMPLIED INTEREST COST

**3.9% p.a.**

<sup>1</sup> Revenue under management includes the full revenue of CLI's global portfolio, including revenue of its non-consolidated funds and its six listed real estate investment trusts and business trusts. This is used to derive CLI's carbon intensity by revenue which is calculated by total Scope 1 and 2 carbon emissions from its global portfolio divided by revenue under management.

<sup>2</sup> Includes performance fees of S\$29 million from a Vietnam and Singapore fund recognised under other operating income.



# MESSAGE TO SHAREHOLDERS

From left  
**MR MIGUEL KO**  
Chairman

**MR LEE CHEE KOON**  
Group Chief  
Executive Officer

## Dear Shareholder

2023 was a challenging year for CapitaLand Investment (CLI) in several respects, as the global economy confronted a series of macroeconomic and geopolitical challenges. Within the fund management sector, the rapid rise in interest rates to combat inflation impacted capital flows globally, bringing global private equity fundraising to a six-year low<sup>1</sup>, dampening property demand and valuations. While CLI was not immune to these headwinds, we remain confident in the fundamentals of our business model, which focuses on generating resilient and recurring fee income. To this end, we have set a new funds under management (FUM) target of S\$200 billion over the next five years, as we continue to progress on this journey.

## TURNING CHALLENGES INTO OPPORTUNITIES.

Since CLI's listing in 2021, our commitment to creating positive, sustainable value for our stakeholders has remained unwavering. CLI's core operating strengths: a strong balance sheet and disciplined capital management, a growing global network of trusted capital partners, and our commitment to asset management and operating excellence, have provided us with the ability and confidence to build on a strong foundation, as we strive to become a leading global real asset manager.

We believe that periods of uncertainty often reveal interesting investment opportunities. We continue to invest in the thematic and tactical investment strategies that we have identified, rebalance capital allocations and risks across our markets, and grow in an asset-light manner through our four principal Fee Income-related Business (FRB): Private Funds Management, Listed Funds Management, Lodging Management and Commercial Management. Together, these FRB pillars increased CLI's total fee revenue by 9% year-on-year (YoY) to S\$1.1 billion.

### Multi-pronged approach to grow fund management.

In 2023, reflecting a higher cost of capital in many markets, we tapped into global investors' requirements for higher-return investments, successfully raising S\$3.5 billion of equity commitments through our private funds.

Along thematic lines, CLI launched the CapitaLand Wellness Fund (C-WELL), a value-add fund that invests in healthcare and wellness-related real estate to capitalise on the emerging "longevity economy" in Southeast Asia. We also incepted a follow on Grade A business park

development fund in India and a China data centre fund, in line with the investable megatrends of demographic changes, supply chain resilience, and digitalisation.

Tactically, we launched a China special situations programme and have already deployed capital into two assets, which we are repositioning for higher returns. We continued to cater to healthy investor demand from domestic Chinese institutions through our Renminbi funds. In December, we divested 95% of our stake in Capital Square Beijing, a Grade A office building in China's capital city, to a leading domestic insurance company, under which we will continue to manage and generate fee income from the asset.

In our listed funds platform, we deployed S\$1.2 billion towards new economy and lodging assets and recycled more than S\$530 million of assets to strategically reconstitute portfolios. We also continue to focus on value creation through asset enhancement and redevelopment opportunities, totalling more than S\$740 million in committed expenditure.

In our private funds business, a total of S\$1.5 billion was deployed, mostly via our fund launches in 2023. This includes notable progress with CapitaLand Open End Real Estate Fund, CLI's flagship regional core-plus private fund, with S\$250 million investments in Japan and South Korea.

CLI's FUM<sup>2</sup> grew to S\$100 billion as at the end of February 2024, an increase from S\$96 billion the previous year. This includes close to S\$10 billion of dry powder, which we are committed to deploying in a disciplined manner. Correspondingly, our recurring base fees registered an increase of 9% YoY, mitigating the decline in event-driven fund management fees due to subdued deal activity.

### Lodging in the spotlight.

We made significant progress in Lodging Management. We achieved a record year of fee income-related earnings (FRE) of S\$331 million and the highest number of property openings, with nearly 9,600 units turning operational in 2023. The strong performance was underscored by our diverse portfolio of brands and strategic presence in new destinations.

For the full year, Lodging Management's Revenue per Available Unit grew 20% over 2022 from higher average daily rates and occupancies. 77 new properties across all brands were signed in 2023.

<sup>1</sup> Private equity fundraising plunges to 6-year low in 2023 | S&P Global Market Intelligence (spglobal.com).

<sup>2</sup> FUM includes announced acquisitions/divestments from listed and private funds not yet completed, committed but undeployed capital for private funds on a leveraged basis and forward purchase contracts.

# MESSAGE TO SHAREHOLDERS

The strong growth trajectory enabled Lodging Management to surpass its year-end target of securing 160,000 units in March 2023, well ahead of schedule.

As we commemorate The Ascott Limited's (Ascott) 40th anniversary in 2024, we have set a new target of doubling fee revenue to more than S\$500 million by 2028. This objective will be realised by continuously enhancing our ability to meet guest demand, foster customer loyalty, and drive returns. Additionally, we will expand our portfolio of global brands and pursue the right strategic acquisitions, as demonstrated by the successful purchase of Oakwood Worldwide in 2022, which has already seen a 20% growth in terms of unit numbers, positioning us well to achieve our target.

## Commercial Management: a resilient contributor.

A proven and resilient fee contributor (comprising around 30% of the total FRB revenue), Commercial Management derives most of its recurring fee income from asset and property management.

To harness CLI's long-standing domain expertise and capabilities across asset classes in our core markets, we are expanding our services to cater to third party-owned commercial assets, enhancing the economies of scale within CLI's portfolio.

Since 3Q 2023, we have secured five contracts in Singapore and China, including our recent appointment as the new retail operator of the Singapore Sports Hub and four retail projects under development in China which CLI will manage upon opening the assets.

## FY 2023 FINANCIAL PERFORMANCE.

Notwithstanding our growth and recycling efforts in 2023, CLI's Total Profit After Tax and Minority Interests (PATMI) reflected the challenges during the year, declining by 79% YoY to S\$181 million. This was mostly due to unrealised non-cash impairment and revaluation losses of S\$600 million in CLI's properties. The properties are largely concentrated in China, where the operating environment was weaker, and in the USA, through a broad-based expansion of capitalisation rates. The Group's diversified investments helped to mitigate the weakness in these markets, with fair value gains of S\$209 million in Singapore and India.

The cash components of the Total PATMI for FY 2023 remained resilient at S\$781 million. While Operating PATMI for FY 2023 dipped by 7% YoY to S\$568 million, mostly because of lower contribution from our Real Estate Investment Business (REIB) segment, FRB

contribution remained largely stable. Reflecting the transition in our business model to grow our four fee income businesses and attain greater capital efficiency, Operating PATMI attributed to FRB grew from 40% since listing in 2021 to 54% in FY 2023.

Contributions from portfolio gains were S\$213 million, a dip of 4% YoY. This was despite having only executed around three-quarters of our divestment target of S\$3 billion due to the subdued transaction environment.

In line with our commitment to maintaining a core dividend payout and in view of the resilient Cash PATMI delivered, we are delighted to propose a first and final cash dividend of 12 Singapore cents, unchanged from 2022.

In 2023, we also executed S\$64 million in appropriately timed share buybacks, with an additional S\$92 million conducted thus far this year<sup>3</sup>.

## COMMITTED TO DISCIPLINED CAPITAL MANAGEMENT AND OPTIMAL CAPITAL EFFICIENCY.

As we continue to transform CLI, we will prioritise strict financial discipline which has kept us resilient in the face of headwinds and positioned us for growth.

This includes proactively managing our interest costs through disciplined debt tranching, balancing fixed and variable rates across maturity profiles and markets. Despite a surge in interest rates, we have maintained relatively stable borrowing costs below 4% for FY 2023. Our net debt-to-equity ratio of 0.56 times provides us with ample headroom to pursue growth opportunities. Furthermore, we will continue capital recycling of at least S\$3 billion of gross asset divestments annually to improve capital efficiency and expand our capacity for growth.

We remain disciplined in improving capital efficiency by maintaining an average stake of 20% across new private funds in 2023, and sponsor's stakes of less than 30% across all our listed funds, with CLMT as a current exception.

## REORGANISED FOR ACTION: BUILDING CAPABILITIES.

Since restructuring, we have increased staffing of investment and asset management professionals across mid-to-senior management levels, bolstering our growth in fundraising and deal sourcing skill sets.

As a company, we are dedicated to fostering a high-performance environment, underpinned by a meritocracy of ideas, empowerment, and mutual respect. Our commitment to our people's well-being is evident through our 84% employee engagement score. The results of our 2023 global employee survey reflect the importance of our core values and employee well-being. We also invest in the development of our teams, and to date, we have delivered over 360,000 hours of learning opportunities.

Beyond elevating our employees' capabilities, future-proofing our organisation through innovation and digital transformation is an important component in CLI's competitiveness and resilience. In 2023, our digital rewards programmes such as CapitaStar powered tenant sales by 8% and 33% in Singapore and China respectively, while eCapitaVoucher sales grew 55%. Artificial Intelligence (AI) featured in a significant way with digital innovations such as 'Genie AI', a chatbot for staff that answers questions on the Group's internal policies, 'Cubby', a web chatbot that enhances the booking process for travellers, and a Global City Ranking Index that analyses investment potential in various markets for CLI.

## KEEPING SUSTAINABILITY AT THE CORE OF WHAT WE DO.

In 2023, we elevated our environmental, social and governance efforts with our refreshed 2030 Sustainability Master Plan (SMP). The SMP incorporated our goal of reaching Net Zero carbon emissions for Scope 1 and 2 by 2050 and expanded our social and governance focus with new targets. We stepped up our decarbonisation efforts with support from the CapitaLand Innovation Fund, and the piloting of new technologies crowdsourced globally through our CapitaLand Sustainability X Challenge.

## WHAT LIES AHEAD?

The early months of 2024 have signalled the prospect of improved sentiment and stability. This has enabled us to get a head start on our targets for the year. We have, to date, deployed more than S\$1.3 billion of capital, including our maiden asset investments for C-WELL and the CapitaLand SEA Logistics Fund, as well as recycled more than S\$450 million of assets which were transferred from CLI's balance sheet to newly launched private funds such as CapitaLand Ascott Residence Asia Fund II and a core logistics Japanese Yen fund in Japan.

Our strategy to achieve the new FUM target of S\$200 billion in the next five years involves a combination of organic growth and strategic acquisitions.

We expect to continue to enjoy favourable macroeconomic and market fundamentals in our core markets of Southeast Asia and India. We also foresee organic growth across all four FRB verticals.

In China, where almost half of our S\$9 billion divestible balance sheet assets are located, capital recycling will play a crucial role in further diversifying our capital allocation and exposure. Additionally, we will redeploy capital into domestic capital partnerships to better position our China business in the long-term.

In our other markets of Australia, Japan, South Korea, Europe, the UK and the USA, we aim to accelerate our FUM growth by diversifying our product range and expanding our network of capital partners.

In Lodging and Commercial Management, we will continue building upon the healthy momentum achieved in order to unlock scale advantages and margin growth.

To complement our organic growth, we are searching for suitable strategic acquisitions. As with all our endeavours, we will remain faithful to our mission to create long-term value for our shareholders and capital partners through disciplined execution.

## IN CLOSING...

Our first thank you goes to our people—our global staff and managers for their hard work and to our board of directors for their continued support and valuable guidance. We welcome onboard Ms. Belita Ong, our newest Non-Executive Independent Director, who brings extensive global experience in capital markets and money management. With much appreciation, we thank Mr. Kee Teck Koon for his years of guidance and stewardship as he will be stepping down after the upcoming Annual General Meeting. He was instrumental in enhancing risk management at CLI, enabling our company to be recognised with the Best Risk Management Award at the 2023 Singapore Corporate Awards. Thanks also to our many business partners for joining us on our growth journey. And most of all, thank you, our shareholder, for your unwavering support and continued belief in our vision.

Sincerely



**MIGUEL KO**  
Chairman



**LEE CHEE KOON**  
Group Chief Executive Officer

<sup>3</sup> For the period from 1 January 2024 to 27 February 2024.



# OUR BOARD OF DIRECTORS

*From left*  
Helen Wong Siu Ming, Tan Sri Abdul Farid Alias, Kee Teck Koon, Belita Ong, Miguel Ko, Lee Chee Koon, David Su Tuong Sing, Judy Hsu Chung Wei, Chaly Mah Chee Kheong, Anthony Lim Weng Kin, Gabriel Lim Meng Liang

## OUR BOARD OF DIRECTORS



**Miguel Ko**  
Chairman  
Non-Executive Non-Independent Director



**Lee Chee Koon**  
Group Chief Executive Officer  
Executive Non-Independent Director



**Anthony Lim Weng Kin**  
Lead Independent Director  
Non-Executive Independent Director



**Chaly Mah Chee Kheong**  
Non-Executive Independent Director



**Kee Teck Koon**  
Non-Executive Independent Director



**Gabriel Lim Meng Liang**  
Non-Executive Independent Director



**Judy Hsu Chung Wei**  
Non-Executive Independent Director



**David Su Tuong Sing**  
Non-Executive Independent Director



**Helen Wong Siu Ming**  
Non-Executive Independent Director



**Tan Sri Abdul Farid Alias**  
Non-Executive Independent Director



**Belita Ong**  
Non-Executive Independent Director



# OUR BOARD OF DIRECTORS

## MIGUEL KO, 71

Chairman  
Non-Executive Non-Independent Director

- Bachelor of Arts in Economics, University of Massachusetts, Boston, USA
- Master of Business Administration, Suffolk University, USA
- Certified Public Accountant by the State of New Hampshire Board of Accountancy, New Hampshire, USA

### Date of first appointment as a Director

2 June 2021

### Date of appointment as Chairman

2 June 2021

### Date of last reelection as a Director

25 April 2023

### Length of service as a Director (as at 31 December 2023)

4 years 4 months<sup>1</sup>

#### Board committees serving on

- Executive Committee (Chairman)
- Executive Resource and Compensation Committee (Member)
- Nominating Committee (Member)
- Strategy and Sustainability Committee (Member)

#### Present principal commitments

- CapitaLand Group Pte. Ltd.<sup>2</sup> (Deputy Chairman)
- CapitaLand Investment Limited (Chairman)

#### Other major appointments

- CapitaLand Hope Foundation (Chairman)
- CLA Real Estate Holdings Pte. Ltd. (Deputy Chairman)

#### Past directorships in other listed companies held over the preceding five years

- Ascendas Funds Management (S) Limited (Manager of Ascendas Real Estate Investment Trust) (Vice Chairman)
- Managers of Ascendas Hospitality Trust<sup>3</sup> (Chairman)
- CapitaLand Limited<sup>4</sup>

#### Awards

- Lifetime Achievement Award in 2021 (Hotel Investment Conference Asia Pacific - HICAP)
- Lifetime Achievement Award in 2012 (China Hotel Investment Conference, Shanghai)
- Regional Hotel Chief of the Year in 2007 and 2008 (voted by Readers of Travel Weekly)
- Visionary Leader in 2007 (Travel Weekly Asia Industry Awards)
- Global Award in 2007 (World Travel Mart in London)

## LEE CHEE KOON, 49

Group Chief Executive Officer  
Executive Non-Independent Director

- Bachelor of Science in Mechanical Engineering, National University of Singapore
- Master of Science in Advanced Mechanical Engineering, Imperial College London, UK

### Date of first appointment as a Director

1 July 2019<sup>5</sup>

### Date of last reelection as a Director

29 April 2022

### Length of service as a Director (as at 31 December 2023)

5 years<sup>1</sup>

#### Board committees serving on

- Executive Committee (Member)
- Strategy and Sustainability Committee (Member)

#### Present principal commitment

- CapitaLand Investment Limited (Group Chief Executive Officer and Executive Director)

#### Other major appointments

- CapitaLand Group Pte. Ltd.<sup>2</sup> (Director)
- CapitaLand Hope Foundation (Director)
- National Parks Board (Board Member)
- St. Joseph's Institution International Elementary School Ltd (Member of the Board of Governors)
- St. Joseph's Institution International Ltd (Member of the Board of Governors)

#### Past directorships in other listed companies held over the preceding five years

- CapitaLand China Trust Management Limited (Manager of CapitaLand China Trust)
- CapitaLand Commercial Trust Management Limited (Manager of CapitaLand Commercial Trust<sup>6</sup>)
- CapitaLand Limited<sup>4</sup>
- Managers of Ascott Residence Trust<sup>7</sup>

#### Award

- Outstanding Chief Executive of the Year at the Singapore Business Awards 2022

## ANTHONY LIM WENG KIN, 65

Lead Independent Director  
Non-Executive Independent Director

- Bachelor of Science, National University of Singapore
- Advanced Management Program, Harvard Business School, USA

### Date of first appointment as a Director

3 June 2021

### Date of last reelection as a Director

Not applicable

### Length of service as a Director (as at 31 December 2023)

6 years 4 months<sup>1</sup>

#### Board committees serving on

- Executive Resource and Compensation Committee (Member)
- Nominating Committee (Member)
- Strategy and Sustainability Committee (Chairman)

#### Present directorship in other listed company

- DBS Group Holdings Ltd.

#### Present principal commitments (other than directorship in other listed company)

- CapitaLand Investment Limited (Lead Independent Director)
- Institute of International Education (Member of Scholar Rescue Fund Selection Committee)
- Non-Resident Ambassador of the Republic of Singapore to the Republic of Colombia
- Queensway Secondary School (Member of School Advisory Committee)

#### Other major appointment

- CapitaLand Hope Foundation (Director)

#### Past directorship in other listed company held over the preceding five years

- CapitaLand Limited<sup>4</sup>

As the Lead Independent Director, Mr Anthony Lim is available to shareholders if they have concerns relating to matters that contact through the normal channels of the Chairman or Group CEO has failed to resolve or where such contact is inappropriate. Mr Lim may be contacted at [notify.secretariat@capitaland.com](mailto:notify.secretariat@capitaland.com).

<sup>1</sup> Includes the relevant period of service as a director of CapitaLand Limited (now known as CapitaLand Group Pte. Ltd.), and, for Mr Lee Chee Koon, excludes his period of service as a Director of the Company (then known as CapitaLand Financial Limited) during the period from 1 May 2018 to 15 September 2018.

<sup>2</sup> Previously known as CapitaLand Limited, which was delisted from the Official List of the Singapore Exchange Securities Trading Limited on 21 September 2021.

<sup>3</sup> Managers of Ascendas Hospitality Trust comprising Ascendas Hospitality Fund Management Pte Ltd (Manager of Ascendas Hospitality Real Estate Investment Trust, or "A-HREIT") and Ascendas Hospitality Trust Management Pte. Ltd. (Trustee-Manager of Ascendas Hospitality Business Trust, or "A-HBT"). Ascendas Hospitality Trust (a stapled group comprising A-HREIT and A-HBT) was delisted from the Official List of the Singapore Exchange Securities Trading Limited on 3 January 2020.

<sup>4</sup> CapitaLand Limited was delisted from the Official List of the Singapore Exchange Securities Trading Limited on 21 September 2021.

<sup>5</sup> Mr Lee Chee Koon was a Director of the Company (then known as CapitaLand Financial Limited) for a brief period from 1 May 2018 to 15 September 2018, when it was a wholly-owned subsidiary of CapitaLand Limited (now known as CapitaLand Group Pte. Ltd.).

<sup>6</sup> CapitaLand Commercial Trust was delisted from the Official List of the Singapore Exchange Securities Trading Limited on 3 November 2020.

<sup>7</sup> Managers of Ascott Residence Trust (now known as CapitaLand Ascott Trust) comprising Ascott Residence Trust Management Limited (now known as CapitaLand Ascott Trust Management Limited) (Manager of Ascott Real Estate Investment Trust (now known as CapitaLand Ascott Real Estate Investment Trust), or "CLAS Reit") and Ascott Business Trust Management Pte. Ltd. (now known as CapitaLand Ascott Business Trust Management Pte. Ltd.) (Trustee-Manager of Ascott Business Trust (now known as CapitaLand Ascott Business Trust), or "CLAS BT"). Ascott Residence Trust (now known as CapitaLand Ascott Trust) is a stapled group comprising CLAS Reit and CLAS BT with effect from 31 December 2019.

# OUR BOARD OF DIRECTORS

## CHALY MAH CHEE KHEONG, 68

Non-Executive Independent Director

- Bachelor of Commerce, University of Melbourne, Australia
- Fellow, Institute of Chartered Accountants, Australia and New Zealand
- Fellow, Certified Practising Accountants, Australia
- Fellow, Institute of Singapore Chartered Accountants
- Fellow, Association of Chartered Certified Accountants, UK

**Date of first appointment as a Director**  
2 June 2021

**Date of last reelection as a Director**  
25 April 2023

**Length of service as a Director (as at 31 December 2023)**  
6 years 11 months<sup>8</sup>

### Board committees serving on

- Audit Committee (Chairman)
- Executive Committee (Member)

### Present directorship in other listed company

- Netlink NBN Management Pte. Ltd. (Manager of Netlink NBN Trust) (Chairman)

### Present principal commitment (other than directorship in other listed company)

- Surbana Jurong Private Limited (Chairman)

### Other major appointments

- Flipkart Private Limited (Director)
- Monetary Authority of Singapore (Director)
- National University of Singapore (Member of the Board of Trustees)
- Non-Resident Ambassador of the Republic of Singapore to the Republic of Costa Rica
- SG Eco Fund (Member of Board of Trustees)

### Past directorship in other listed company held over the preceding five years

- CapitaLand Limited<sup>9</sup>

### Awards

- Public Service Star (BBM) Singapore National Day Award 2022
- Public Service Medal (PBM) Singapore National Day Award 2014

## KEE TECK KOON, 67

Non-Executive Independent Director

- Bachelor of Arts, University of Oxford, UK
- Master of Arts, University of Oxford, UK

**Date of first appointment as a Director**  
25 June 2021

**Date of last reelection as a Director**  
Not applicable

**Length of service as a Director (as at 31 December 2023)**  
9 years 3 months<sup>8</sup>

### Board committees serving on

- Executive Committee (Member)
- Risk Committee (Chairman)

### Present principal commitments

- NTUC Enterprise Co-operative Limited (Deputy Chairman)
- NTUC Fairprice Co-operative Limited (Chairman)
- NTUC Fairprice Foundation Ltd (Chairman)

### Other major appointments

- Changi Airport Group (Singapore) Pte. Ltd. (Director)
- Income Insurance Limited (Board Advisor)
- Mandai Park Holdings Pte. Ltd. (Director)
- Singapore Labour Foundation (Member of Angsana Fund Investment Committee)
- Tangram Asia Capital LLP (Director)
- Trust Bank Singapore Limited (Director)

### Past directorships in other listed companies held over the preceding five years

- CapitaLand Limited<sup>9</sup>
- Raffles Medical Group Ltd

### Awards

- The Meritorious Service Award by the National Trade Union Congress (NTUC) in 2021
- The Public Service Star Medal (BBM) by the Singapore Government in 2021

## GABRIEL LIM MENG LIANG, 48

Non-Executive Independent Director

- Bachelor of Arts in Economics, University of Cambridge, UK
- Master of Science in Economics, London School of Economics, UK
- Master of Science in Management, University of Stanford, USA

**Date of first appointment as a Director**  
2 June 2021

**Date of last reelection as a Director**  
25 April 2023

**Length of service as a Director (as at 31 December 2023)**  
6 years 4 months<sup>8</sup>

### Board committees serving on

- Nominating Committee (Chairman)
- Risk Committee (Member)

### Present principal commitment

- Ministry of Trade and Industry (Permanent Secretary)

### Other major appointments

- East Asian Institute (Member of the Management Board)
- National Research Foundation (Director)
- St. Joseph's Institution International Elementary School Ltd (Member of the Board of Governors)
- St. Joseph's Institution International Ltd (Member of the Board of Governors)
- St. Joseph's Institution International Preschool Ltd (Member of the Board of Governors)

### Past directorship in other listed company held over the preceding five years

- CapitaLand Limited<sup>9</sup>

## JUDY HSU CHUNG WEI, 60

Non-Executive Independent Director

- Bachelor of Science in Microbiology, University of British Columbia, Canada
- Master of Business Administration in Finance, University of British Columbia, Canada

**Date of first appointment as a Director**  
1 June 2021

**Date of last reelection as a Director**  
29 April 2022

**Length of service as a Director (as at 31 December 2023)**  
2 years 7 months<sup>8</sup>

### Board committees serving on

- Executive Resource and Compensation Committee (Chairman)
- Risk Committee (Member)

### Present principal commitment

- Standard Chartered Bank (CEO of Consumer, Private and Business Banking)

### Other major appointments

- Hype Records Pte Ltd (Director)
- Trust Bank Singapore Limited (Chairman)

### Past directorship in other listed company held over the preceding five years

- CapitaLand Limited<sup>9</sup>

<sup>8</sup> Includes the relevant period of service as a director of CapitaLand Limited (now known as CapitaLand Group Pte. Ltd.).

<sup>9</sup> CapitaLand Limited was delisted from the Official List of the Singapore Exchange Securities Trading Limited on 21 September 2021.

# OUR BOARD OF DIRECTORS

## DAVID SU TUONG SING, 52

Non-Executive Independent Director

- Bachelor of Applied Science in Computer Engineering, Nanyang Technological University, Singapore

### Date of first appointment as a Director

1 January 2022

### Date of last reelection as a Director

29 April 2022

### Length of service as a Director (as at 31 December 2023)

2 years

#### Board committees serving on

- Audit Committee (Member)
- Strategy and Sustainability Committee (Member)

#### Present principal commitments

- Business China (Director)
- Matrix Partners China (Founding Managing Partner)
- MPC Management Pte. Ltd. (previously known as Matrix Partners Singapore Management Private Ltd.) (CEO)

#### Other major appointments

- EDBI Pte. Ltd. (Director)
- Nanyang Technological University (Member of the Board of Trustees)

## HELEN WONG SIU MING, 67

Non-Executive Independent Director

- Bachelor of Science in Biology, University of Dayton, Ohio, USA
- Master of Business Administration in Finance, Fordham University, New York, USA

### Date of first appointment as a Director

1 January 2022

### Date of last reelection as a Director

29 April 2022

### Length of service as a Director (as at 31 December 2023)

2 years

#### Board committees serving on

- Audit Committee (Member)
- Risk Committee (Member)
- Strategy and Sustainability Committee (Member)

#### Present directorship in other listed company

- Aseana Properties Limited

#### Present principal commitment (other than directorship in other listed company)

- LAPIS Global Limited (Director and CEO)

#### Other major appointment

- Lingotto Singapore Pte. Ltd. (Director)

## TAN SRI ABDUL FARID ALIAS, 56

Non-Executive Independent Director

- Bachelor of Science in Accounting, Pennsylvania State University, University Park, USA
- Master of Business Administration (Finance), University of Denver, USA
- Advanced Management Program, Harvard Business School
- Fellow Chartered Banker, Asian Institute of Chartered Bankers

### Date of first appointment as a Director

1 January 2023

### Date of last reelection as a Director

25 April 2023

### Length of service as a Director (as at 31 December 2023)

1 year

#### Board committees serving on

- Audit Committee (Member)
- Risk Committee (Member)

#### Present directorships in other listed companies

- Bursa Malaysia Berhad
- CelcomDigi Berhad

#### Other major appointment

- Asian Institute of Chartered Bankers (Council Member)

#### Past directorships in other listed companies held over the preceding five years

- Malayan Banking Berhad
- PT Bank Maybank Indonesia Tbk

#### Awards

- Winner of The William "Bill" Seidman Awards for Lifetime Achievement in Leadership in the Financial Services Industry at The Asian Banker Leadership Achievement Awards 2022
- Outstanding CEO & Value Creator by The Edge Billion Ringgit Club in 2021
- Best CEO for Investor Relations (Large Cap) at the Malaysia Investor Relations Awards 2019
- CEO of The Year at the ASEAN Business Awards Malaysia 2015
- CNBC Asia Business Leader Award for Corporate Social Responsibility in 2015

## BELITA ONG, 66

Non-Executive Independent Director

- Bachelor of Arts (Honours) in Mathematics and Economics, University of Cambridge, UK
- Master of Arts in Mathematics and Economics, University of Cambridge, UK

### Date of first appointment as a Director

1 January 2024

### Date of last reelection as a Director

Not applicable

### Length of service as a Director (as at 31 December 2023)

Not applicable

#### Board committees serving on

- Executive Resource and Compensation Committee (Member)
- Risk Committee (Member)

#### Present principal commitment

- Dalton Investments LLC (Chairman)

#### Other major appointments

- Federal Reserve Bank of New York (Member of Investor Advisory Committee on Financial Markets)
- Elings Park Foundation (Director)

#### Award

- President's Scholarship and Overseas Merit Scholarship from the Government of Singapore

# OUR SENIOR LEADERSHIP COUNCIL

**Lee Chee Koon**  
Group Chief Executive Officer



**Andrew Lim**  
Group Chief Operating Officer



**Chris Chong**  
Chief Executive Officer Retail & Workspace (Singapore and Malaysia)



**Ervin Yeo**  
Group Chief Strategy Officer (CLI), Chief Executive Officer Commercial Management, China



**Janine Gui**  
Chief M&A Officer (CLI) and Deputy CEO CLI International



**Kevin Goh**  
Chief Executive Officer Lodging



**Manohar Khiatani**  
Senior Executive Director



**Michelle Koh**  
General Counsel



**Patricia Goh**  
Chief Executive Officer Southeast Asia Investment



**Paul Tham**  
Group Chief Financial Officer



**Puah Tze Shyang**  
Chief Executive Officer China



**Quah Ley Hoon**  
Group Chief Corporate Officer



**Simon Treacy**  
Chief Executive Officer Private Equity Real Estate, Real Assets



**Tan Seng Chai**  
Senior Executive Director



**Tony Tan**  
Chief Executive Officer CapitaLand Integrated Commercial Trust Management Limited



**Vinamra Srivastava**  
Chief Sustainability and Sustainable Investments Officer



**William Tay**  
Chief Executive Officer CapitaLand Ascendas REIT Management Limited



# OUR SENIOR LEADERSHIP COUNCIL

## LEE CHEE KOON

Group Chief Executive Officer

Chee Koon is the Group CEO of CapitaLand Investment Limited (CLI), a position he has held since the company's listing in September 2021. Prior to that, he was the President and Group CEO of CapitaLand Group (CapitaLand) from 2018 to 2021. During his tenure as Group CEO of CapitaLand, Chee Koon led the strategic merger between the company and Ascendas-Singbridge in 2019. This merger bolstered CapitaLand's presence in the business park, industrial and logistics segments, and significantly expanded its global footprint, as well as its fund management and lodging management platforms. This merger also made CapitaLand one of the largest diversified real estate companies in Asia and laid the groundwork for its subsequent corporate restructuring in 2021 that created CLI.

Chee Koon joined CapitaLand in 2007 and held several appointments within the Group, including CEO of The Ascott Limited (Ascott) and Group Chief Investment Officer of CapitaLand, before becoming CapitaLand's President and Group CEO.

Chee Koon is the winner of the Singapore Business Awards 2022's "Outstanding Chief Executive of the Year".

Chee Koon holds a Mechanical Engineering degree from the National University of Singapore. He also holds a Master of Science degree in Advanced Mechanical Engineering from Imperial College London, United Kingdom.

## ANDREW LIM

Group Chief Operating Officer

Andrew is the Group COO at CLI, responsible for management oversight of country operations. He also oversees the Group's sustainability function.

Prior to this appointment, Andrew was the Group CFO of CLI from September 2021 to December 2022. Before that, he was the Group CFO of CapitaLand from 2017 to 2021, where he oversaw the Group's finance functions and corporate-level mergers and acquisitions, including the landmark merger with Ascendas-Singbridge in 2019. He was a key architect in the successful restructuring of CapitaLand in 2021.

Before joining CapitaLand, Andrew was an investment banker at HSBC Bank for 12 years, rising to the position of Managing Director and Head of Southeast Asia Advisory Coverage, Real Estate and Hospitality.

Andrew holds a Bachelor of Commerce degree and a Master of Business Administration from the Rotman School of Business at the University of Toronto. He is also a Chartered Financial Analyst charterholder.

## CHRIS CHONG

Chief Executive Officer  
Retail and Workspace (Singapore and Malaysia)

Chris is the CEO of Retail and Workspace (Singapore and Malaysia) of CLI, responsible for the transformation strategy and development of new retail and workspace concepts. He also oversees asset management and operations in these two countries, including for CapitaLand Integrated Commercial Trust, CapitaLand Ascendas REIT, and CapitaLand Malaysia Trust.

Prior to his current appointment, Chris was the Managing Director of CapitaLand Retail for Singapore and Malaysia. Chris was previously the CEO of Orchard Turn Developments, a joint venture company between CapitaLand and Sun Hung Kai Properties.

Before joining CapitaLand, Chris was the Head of Asset Management for Starhill Global REIT from 2013 to 2018. He previously also held senior positions in the Singapore Economic Development Board and Moët Hennessy Louis Vuitton in Paris, Hong Kong, and Singapore.

Chris is a Chartered Alternative Investment Analyst and holds an Electrical Engineering degree from a French Grande Ecole, a Master of Information Networking from Carnegie Mellon University, USA, and a Master of Financial Management and Control from ESSEC, Paris.

## ERVIN YEO

Group Chief Strategy Officer (CLI),  
Chief Executive Officer  
Commercial Management, China

Ervin Yeo is appointed Group Chief Strategy Officer of CLI on 1 April 2024. In this role, Ervin is responsible for developing and executing CLI's strategic initiatives on a global scale. Ervin is concurrently CEO, Commercial Management, China at CLI, a role he has assumed since 2022, overseeing CLI's commercial and asset management business across China, including integrated development, retail, office, business park and logistics.

Prior to his current appointment, Ervin was based in Singapore as Southeast Asia's Managing Director for Ascott, the Group's lodging arm, and concurrently responsible for Ascott's strategic planning. He also served as Senior Vice President, Special Projects, supporting the Group CEO to drive and coordinate special projects across the different businesses.

Before joining CapitaLand in 2015, Ervin worked in Singapore's public sector. Across his career, Ervin has been based in Tianjin and Shanghai in China, as well as New York and Washington D.C in USA.

Ervin holds a degree in Ethics, Politics, and Economics from Yale University, USA.

## JANINE GUI

Chief M&A Officer (CLI) and  
Deputy CEO, CLI International

Janine is the Chief M&A Officer at CLI, responsible for leading the identification and execution of mergers and acquisitions (M&A) opportunities globally to accelerate and scale CLI's businesses through inorganic growth. She is also concurrently the Deputy CEO, CLI International, responsible for international investment and portfolio management for CLI's businesses in Australia, Europe, Japan, South Korea, the UK and the USA.

Prior to her current role, Janine was the Managing Director and Head, Group Strategic Investment, where she led and executed M&As for Singapore and international markets, including restructuring and corporate transactions. She was the deal lead for CapitaLand's milestone merger with Ascendas-Singbridge in 2019, as well as the restructuring of CapitaLand and listing of CLI in 2021. She has also served as the Head of CapitaLand International (USA) and led the Group's maiden acquisition of the multifamily portfolio in the USA. Her other former roles also include overseeing corporate asset management in Ascott, lodging M&A initiatives, and fund management.

Before joining CapitaLand, Janine had worked at the Mapletree Group and KPMG. Her extensive experience in corporate finance, investment and portfolio management, and M&A-related functions across global international markets spans more than 18 years.

Janine holds a Bachelor of Accountancy (Honours) from the Nanyang Technological University, Singapore. She is a member of the Institute of Singapore Chartered Accountants.

## KEVIN GOH

Chief Executive Officer  
Lodging

Kevin is the CEO of Lodging at CLI, responsible for growing the fee-related earnings of CLI's lodging business. Concurrently, he also oversees CapitaLand's Centre of Excellence for Digital and Technology.

Kevin was the CEO of Lodging for CapitaLand before its restructuring. Under his leadership, Ascott grew to be one of the world's leading international lodging owner-operators with a portfolio that spans more than 200 cities across over 40 countries. In 2019, Kevin played an instrumental role in merging the Ascott Residence Trust, now known as CapitaLand Ascott Trust, with the Ascendas Hospitality Trust, creating the largest hospitality trust in Asia Pacific.

Kevin joined Ascott in 2007 and was based in China for over 10 years, where he served as the Regional General Manager for South and East China, Vice President for Asset Management and Vice President for Corporate Services, before moving to assume the role of Ascott's Managing Director for North Asia in 2013, where he spearheaded Ascott's investments and operations in China, Japan and Korea.

Kevin holds a Bachelor of Mechanical Engineering (Honours) from the National University of Singapore and is a Chartered Financial Analyst charterholder.

## MANOHAR KHIATANI

Senior Executive Director

Manohar is the Senior Executive Director at CLI, where he assists the Group CEO in strategic projects, group-wide initiatives as well as the India, business/industrial park and data centre businesses. He also oversees the Group Centre of Excellence for Customer Solutions and Innovation.

Prior to joining CapitaLand, Manohar was the Deputy Group CEO of Ascendas-Singbridge, which merged with CapitaLand in 2019. Before joining Ascendas in 2013, he was the CEO of JTC Corporation, the Singapore government's lead agency for planning, promoting and developing industrial infrastructure and facilities. Prior to that, Manohar had a long career with the Singapore Economic Development Board (EDB) and was its Deputy Managing Director. While at EDB, he played a key role in the development of several sectors in Singapore's economy and led EDB's operations in the Americas and Europe.

Concurrent with his CapitaLand's responsibilities, Manohar is Special Advisor to the Chairman of the EDB.

Manohar holds a Master in Naval Architecture from the University of Hamburg, Germany. He has also attended the Advanced Management Program at the Harvard Business School.

## OUR SENIOR LEADERSHIP COUNCIL

### MICHELLE KOH

General Counsel

Michelle is the General Counsel and Company Secretary of CLI, responsible for the delivery of legal and corporate secretariat services to the businesses of the Group, working in close partnership with all business and functional leaders of the Group.

In addition to leading and managing the in-house legal department, Michelle is part of the leadership team responsible for corporate governance for CLI, and plays a key role in supporting the effectiveness of the Board and its committees, including facilitating interaction between the Board and Management in reporting the organisation's performance and key decisions.

Michelle joined CapitaLand in 2000 after five years in law practice, and took on her current role in 2013.

Michelle holds a Bachelor of Laws (Honours) from the University of London. She was admitted to the Singapore Roll of Advocates and Solicitors in 1995 and is also a member of the State Bar of California, USA, since 2006.

### PATRICIA GOH

Chief Executive Officer  
Southeast Asia Investment

Patricia is the CEO of Southeast Asia Investment at CLI, responsible for driving the growth and management of CLI's investments and fund management in Southeast Asia, including Singapore.

Prior to this role, Patricia was the Managing Director for CLI's Southeast Asia business. She oversaw the establishment of an Asia-focused self-storage platform as well as the launch of the CapitaLand SEA Logistics Fund and CapitaLand Wellness Fund.

Before joining CLI in 2022, Patricia was the Head of Group Investment at Frasers Property where she was instrumental in growing the industrial sector into a core asset class for the group and diversifying and transforming its business portfolio. Prior to that, Patricia was with Ascendas Fund Management as Head of Business Development and Investment and concurrently Head of Revenue Management, responsible for managing a portfolio of over S\$10 billion. Patricia has over 18 years of direct investment, mergers and acquisitions, asset management and leasing experience across multiple asset classes and geographies.

Patricia holds a Master of Science in Real Estate and a Bachelor of Arts in Political Science and Sociology from the National University of Singapore.

### PAUL THAM

Group Chief Financial Officer

Paul is the Group CFO of CLI, responsible for managing Group finance, treasury, tax, investor relations, risk, compliance and corporate planning. He also oversees the credit business and provides administrative supervision to the internal audit function.

Prior to joining CLI, Paul was the CEO of Keppel REIT, managing a listed Asia Pacific commercial asset portfolio. Before that, Paul was the CFO of Keppel Capital, overseeing the finance, compliance, legal and investor relations functions.

Over his career, Paul has also served as a management consultant for Bain & Company, working with leading global companies in Asia Pacific across a range of topics including financial performance management and growth strategies. Paul started his career as a structural engineer in New York, USA.

Paul holds a Bachelor of Science degree in Civil & Environmental Engineering from Cornell University, USA, and a Master of Business Administration from Singapore Management University.

### PUAH TZE SHYANG

Chief Executive Officer  
China

Tze Shyang is CEO, CLI (China), responsible for driving the growth and management of the company's investments, capital raising, fund management, as well as commercial management business in China.

Prior to this role, Tze Shyang served successively as Chief Investment Officer and CEO, Investment and Portfolio Management for CapitaLand's China business from 2015 to 2021, where he led a series of major investments that significantly expanded CapitaLand's interests in the country. He was concurrently Regional General Manager, West China from 2015 to 2018 and oversaw residential and integrated developments in the region.

Prior to joining CapitaLand, Tze Shyang was the CEO of CapitaLand Township (formerly known as Surbana Land) from 2010 and took on the additional role of

City General Manager for Chengdu from 2013. He has 25 years of experience in real estate across Singapore and China.

Tze Shyang holds a Master of Engineering (First Class Honours) in Electrical and Electronic Engineering from Imperial College London, United Kingdom. He obtained an Executive MBA with Honours from The University of Chicago Booth School of Business.

### QUAH LEY HOON

Group Chief Corporate Officer

Ley Hoon is the Group Chief Corporate Officer at CLI, overseeing matters related to talent and culture, organisational culture, administration, legal and corporate secretariat, procurement, digital and technology<sup>1</sup>, and group communications. Ley Hoon also oversees government relations across the Group.

Prior to her current appointment, Ley Hoon was the Chief People and Culture Officer at CLI.

Ley Hoon was the Chief Executive of the Maritime and Port Authority Singapore from January 2019 to September 2022, responsible for the smooth operation of Singapore as a transshipment and bunkering hub. Before that, Ley Hoon was with MediaCorp from 2013 to 2018 as Chief Editor in Channel NewsAsia, where she oversaw the current affairs team producing programmes and documentaries covering local and global affairs. Ley Hoon also has more than 15 years of work experience in the public sector, working in various ministries on economic, environmental and social policies.

Ley Hoon holds a degree in Psychology from the University of Southern Queensland, Australia, a Master of Business Administration from IMD Business School in Switzerland, and a Master of Economics from the University of Pantheon Sorbonne, France. She was awarded the Public Administration Medal (Silver) by the Singapore Government in 2017 and conferred the Knight of the French Order of the Legion of Honor (Chevalier de la Legion d'Honneur) by the French government in 2022.

### SIMON TREACY

Chief Executive Officer  
Private Equity Real Estate, Real Assets

Simon is the CEO of Private Equity Real Estate (PERE) at CLI, responsible for driving the growth of CLI's PERE business.

Prior to joining CLI in 2021, Simon was the Managing Director, Global Chief Investment Officer, and Head of U.S. Equity for BlackRock Real Estate, where he was responsible for the overall investment strategy and performance of global real estate portfolios, including real estate funds, investment vehicles and research worldwide.

Before joining BlackRock, Simon was the co-founder, director, and global CEO of MGPA, which held real estate funds under management of over US\$14 billion across Europe and Asia. He was previously the President for Hawaii at The Howard Hughes Corporation based in the USA where he directed the master planning, development, construction, sales, operations, and marketing activities of the 60-acre Ward Village.

Simon has extensive global experience, and was based in Sydney, Singapore, Bangkok, Hong Kong, Tokyo, Shanghai, New York City and Honolulu over the course of his career. He has over 30 years of experience in infrastructure and real estate across North America, Asia Pacific, and Europe.

Simon holds a Bachelor of Commerce, Marketing and Human Resources at Griffith University, Australia.

### TAN SENG CHAI

Senior Executive Director

Seng Chai is Senior Executive Director at CLI, focusing on stewardship matters in CLI, as well as supporting organisation and talent development in CLI's China business. He is also the Executive Director of CapitaLand Hope Foundation, the philanthropic arm of CapitaLand.

Prior to this role, Seng Chai was the Chief Corporate and People Officer of CapitaLand, where he oversaw the functions of Human Resource and Administration, Organisational Development, Corporate Social Responsibility, Group Communications, Group Legal and Secretariat, Group Procurement and Global Shared Services. His previous appointments included Group Chief People Officer, Group Chief Corporate Officer and Chief Human Resource Officer.

Before joining CapitaLand in 2008, Seng Chai was with Chartered Semiconductor Manufacturing, Singapore for 12 years. He held key positions in the company, including heading its worldwide human resource organisation as well as overseeing key project implementation and strategic investment activities.

<sup>1</sup> Effective from 1 April 2024.

## OUR SENIOR LEADERSHIP COUNCIL

Seng Chai holds an Honours degree in Civil and Structural Engineering and a Master of Science in Industrial and System Engineering from the National University of Singapore. He was awarded the Master Professional Certification by the Institute for Human Resource Professionals in December 2020 in recognition of his active contributions to the human resource industry.

### TONY TAN

Chief Executive Officer  
CapitaLand Integrated Commercial Trust Management Limited

Tony is the CEO of the Manager of CapitaLand Integrated Commercial Trust (CICT). He is responsible for leading the management team in the planning and execution of CICT's value creation and growth strategy, including matters relating to operations, environmental, social and governance aspects of the business.

Prior to this appointment, Tony was the CEO of CapitaLand Retail China Trust Management Limited from 2010 to 2017.

Tony joined the Singapore REITs sector since 2007 and has accumulated over 12 years of leadership experience serving as CEO of two Singapore REITs consecutively. In addition, he brings with him more than 25 years of experience in international treasury, finance and risk management.

Tony holds a Bachelor of Accountancy degree from the National University of Singapore and a Master of Business Administration (Distinction) from the University of Manchester, United Kingdom.

### VINAMRA SRIVASTAVA

Chief Sustainability and Sustainable Investments Officer

Vinamra is the Chief Sustainability and Sustainable Investments Officer at CLI, responsible for formulating and integrating the Group's environmental, social and governance strategy, policies and best practices into its business and operations, fostering a culture of sustainability, and helping to deliver long-term economic value to stakeholders. He is also responsible for leading CLI's sustainable real assets investments including renewable energy and climate-tech venture capital.

Prior to this role, Vinamra served as the CEO, India Business Parks, CLI, where he led the development and growth of the company's business parks portfolio in the country. Vinamra also led multiple sustainability projects across India in the areas of renewable energy and digital technologies to enhance energy and water efficiencies. Before that, he headed the Corporate Strategy and Development function in Ascendas-Singbridge, which he joined in 2015.

Vinamra had worked as a management consultant at Roland Berger Strategy Consultants, Cisco Systems and Arthur D. Little, where he specialised in growth strategy, market entry and infrastructure investments advisory in projects across Asia, Europe, Middle East and Africa.

Vinamra holds a Bachelor of Engineering in Computer Science from the University of Pune, and a Master of Business Administration from the Indian Institute of Management (IIM) Ahmedabad in India.

### WILLIAM TAY

Chief Executive Officer  
CapitaLand Ascendas REIT Management Limited

William is the CEO of the Manager of CapitaLand Ascendas REIT (CLAR). He is responsible for leading the management team in the planning and execution of CLAR's value creation and growth strategy across all aspects of its global operations.

Prior to his current appointment, William was the Deputy CEO of Singapore and Southeast Asia (SSEA) of the Ascendas-Singbridge Group. In addition to leading Ascendas-Singbridge SSEA regional teams in Singapore, Malaysia, Indonesia and Vietnam, he was also concurrently the CEO for South Korea, overseeing the real estate private equity funds business and investments in South Korea.

William has more than 28 years of wide-ranging experience in real estate, straddling both the public and private sectors as well as Singapore and overseas. Since joining Ascendas-Singbridge in 2007, he has held various leadership positions in investment, business development, asset and fund management as well as country operations.

William holds a Bachelor's Degree in Estate Management (Honours) from the National University of Singapore.

# CLI RESEARCH INSIGHTS: NAVIGATING TODAY'S MARKET CHALLENGES AND TRENDS

In 2023, uncertainty persisted in the global macroeconomic and geopolitical landscapes. Ongoing interest rate hikes, the slowdown of China's growth, disruptions in the USA banking sector, the Israel-Hamas conflict, and continuing tensions between Russia and Ukraine added complexity in the outlook.

Amidst this evolving landscape, trends and opportunities are emerging across markets. We explore how CapitaLand Investment (CLI) is leveraging its diversified portfolios, robust real estate capabilities, and a vast global presence to navigate and capitalise on these shifts.

# CLI RESEARCH INSIGHTS: NAVIGATING TODAY'S MARKET CHALLENGES AND TRENDS

In the post-COVID world, significant transformations in economic activity, demographics, and lifestyles are underway, alongside the emergence of megatrends reshaping the real estate investment landscape. These shifts are impacting demand and supply dynamics across various sectors.

Global demographic changes and migration patterns are fostering a rise in individual-centric lifestyles, leading to heightened demand for spaces and services tailored to single-person households. This trend is driving the development of assets such as self-storage facilities, hotels, and retail spaces catering to this demographic. Furthermore, the evolution of consumer behaviour continues to fuel demand for ecommerce, sustaining the need for logistics assets, especially as retailers embrace omnichannel strategies.

Supply chain dynamics are also evolving, with businesses adopting strategies such as near-shoring and offshoring, particularly evident in the Asia Pacific region due to improved infrastructure and skilled workforces.

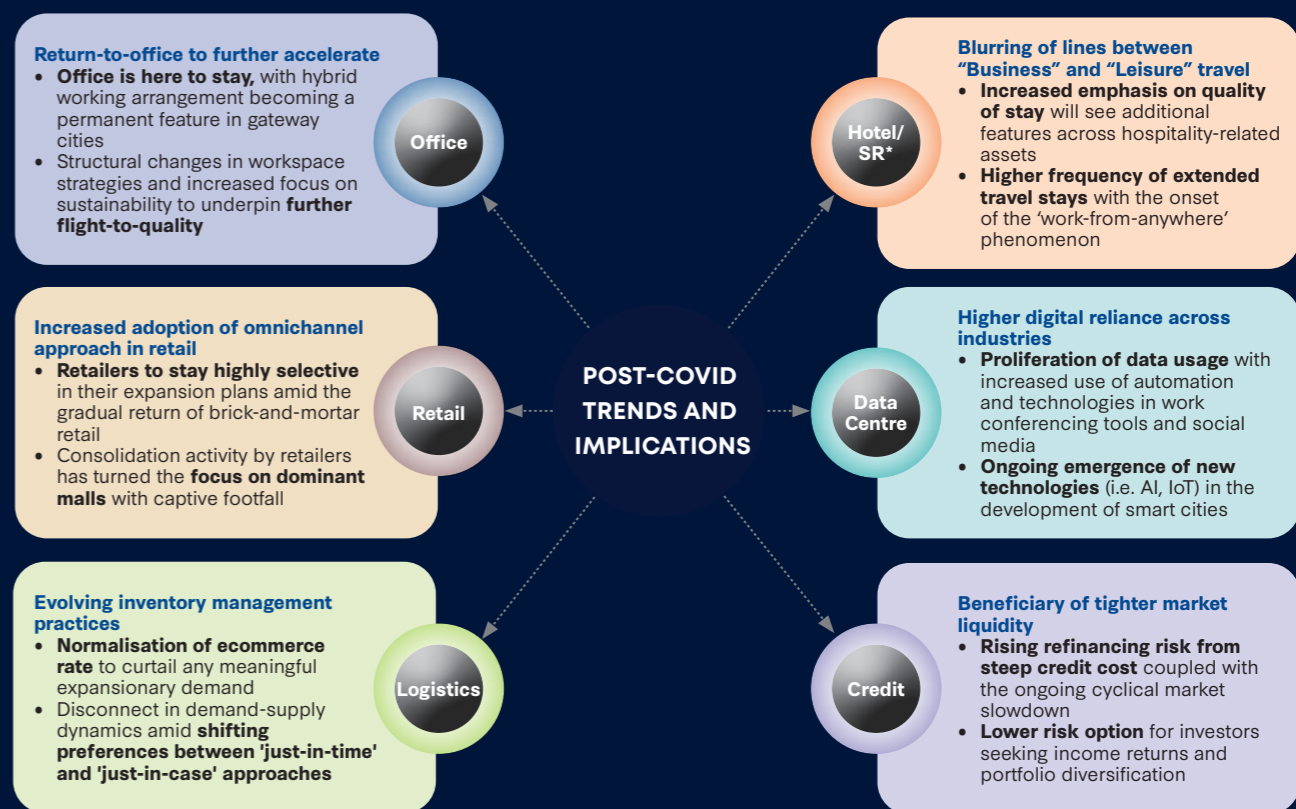
In the realm of work, a gradual return to office spaces is occurring alongside the increasing prevalence of

hybrid-work models. This is bolstering the demand for office assets, with a growing emphasis on quality and sustainability features. Technological advancements such as artificial intelligence (AI) and the Internet of Things (IoT) are reshaping workplace processes, leading to increased demand for data centre assets.

The "longevity economy" is on the rise, driven by ageing populations and longer-life expectancies, resulting in increased demand for healthcare and wellness-related real estate. Sustainability considerations are also gaining prominence in investment decisions, with a growing preference for sustainable green buildings among tenants and investors, reflecting a heightened awareness of environmental responsibility.

Finally, elevated interest rates over the past two years have made achieving investment outperformance more challenging, prompting investors to explore higher-yielding strategies such as Value-Add, Tactical, Opportunistic, and Contrarian approaches. In this landscape, investors seek real estate operators and investment managers with strong track records, operational capabilities, and local expertise to execute differentiated strategies effectively.

## POST-COVID MEGA TRENDS AND IMPLICATIONS FOR ASIA PACIFIC REAL ESTATE ASSET CLASSES



Note: \*SR denotes Serviced Residence.

## AGAINST THE CURRENT LANDSCAPE, CLI HAS MADE THE FOLLOWING STRATEGIC PIVOTS:

### Focus on geographic diversification

Southeast Asia and India funds contributed to more than S\$700 million of total private capital raised in FY 2023.

Both regions formed close to half of CLI's total funds under management (FUM) year-to-date (YTD) 2024<sup>1</sup>.

### Optimised and rebalanced asset mix

New economy and lodging assets formed close to 80% and 100% of total investments in 2023 and YTD 2024<sup>1</sup> respectively.

Both asset classes combined form 44% of total FUM YTD 2024<sup>1</sup>.

### Pursued higher-yielding strategies

96% of private capital raised in 2023 was tied to value-add and opportunistic strategies.

### Growing footprint in specialised assets

Established CapitaLand China Data Centre Partners, CLI's first data centre fund in China and CapitaLand Wellness Fund, CLI's first fund focusing on investing in wellness and healthcare-related assets in 2023. Launched CapitaLand Ascott Residence Asia Fund II, CLI's second lodging fund focusing on serviced residence and coliving assets in 2024.

### Moving the sustainability needle

CLI was named a GRESB Global Listed Sector (Diversified) Leader and was included in the Dow Jones Sustainability World and APAC Indices.

20 projects sourced from CLI's annual CapitaLand Sustainability X Challenge have been piloted or pre-piloted at 24 CapitaLand properties.

<sup>1</sup> Refers to the period from 1 January 2024 to 27 February 2024.



# FY 2023 PERFORMANCE REVIEW FINANCIAL PERFORMANCE

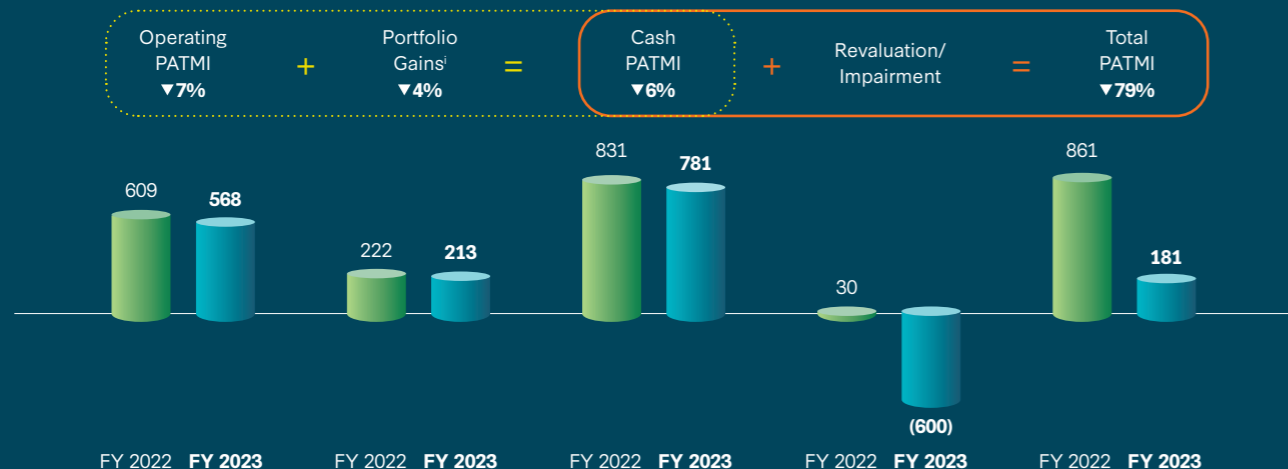
CapitaLand Investment (CLI) recorded a Profit After Tax and Minority Interests (PATMI) of S\$181 million in FY 2023, comprising Operating PATMI of S\$568 million and portfolio gains of S\$213 million (collectively, Cash PATMI of S\$781 million), partially impacted by impairment and revaluation losses of S\$600 million from its investment properties.

Amidst a challenging macroeconomic environment, CLI generated a resilient Operating PATMI of S\$568 million. This was 7% lower than last year, mainly attributable to higher interest expense, lower contribution from China and lower event-driven fees from funds. These were partially mitigated by the absence of foreign exchange losses recognised in FY 2022, as well as better contribution from the lodging business.

CLI remained proactive in its asset recycling efforts, achieving a gross divestment value of S\$2.1 billion and recording portfolio gains of S\$213 million in FY 2023. The portfolio gains were mainly from the divestments of properties across various asset classes such as lodging, retail, office and new economy, located in Europe and Asia Pacific.

In terms of revaluation of investment properties, CLI registered a non-cash unrealised revaluation loss of approximately S\$600 million for FY 2023. This arose mostly from the Group's properties located in China, the UK and the USA, partially offset by revaluation gains mainly from malls in Singapore and business parks in India. Valuation of the Group's China properties were impacted due to weaker rents and market outlook, while valuation of properties in the USA and the UK were mainly impacted by the expansion of capitalisation rates amidst a high-interest rate environment.

**PATMI BREAKDOWN (S\$ million)**



<sup>i</sup> Portfolio gains comprise gains/losses arising from divestments, gains from bargain purchases or remeasurement on acquisitions and realised fair value gains/losses arising from revaluation of investment properties to the agreed selling prices of these properties.

**TOTAL REVENUE BY BUSINESS SEGMENTS**



<sup>i</sup> Includes Corporate and Others of -S\$216 million or -7% not reflected in the chart. Amount mainly relates to intercompany eliminations.

**TOTAL REVENUE BY GEOGRAPHY**



## REVENUE

Revenue for FY 2023 declined 3% or S\$92 million to S\$2,784 million, due to lower contribution from the Real Estate Investment Business (REIB) segment attributable to lower corporate leasing income in the USA and lower rental revenue from properties in China. This was partially mitigated by the growth in Fee Income-related Business (FRB) revenue from lodging and commercial management.

In terms of geographical segment, Singapore and China accounted for 36% (FY 2022: 36%) of total revenue. The remaining revenue were contributed by other developed markets (52%) and other emerging markets (12%).

## EBITDA

EBITDA for FY 2023 declined 44% to S\$1,104 million primarily due to losses from the revaluation of investment properties and lower gains from asset recycling. The Group's EBITDA of S\$1,475 million from operations was marginally lower than FY 2022's EBITDA of S\$1,481 million, impacted by the loss of contribution from assets divested last year in Singapore, Korea and China, lower contribution from China due to lower occupancy and rental rates, as well as lower event-driven fees from funds. These were partially mitigated by the absence of foreign exchange losses recognised in FY 2022 and improved performance from the lodging business.

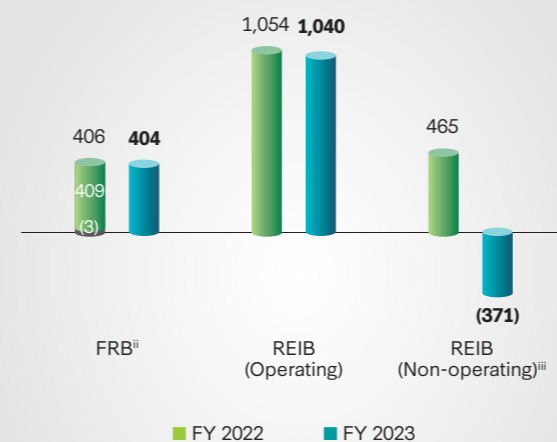
CLI achieved a gross divestment value of S\$2.1 billion (FY 2022: S\$3.1 billion) and recognised portfolio gains of S\$198 million (FY 2022: S\$348 million) at the EBITDA level. The portfolio gains were mainly from the divestments of hospitality assets in France, London, Dublin and Jakarta, a business park in India, a retail mall and an office property in China, as well as a logistics property in Japan.

In terms of revaluation of investment properties, the Group recorded non-cash unrealised fair value losses at the EBITDA level of S\$568 million (FY 2022: gains of S\$137 million). The revaluation losses arose mainly from properties located in China, the USA and the UK.

For FY 2023, the Group generated S\$1,154 million EBITDA from developed markets. However, operations from emerging markets recorded a loss of S\$50 million, mainly attributed to revaluation losses from the investment properties in China due to weaker rents and market outlook.

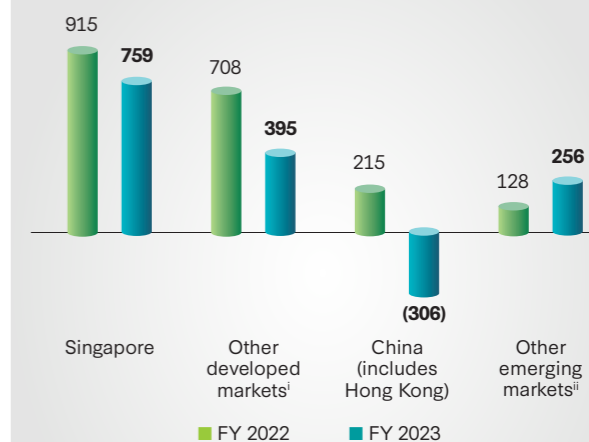
Excluding the impact of unrealised revaluation losses, S\$1,178 million or 70% (FY 2022: S\$1,425 million or 78%) of the Group's EBITDA from operations were derived from developed markets and S\$494 million or 30% (FY 2022: S\$404 million or 22%) from emerging markets. Singapore and China accounted for 33% and 16% of the Group's EBITDA from operations for FY 2023 respectively.

**EBITDA BY BUSINESS SEGMENT<sup>i</sup>**  
(S\$ million)



<sup>i</sup> Excludes Corporate and Others of S\$31 million (FY 2022: S\$41 million).  
<sup>ii</sup> FY 2022 FRB EBITDA included a S\$3 million non-operating transaction cost arising from acquisition of the Oakwood platform.  
<sup>iii</sup> REIB non-operating EBITDA relates to portfolio gains, revaluation and impairment.

**EBITDA BY GEOGRAPHY**  
(S\$ million)



<sup>i</sup> Excludes Singapore and Hong Kong.  
<sup>ii</sup> Excludes China.

# FY 2023 PERFORMANCE REVIEW FINANCIAL PERFORMANCE

## REVENUE AND EBITDA - BY BUSINESS SEGMENTS

### Fee Income-related Business

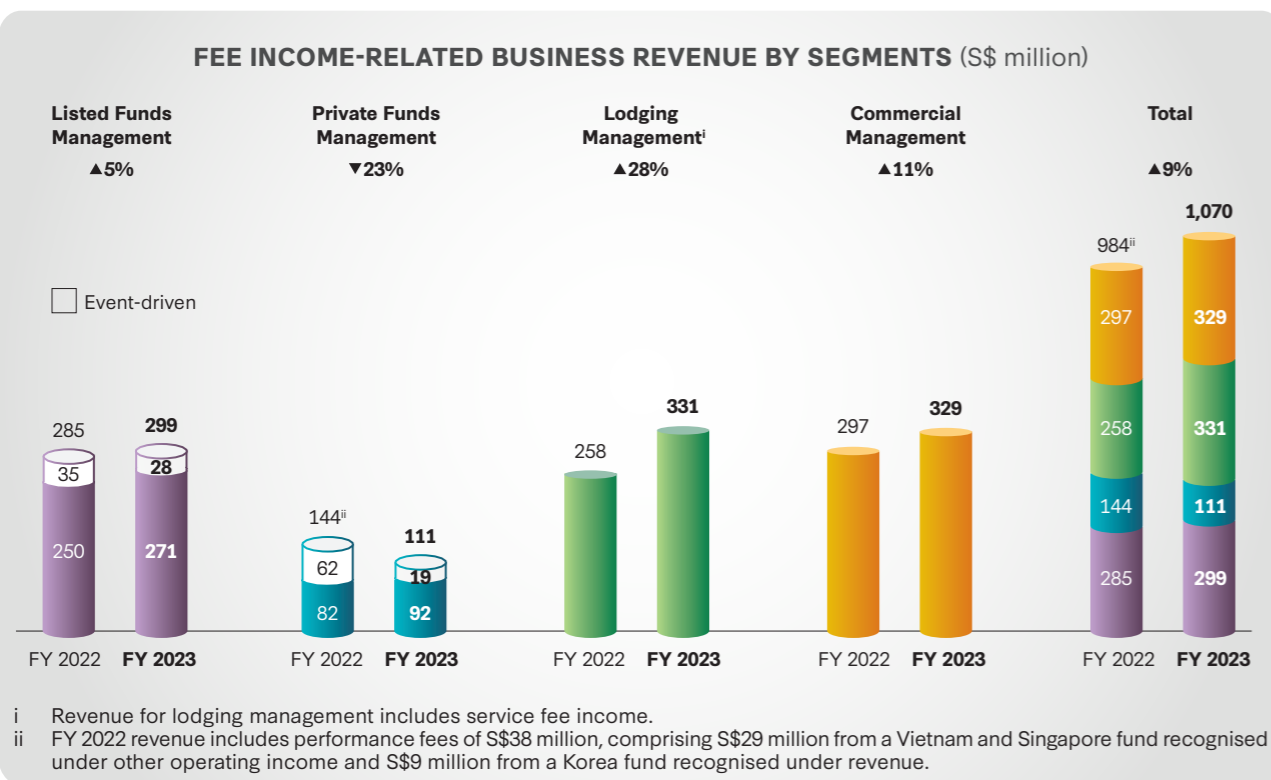
FY 2023 FRB revenue grew 9% to S\$1,070 million while EBITDA declined 0.5% to S\$404 million.

The higher revenue mainly came from the lodging and commercial management businesses underpinned by improved operating performance and contributions from new management contracts. The fund management business, which comprises listed funds management and private funds management, also contributed to the higher revenue as base management fee increased with the growth in funds under management (FUM), partially offset by lower event-driven fees in 2023.

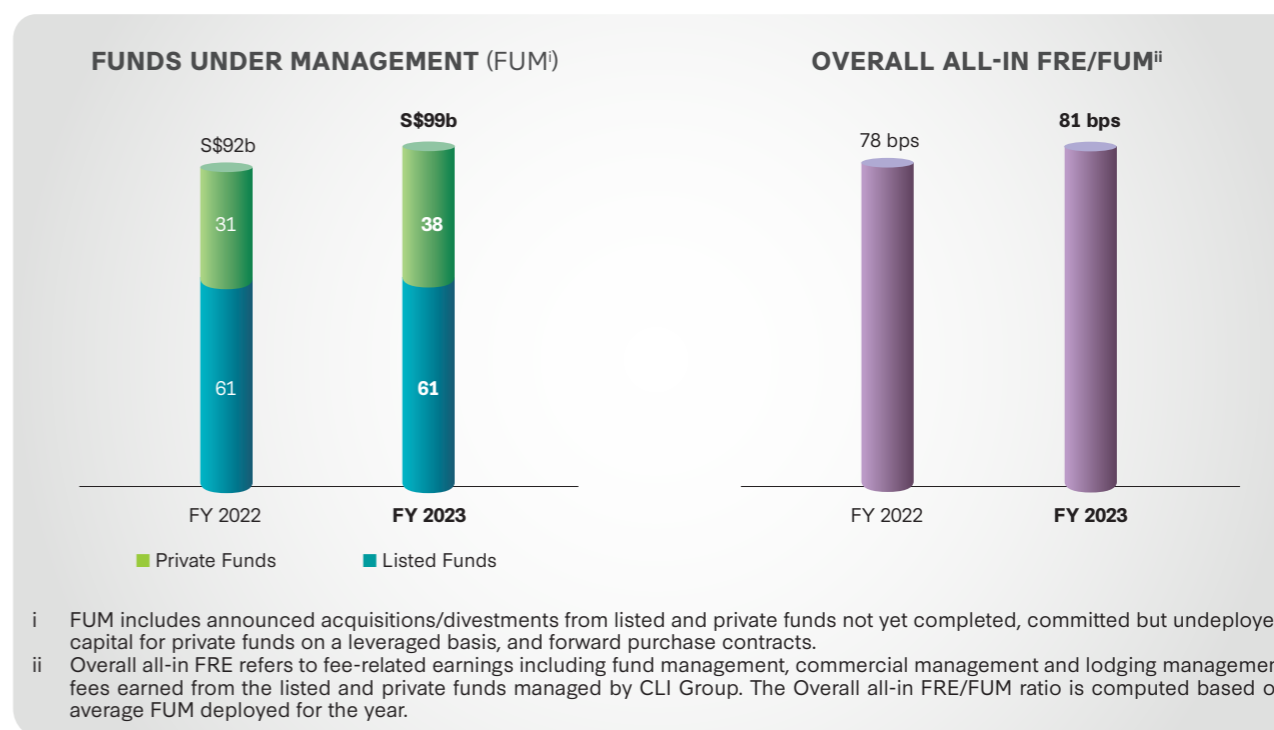
The marginal decline in EBITDA was attributable to lower event-driven fees and higher staff costs as the Group invested in strengthening its fund management capabilities. This resulted in a lower fund management EBITDA margin of 44% (FY 2022: 51%).

As at 31 December 2023, FUM stood at S\$99 billion. This represented an increase of S\$7 billion over the FUM as at 31 December 2022, mainly due to the acquisition-led growth of CLI's listed and private funds, additional capital raised from existing funds, as well as the establishment of new funds in FY 2023. As at end of February 2024, total FUM stood at S\$100 billion.

In managing these listed and private funds, CLI generates fee income from fund management, lodging management and/or commercial management activities. For FY 2023, the overall all-in fee-related earnings over funds under management (Overall all-in FRE/FUM<sup>1</sup>) was 81 bps (FY 2022: 78 bps).



1 Overall all-in FRE/FUM ratio is computed based on average FUM deployed for the year.

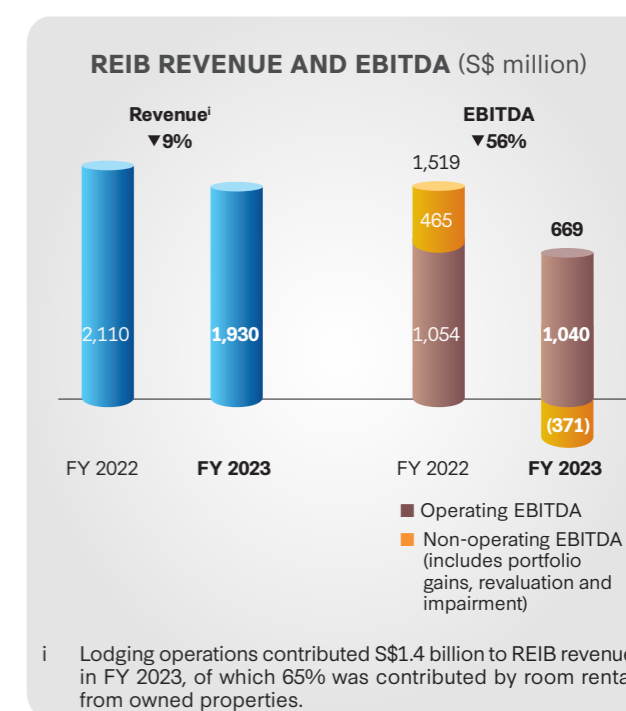


### Real Estate Investment Business

Revenue from REIB decreased 9% to S\$1,930 million mainly due to lower corporate leasing income in the USA, lower rental revenue from properties in China and loss of revenue from divested assets in FY 2022. These were partially mitigated by higher rental revenue from the Group's lodging operations, as it registered both revenue per available unit and occupancy growth across most geographies.

REIB EBITDA declined 56% mainly attributed to unrealised losses from revaluation of investment properties as well as lower contribution from China due to lower occupancy and rental rates. The EBITDA for FY 2023 was also impacted by lower gains from asset recycling during the year. These were partially mitigated by lower foreign exchange losses and absence of rental rebates extended to tenants in China last year.

Excluding the impact of unrealised fair value losses from investment properties which are non-cash in nature, EBITDA from REIB for FY 2023 was S\$1,237 million (FY 2022: S\$1,382 million).



# FY 2023 PERFORMANCE REVIEW FINANCIAL PERFORMANCE

## FINANCIAL POSITION OF THE GROUP

### Total Assets

As of 31 December 2023, the Group's total assets amounted to S\$34 billion (FY 2022: S\$35 billion), with investment properties and investments in associates and joint ventures accounting for 40% and 38% of the Group's total assets respectively.

The decrease in the Group's total assets was due to divestment activities during the year, translation losses arising from the appreciation of the Singapore Dollar (SGD) against several major foreign currencies, as well as revaluation losses from investment properties held through subsidiaries, associates and joint ventures.

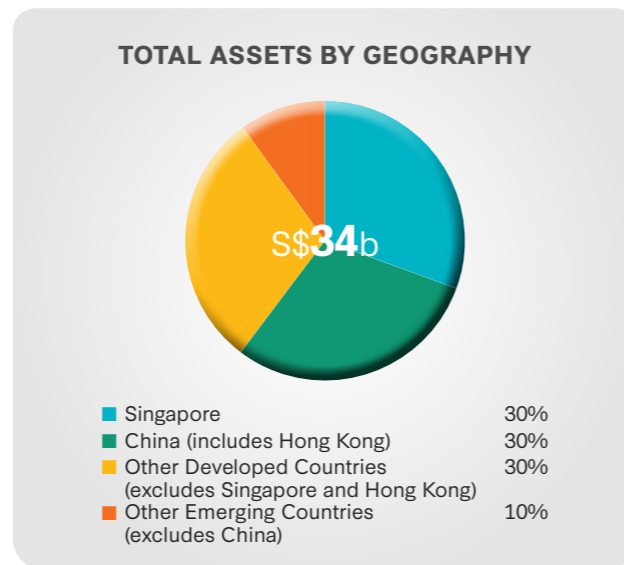
In terms of geography, Singapore and China collectively accounted for approximately 60% of the Group's total assets.

The Group's diversified and well-balanced portfolio across geographies and asset classes enhances the resilience of the Group's earnings and financial position.

### Shareholders' Equity

As at 31 December 2023, the issued and paid-up ordinary share capital (excluding treasury shares) of the Company comprised 5.1 billion shares at S\$10.8 billion.

The Group's total reserves decreased from S\$4.4 billion in FY 2022 to S\$3.2 billion, mainly due to foreign currency translation loss arising from the depreciation of Chinese Renminbi, the United States Dollars and Japanese Yen against the SGD, revaluation losses on investment properties which weighed down PATMI for the year and declaration of FY 2022 dividends.



As at 31 December 2023, total shareholders' funds was S\$14.0 billion (FY 2022: S\$15.1 billion), translating to a net asset value per share of S\$2.74 (FY 2022: S\$2.96).

### Dividends

The Board of Directors of CLI has proposed a tax-exempt ordinary dividend of 12.0 Singapore cents per share which would amount to a payout of approximately S\$612<sup>2</sup> million. This represents a dividend payout ratio of 79% of the Group's FY 2023 Cash PATMI. On a per share basis, this translates into a gross yield of 3.8% based on CLI's closing share price of S\$3.16 as of 31 December 2023.

## FINANCIAL HIGHLIGHTS

	2021	2022	2023
<b>(A) INCOME STATEMENT (S\$ million)</b>			
Revenue	2,293	2,876	<b>2,784</b>
FRB Revenue	905	984 <sup>i</sup>	<b>1,070</b>
Earnings before interest, tax, depreciation and amortisation (EBITDA)	2,469	1,966	<b>1,104</b>
<b>Profit attributable to shareholders of the Company</b>	<b>1,349</b>	<b>861</b>	<b>181</b>
Comprising:			
Operating PATMI	497	609	<b>568</b>
Portfolio gains	616	222	<b>213</b>
Revaluation and impairments	236	30	<b>(600)</b>
<b>(B) BALANCE SHEET (S\$ million)</b>			
Investment properties	16,249	14,706	<b>13,572</b>
Associates and joint ventures	13,248	13,152	<b>13,043</b>
Cash and cash equivalents	3,877	2,668	<b>2,460</b>
Other assets	4,272	4,584	<b>5,058</b>
Less:			
Total borrowings and debt securities	13,548	12,590	<b>12,590</b>
Other liabilities	3,997	3,591	<b>3,306</b>
<b>Net assets</b>	<b>20,101</b>	<b>18,929</b>	<b>18,237</b>
Equity attributable to owners of the Company	16,044	15,133	<b>13,961</b>
Non-controlling interests and perpetual securities	4,057	3,796	<b>4,276</b>
<b>Total equity</b>	<b>20,101</b>	<b>18,929</b>	<b>18,237</b>
<b>(C) ECONOMIC VALUE ADDED (EVA) (S\$ million)</b>			
Net operating profit after tax (NOPAT)	1,727	1,523	<b>694</b>
Capital charge	1,341	1,747	<b>2,094</b>
EVA attributable to owners of the Company	448	(145)	<b>(1,175)</b>
<b>(D) KEY PERFORMANCE METRICS</b>			
Earnings per share (cents)	38.3	16.8	<b>3.5</b>
Return on equity <sup>ii</sup> (%)	8.7	5.5	<b>1.2</b>
Net asset value per share (S\$)	3.12	2.96	<b>2.74</b>
Funds under management (FUM) <sup>iii</sup> (S\$ billion)	91	92	<b>99</b>
Overall all-in FRE/FUM <sup>iv</sup> (bps)	82	78	<b>81</b>
<b>(E) DIVIDENDS (cents)</b>			
Ordinary dividend per share	12.0	12.0	<b>12.0</b>
Special dividend per share	3.0	6.1 <sup>v</sup>	<b>-</b>
<b>Total dividend per share</b>	<b>15.0</b>	<b>18.1</b>	<b>12.0</b>

#### Notes

- Includes performance fees of S\$29 million recognised under other operating income.
- Return on equity is computed based on PATMI (after distribution to perpetual securities) over average equity attributable to owners of the Company.
- FUM includes announced acquisitions/divestments from listed and private funds not yet completed, committed but undeployed capital for private funds on a leveraged basis, and forward purchase contracts.
- Overall all-in FRE refers to fee-related earnings including fund management, commercial management and lodging management fees earned from the listed and private funds managed by CLI Group. The Overall all-in FRE/FUM ratio is computed based on average FUM deployed for the year.
- Derived based on distribution of 0.057013 CapitaLand Ascott Trust (CLAS) unit per ordinary share and the closing market price of S\$1.07 per CLAS unit on 11 May 2023.

<sup>2</sup> Based on the number of issued shares (excluding treasury shares) as at 31 December 2023. The actual dividend payment can only be determined on book closure date.

# FY 2023 PERFORMANCE REVIEW FINANCIAL PERFORMANCE

## TREASURY HIGHLIGHTS

	2022	2023
Unutilised bank facilities and funds available for use (S\$ million) <sup>i</sup>	7,438	<b>7,635</b>
Unutilised debt securities capacity (S\$ million)	10,268	<b>9,632</b>
Net debt <sup>ii</sup> / Equity (times)	0.52	<b>0.56</b>
Net debt <sup>ii</sup> / EBITDA (times) <sup>iii</sup>	5.6	<b>6.3</b>
Interest cover ratio (times) <sup>iii</sup>	4.7	<b>3.8</b>
Interest service ratio (times)	3.4	<b>2.9</b>
Implied interest cost (per annum)	3.1%	<b>3.9%</b>
Secured debt ratio	34%	<b>25%</b>
Bank borrowings / Debt securities	87% / 13%	<b>83% / 17%</b>
Average debt maturity	2.9 years	<b>3.3 years</b>
Fixed / Floating rate debt	61% / 39%	<b>63% / 37%</b>

<sup>i</sup> Includes S\$5,884 million and S\$6,373 million of Group cash and unutilised committed and uncommitted bank facilities of CLI's treasury vehicles for 2022 and 2023 respectively.

<sup>ii</sup> Includes S\$658 million and S\$728 million of lease liabilities under SFRS(I)16 for 2022 and 2023 respectively.

<sup>iii</sup> Net Debt/EBITDA and Interest Cover Ratio excludes unrealised revaluation/impairment.

## CAPITAL MANAGEMENT

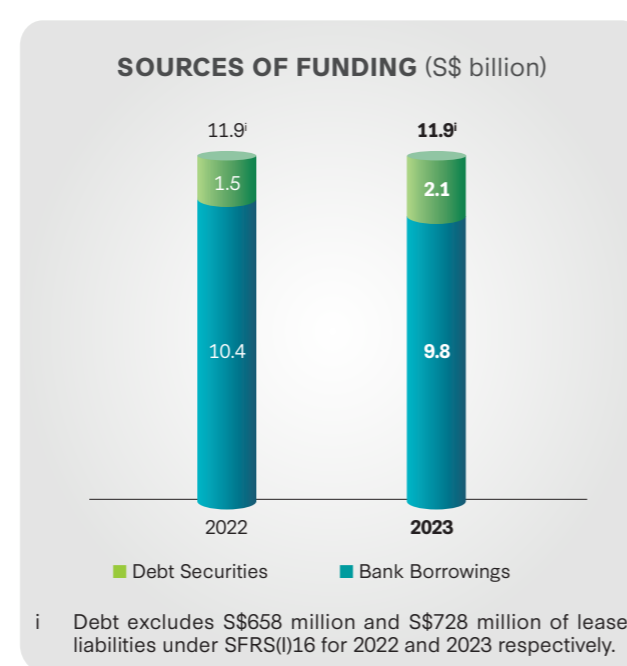
The Group is in a strong liquidity position with S\$2,460 million of cash and cash equivalents and S\$5,175 million in available undrawn bank facilities. Net gearing as at end 2023 was higher at 0.56 times as compared to 0.52 times as at end 2022 due to lower equity mainly owing to lower revenue reserves.

The Group's Interest Cover Ratio (ICR) and Interest Service Ratio (ISR) were 3.8 times and 2.9 times respectively. The lower ICR in 2023 was mainly due to lower profits and higher net interest expense while the lower ISR was mainly due to higher interest paid.

Finance costs for the Group were S\$488 million for the year ended 2023. This was about 13% higher compared to S\$432 million in 2022, mainly due to higher interest rates. Implied interest cost for FY 2023 was higher at 3.9% (FY 2022: 3.1%) per annum.

## SOURCES OF FUNDING

As at year end, 83% of the Group's total debt was funded by bank borrowings and the balance 17% was funded through debt securities. The Group will continuously seek to diversify and balance its sources of funding over time to ensure financial flexibility and mitigate concentration risk.

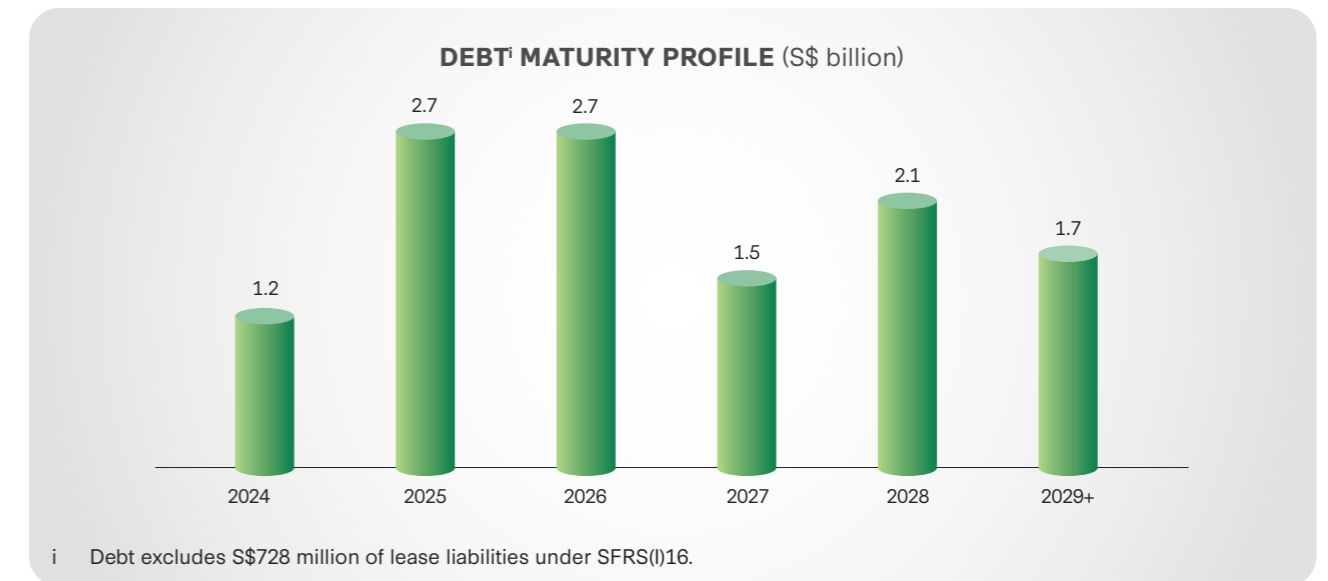


## DEBT MATURITY PROFILE

The Group has proactively built sufficient cash reserves and credit lines to meet its short-term debt obligations, support its refinancing needs and pursue opportunistic investments. The Group maintains a healthy balance sheet with unutilised bank facilities and funds available for use of about S\$7,635 million as at year end. As part of its financing strategy, the Group regularly reviews its loan portfolio, taking into account divestment and investment plans, interest rate outlook and the prevailing credit market conditions. In its review, the Group aims to mitigate refinancing risks, diversify its sources of funding and extend its maturity profile where possible.

## INTEREST RATE PROFILE

The Group manages its finance costs by maintaining a prudent mix of fixed and floating rate borrowings. As at 31 December 2023, the fixed rate borrowings constituted 63% of the portfolio, with the balance on a floating rate basis. As finance costs constitute a major component of the Group's overall costs, a high percentage in fixed rate funding is maintained for funding cost certainty. In managing its interest rate profile, the Group takes into account the interest rate outlook, the holding periods of its investment portfolio, the timing certainty of its planned divestments and cashflow generation from operations.



CapitaLand Investment's (CLI) fund management portfolio encompasses six listed REITs and business trusts, and more than 30 private funds, with funds under management<sup>1</sup> (FUM) totalling S\$100 billion<sup>2</sup>. This includes close to S\$10 billion of dry powder which we are committed to deploying in a disciplined manner. As CLI approaches S\$100 billion in fully deployed capital, we have established a new FUM target of S\$200 billion, which we aim to achieve by the end of 2028.

In FY 2023, total fund management fee-related earnings (FRE) decreased by 4% year-on-year (YoY) to S\$410 million. This was due to lower event-driven fee income, resulting from fewer transactions in 2023 and the absence of performance fees recognised in FY 2022. However, this decline was offset by increased recurring FRE from both listed and private funds, which

experienced a 9% YoY growth to S\$363 million. This increase, comprising largely base management fees, was driven by approximately S\$2 billion of completed acquisitions and progress made in asset enhancement initiatives (AEI) and projects under development.

FRE from listed funds increased 5% to S\$299 million, partially offsetting a 23% decrease in FRE from private funds to S\$111 million, largely due to the absence of event-driven fees.

With the decline in fund management FRE, FM<sup>3</sup> FRE/FUM<sup>4</sup> ratio adjusted from 49 bps in FY 2022 to 46 bps in FY 2023. The EBITDA margin of our fund management business in FY 2023 also declined to 44% from 51% in FY 2022.

**LISTED FUNDS**

The total market capitalisation of CLI Listed Funds amounted to more than S\$30 billion as at 31 December 2023. In addition to the five REITs and business trusts listed on the Singapore Exchange, CLI is also Sponsor to CapitaLand Malaysia Trust, which is listed on Bursa Malaysia.

To ensure alignment of interest with unitholders, CLI maintains meaningful stakes in all our listed vehicles.



▲ CLAR completed the convert-to-suit exercise and transformed 6055 Lusk Boulevard from an office property into a premier life sciences property.

**Delivering Creditable Growth in FY 2023**

In FY 2023, contributions from newly acquired assets and improved property performance underpinned growth in recurring fees by 8%, contributing to FRE of S\$299 million from our listed funds.

We achieved stable net property income (NPI)<sup>5</sup> growth and maintained a high occupancy rate of over 90% across most of our listed funds. In addition, almost all our listed funds recorded positive rental reversion<sup>6</sup> on the portfolio level, signalling the resilience of our assets' performance. Amid the high-interest rate environment, our listed funds continued to maintain prudent capital management, with gearing below 40% for most of our funds. While distribution per unit performance is mixed, we achieved a total unitholder return of above 6% for most of our funds.

**LISTED FUNDS SNAPSHOT IN FY 2023**

	CapitaLand Integrated Commercial Trust (CICT)	CapitaLand Ascendas REIT (CLAR)	CapitaLand Ascott Trust (CLAS)	CapitaLand China Trust (CLCT)	CapitaLand India Trust (CLINT)	CapitaLand Malaysia Trust (CLMT)
<b>CLI's Stakes</b>	23%	17%	28%	24%	24%	41%
<b>NPI</b>	S\$1,115.9m	S\$1,023.2m	S\$338.2m <sup>i</sup>	S\$246.7m	S\$179.6m	RM217.4m
<b>NPI Growth YoY</b>	7%	5.6%	20% <sup>i</sup>	-2.9%	8%	42.6%
<b>Portfolio Occupancy</b>	97.3%	94.2%	76%	91.4%	93%	92.6%
<b>Rental Reversion</b>	Retail: 8.5% Office: 9%	13.4%	24% <sup>ii</sup>	Retail: 0.2%; Business Park: 1.6%; Logistics Park: -20.5%	4%	Retail: 7% Logistics: 29.7%

<sup>i</sup> Relates to gross profit.  
<sup>ii</sup> Relates to YoY change in RevPAU.

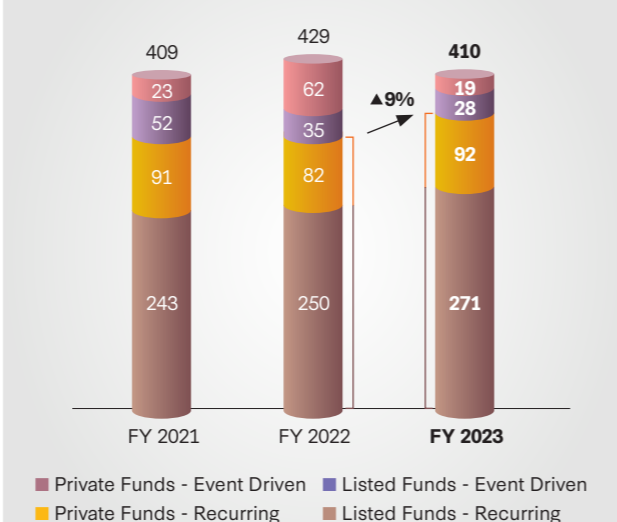
<sup>5</sup> Instead of NPI, CLAS measures gross profit.  
<sup>6</sup> Instead of rental reversion, CLAS measures Revenue per Available Unit (RevPAU).

**FUNDS UNDER MANAGEMENT (S\$ billion)**



<sup>i</sup> As at 22 February 2023 as reported in FY 2022 Financial Results.  
<sup>ii</sup> As at 27 February 2024 as reported in FY 2023 Financial Results.

**FUND MANAGEMENT FRE (S\$ million)**



<sup>1</sup> FUM includes announced acquisitions or divestments from listed and private funds not yet completed, committed but undeployed capital for private funds on a leveraged basis and forward purchase contracts.  
<sup>2</sup> As at 27 February 2024.  
<sup>3</sup> Refers to fund management.  
<sup>4</sup> FY 2023 FM FRE/FUM ratio is computed based on average FUM for the year (excluding announced acquisitions or divestments from listed and private funds not yet completed, committed but undeployed capital for private funds on a leveraged basis and forward purchase contracts).

# FY 2023 PERFORMANCE REVIEW BUSINESS PERFORMANCE

FRB: Fund Management

## Disciplined Portfolio Reconstitution

Despite a muted dealmaking landscape in 2023, we closed the year with a total of S\$1.7 billion in transactions. This consisted of S\$1.2 billion in asset acquisitions, which picked up pace in the second half of 2023. Approximately 46% of the transaction value was attributed to assets seeded by CLI as we continue to support the expansion of our listed funds. In addition, our listed funds also executed more than S\$532 million in divestments.

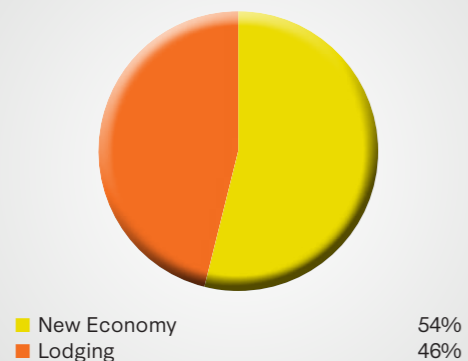
### FY 2023 INVESTMENTS: S\$1.2 BILLION

Riding on robust demand in the new economy and hospitality sectors, CLI's listed funds expanded their footprint in related assets across Singapore and India, and in Southeast Asian markets such as Malaysia and Indonesia, as well as the UK.

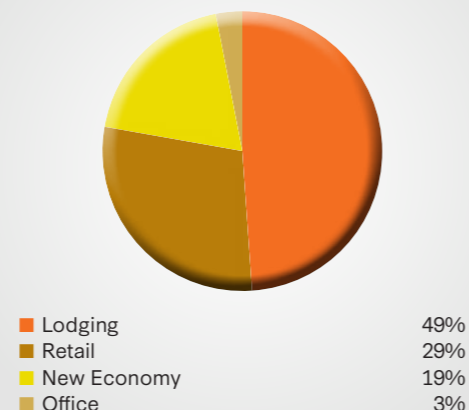
### FY 2023 DIVESTMENTS: S\$532 MILLION

To unlock gains and optimise their portfolios, CLI listed funds remained disciplined in their capital recycling approach.

#### INVESTMENT BREAKDOWN BY ASSET CLASS



#### DIVESTMENT BREAKDOWN BY ASSET CLASS



Listed Fund	Assets	Value <sup>i</sup> (S\$ million)
CLAR	An integrated high-specification research and development facility in Singapore (The Shugart)	218.2
CLAR	A high-specification Tier III colocation data centre facility in London, UK	199.9
CLAS	Three lodging assets in London, Dublin and Jakarta	530.8
CLINT	Forward purchase of a 1 million sq ft IT Park at Outer Ring Road in Bangalore, India	201.0
CLMT	A freehold logistics warehouse in Selangor, Malaysia	12.2

<sup>i</sup> Investment values based on agreed property value (100% basis), purchase or investment consideration.

Listed Fund	Assets	Value <sup>ii</sup> (S\$ million)
CLAR	An industrial building (KA Place) in Singapore	35.4
CLAR	Three logistics properties in Queensland, Australia	64.2
CLAS	Four serviced residences in regional France	64.7
CLAS	Two hotels in the outskirts of Sydney, Australia	95.6
CLAS	Three hotels in Osaka, Japan	99.8
CLCT	CapitaMall Shuangjing in Beijing, China	157.8
CLMT	3 Damansara Office Tower in Petaling Jaya, Malaysia	14.7

<sup>ii</sup> Divestment or transfer values based on agreed property value (100% basis) or sales consideration.

## Continued Value Creation

Through AEI and redevelopments, we seek to reposition and transform our assets to maximise their full potential. Since 2023, we have completed 11 projects to date<sup>7</sup>, and have S\$741 million in total committed expenditure dedicated to 14 ongoing projects.

<sup>7</sup> As at 27 February 2024.

## PRIVATE FUNDS

The Private Funds platform is a key growth engine of CLI's fund management business, totalling S\$39 billion in FUM to date<sup>8</sup>. This includes approximately S\$10 billion<sup>9</sup> of dry powder ready for deployment, majority of which was derived from new funds launched in FY 2023 and YTD 2024<sup>10</sup>.

### A Record Year in Private Fundraising

In FY 2023, CLI recorded S\$3.5 billion in new equity commitments. This was a 42% increase YoY, marking CLI's highest-ever fund raise since its listing in 2021. More than 80% of the total equity committed were external capital.

In line with the continued growth in FUM, the recurring portion of fee earnings from private funds grew 12% YoY to S\$92 million for FY 2023, contributing to the bulk of private funds FRE of S\$111 million. However, the overall fee income from private funds decreased by 23% YoY due to lower event-driven fee earnings, primarily attributable to the absence of performance fees recognised in FY 2022.

<sup>8</sup> As at 27 February 2024.

<sup>9</sup> Based on committed capital on a leveraged basis.

<sup>10</sup> Refers to the period from 1 January 2024 to 27 February 2024.

<sup>11</sup> Subject to working capital adjustments.

## Private Fund Launches in FY 2023 and in 2024<sup>9</sup>

### CapitaLand China Opportunistic Partners (CCOP) Programme

Set up in February 2023, the CCOP Programme comprises a S\$291 million single-asset fund and a programmatic joint venture (JV) to identify special situation opportunities in China. Since its launch, CCOP has secured a total of S\$2.1 billion in equity commitments.

### CapitaLand China Data Centre Partners (CDCP)

Established in February 2023, CDCP is invested in two hyperscale data centre development projects in Greater Beijing. The fund has total equity commitments of S\$530 million.

### CapitaLand India Growth Fund 2 (CIGF2)

In August 2023, CLI established CIGF2 with total equity commitments of S\$368 million for its first closing. The fund has a target equity size of S\$525 million and is dedicated to investing in Grade A business parks strategically located in key gateway cities in India. CIGF2 has acquired an equity stake of 70% in International Tech Park Chennai, Radial Road (ITPC-Radial Road) for S\$95 million<sup>11</sup> as its seed asset.

▼ ITPC-Radial Road was acquired as a seed asset under CIGF2.



# FY 2023 PERFORMANCE REVIEW BUSINESS PERFORMANCE

FRB: Fund Management

## CapitaLand Wellness Fund (C-WELL)

In October 2023, CLI and Pruksa Holding Public Company Limited launched a value-add wellness and healthcare-related real estate fund, C-WELL, with S\$350 million of equity commitments under its first close. The fund has a S\$500 million target equity size, with an option to upsize to S\$1 billion in equity. It targets investments in single or mixed-used assets across the healthcare, medical, wellness and preventive care spectrum.

## JV with AIA Life Insurance (AIA)

In January 2024, CLI formed a RMB2.4 billion JV with AIA to recapitalise Capital Square Beijing, a Grade A office building in China. Under this partnership, CLI will divest a 95% stake in Capital Square Beijing to AIA while retaining a 5% stake. CLI will provide asset management services for the JV, which contributes to CLI's recurring fee income.

## Orchid Two Godo Kaisha (Orchid Two)

In February 2024, CLI successfully closed a new core logistics private fund in Japan, targeting domestic investors. The fund has been fully deployed to acquire two freehold and green-certified logistics assets. The properties have a combined gross floor area of about 49,300 sqm and are expected to grow CLI's FUM by JPY 16.5 billion.

## CapitaLand Ascott Residence Asia Fund II (CLARA II)

Riding on the tailwind of the living thematic, CLI launched CLARA II in February 2024 with a target equity size of US\$600 million. The fund seeks to invest in high-quality modern serviced residences and coliving properties across gateway cities in key developed Asia Pacific markets. CLARA II has secured its first close and is currently seeded with two assets located within prime locales in Tokyo and Singapore.

► lyf Shibuya Tokyo is one of the seed assets for CLARA II.



◀ Freehold lodging property jointly acquired by C-WELL and CLARA II to be relaunched as lyf Bugis Singapore.



► CapitaLand SEA Logistics Fund acquired a freehold land site in Bangkok, OMEGA 1 Bang Na.

## Continual Funds Build-up

CLI's existing private funds made close to S\$1 billion in investments over 2023 and in 2024<sup>12</sup>, with majority invested in logistics and lodging assets.

## CapitaLand Open End Real Estate Fund (COREF)

In 2023, COREF acquired six multifamily assets in Japan and a Grade A logistics asset in South Korea. Additionally, the fund secured fresh equity commitments of S\$150 million, bolstering its deployment capabilities. COREF currently has 11 properties<sup>13</sup> across key Asia Pacific markets, well-diversified across geography and sectors.

## CapitaLand SEA Logistics Fund

Towards the end of 2023, the fund acquired its seed asset, a freehold land site in Bangkok, to develop OMEGA 1 Bang Na in a built-to-suit project, which will be CLI's first logistics property in Thailand.

## CapitaLand Wellness Fund

C-WELL and The Ascott Limited jointly acquired a freehold lodging property in Singapore in January 2024. Located in Bugis, Singapore's downtown core district, the property will be upgraded and rebranded under the lyf brand to capture the growing demand for experience-led social living.

## Self Storage Venture

Two industrial properties in Singapore were acquired by Extra Space Asia, under the Self Storage Venture, a JV owned between CLI and APG Asset Management N.V.. Both properties will be converted into self-storage facilities.

## Private Fund Exit in FY 2023

### CapitaLand Korea Private Real Estate Investment Trust No. 1 (CLK 1)

In September 2023, CLI successfully exited CLK 1, following the sale of its sole office asset. The exit generated an equity multiple of more than 2x.

## LOOKING AHEAD

Amidst the backdrop of improving clarity in interest rates, anticipated to support stronger transaction momentum, we look to fully unlock the full growth potential of fund management as a business, focusing on disciplined expansion in our listed funds platform and scaling up our private funds platform, as we work towards our new FUM target of S\$200 billion in the next five years.

For our listed funds, we will continue to leverage our healthy balance sheet and deep real estate expertise to proactively manage underlying assets and identify compelling growth opportunities.

In our private funds business, we will remain focused on building up a global platform of flagship funds, complemented by funds with specialised focus. Deployment of capital will be key and we have highly-experienced local teams to source for attractive assets that can deliver strong returns.

<sup>12</sup> Refers to the period from 1 January 2024 to 27 February 2024.

<sup>13</sup> Includes the remaining three (out of six) assets in the Osaka multifamily forward purchase agreement signed in March 2023.

**OVERVIEW**

CapitaLand Investment's (CLI) wholly-owned lodging business unit, The Ascott Limited (Ascott), is powered by two engines of growth comprising Lodging Management and Investment Management, enabling it to provide a comprehensive suite of products and services across the lodging value chain. As at 31 December 2023, Ascott's globally diversified portfolio comprised nearly 165,000 lodging units with about 950 properties. More than 80% of these units are managed or franchised. This enables Ascott to focus on its core competencies in operating properties and generating fee income through an asset-light strategy.

**WITH STRONG GROWTH MOMENTUM, ASCOTT DELIVERS ENHANCED VALUE TO INVESTORS AND OWNERS.**

In 2023, Ascott achieved strong growth as global travel recovers, successfully exceeding its target of securing 160,000 units earlier than expected in March. It signed over 70 new properties, 38% of which were with existing property owners. During the year, Ascott also achieved its highest-ever count of property openings in its four-decade history, with nearly 9,600 units turning operational.

In 2023, Revenue per Available Unit (RevPAU) grew 20% over 2022 from higher average daily rates and occupancies across most markets. North Asia<sup>1</sup> was Ascott's fastest-growing region, led by Japan. Singapore and Europe recorded RevPAU at approximately 120% of pre-COVID levels.

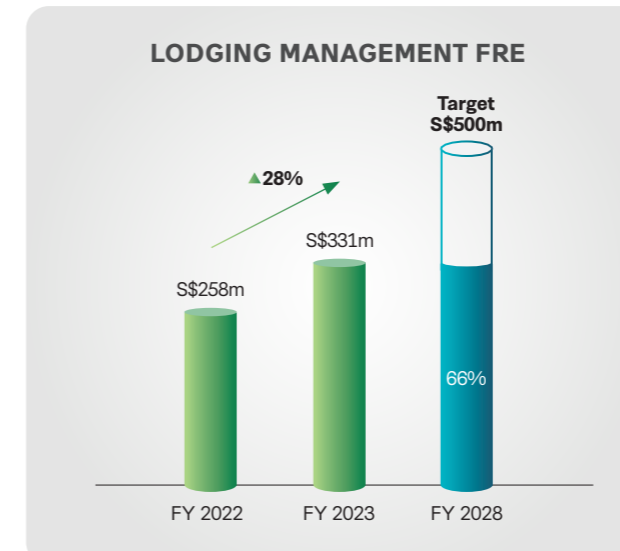
With more operationally ready properties coming onboard at a faster pace, the fee income contribution from the Lodging Management segment saw a strong increase of 28% year-on-year (YoY), to S\$331 million, from S\$258 million in FY 2022. This marks a record year of fee-related earnings (FRE) for Ascott and it is on track to achieve its target of more than S\$500 million by 2028.

**2023 BRAND UPDATES**

**WITH A DIVERSE PORTFOLIO OF BRANDS, ASCOTT OFFERS GUESTS A MYRIAD OF STAY EXPERIENCES, FOR WHATEVER THE PURPOSE OF TRAVEL AND WHEREVER THE DESTINATION MAY BE.**

The **Crest Collection** brand was designed to address the growing demand for one-of-a-kind experiential stays that allow travellers to immerse in local culture and heritage. Providing travellers with 'A Story Behind Every Door', Ascott debuted the brand across three cities in Asia. Between August and October 2023, three properties were opened in Singapore, Indonesia (Jakarta) and Malaysia (Penang).

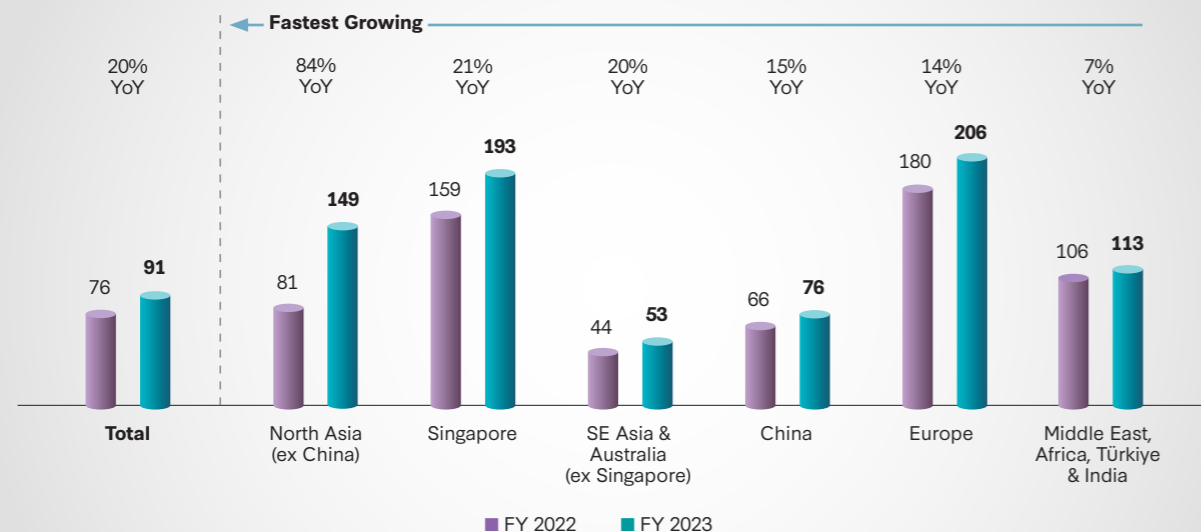
The Crest Collection is set to open its inaugural property in the United Kingdom. The 230-unit The Cavendish London will undergo a one-year renovation and be relaunched under The Crest Collection brand in 1H 2026. Citadines Saint-Germain-des-Prés Paris in France will also undergo refurbishment and be launched under the brand in 1H 2027. Additionally, as part of a strategic initiative to extend its footprint in Europe, The Crest Collection is venturing into Bucharest, Romania, with the signing of a 171-unit property.



Following the acquisition of Oakwood Worldwide in 2H 2022, the smooth integration of the portfolio into Ascott's operational framework had enhanced its overall financial performance and underpinned its growth by 20%. With over 20 new signings, the Oakwood portfolio stands at almost 18,000 units to date<sup>2</sup>.

Additionally, Ascott accelerated the signing pace of its lyf brand to expand into new resort and city destinations, such as Bali, Penang, Sydney, and Frankfurt. Seven new lyf properties totalling over 1,100 units were signed in 2023, including lyf Shibuya Tokyo.

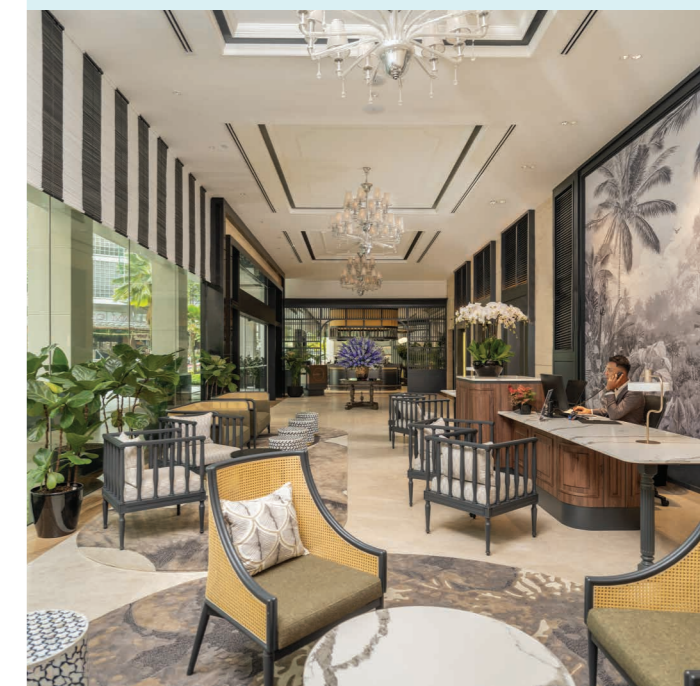
**FY 2023 REVENUE PER AVAILABLE UNIT (REVPAU<sup>1</sup>) PERFORMANCE (S\$)**



<sup>i</sup> RevPAU statistics are on a same-store basis and include serviced residences leased and managed by the Group. Foreign currencies are converted to SGD at average rates for the relevant period. Student accommodation and rental housing properties are not managed by the Group.

<sup>1</sup> Excludes China.

<sup>2</sup> As at 18 January 2024.



▲ Lobby at The Robertson House by The Crest Collection, Singapore.



# FY 2023 PERFORMANCE REVIEW BUSINESS PERFORMANCE

FRB: Lodging Management

The Crest Collection, through Ascott's flex-hybrid accommodation concept, expedited the expansion of the brand through a series of significant signings and strategic conversions. The Grand Mansion Menteng in Jakarta and The George Penang in George Town were managed in a seamless transition and brought to the market under The Crest Collection brand in just over three weeks after signing.

Tapping into the rising trend of blended travel, the **Oakwood** brand refresh was announced in preparation for its next stage of growth post-acquisition. With comfort at the core of well-being, the refreshed Oakwood brand aims to exemplify unwavering dependability in providing the comforts of home and beyond to guests, no matter where their journeys lead.

Following the opening of Ascott Dadonghai Bay Sanya in China and Somerset Pattaya in Thailand, a collection of resort villas at Oakwood Ha Long was launched along the pristine Bai Chay Beach in Vietnam, in addition to Oakwood Suites Chongli in China. Oakwood Hotel & Apartments Benoa Bali in Indonesia is expected to follow suit in 1H 2024. These properties offer the convenience of hotel services, facilities, and amenities, catering not only to longer-term residents but also appealing to guests seeking short stays and weekend getaways.

**The Unlimited Collection** is a collection of charming boutique hotels catering to travellers who seek adventures in cultural enclaves. Adding to the trio of properties in Singapore, the brand showcased its first outpost in Vietnam, with another property in Dublin, Ireland, scheduled for rebranding next. Ascott secured a new signing in Morocco, marking the establishment of its presence in Marrakech.

Amidst growing demand for experience-led social living, Ascott doubled the number of property openings under its **lyf** brand in 2023. These include lyf Schönbrunn Vienna in Austria which marked the debut of the brand in Europe, lyf Dayanta Xi'an in China, lyf Ginza Tokyo in Japan, lyf Chinatown Kuala Lumpur in Malaysia, and lyf Malate Manila in the Philippines.

In addressing the growing demand for experience-led social living, lyf is evolving from its origins as a coliving brand into one that offers a multifaceted hospitality experience. With flexible typologies ranging from coliving accommodation and city hotels to full-service resorts, lyf has more than 30 properties with over 5,500 units present in 21 cities across the world. Ascott is confident of achieving its target of signing 150 properties with over 30,000 units by 2030.



▲ Oakwood Ha Long, Vietnam.



▲ lyf Ginza Tokyo, Japan.

## WITH A FLEX-HYBRID HOTEL-IN-RESIDENCE MODEL, ASCOTT OFFERS ASSET OWNERS COMPELLING FLEXIBILITY TO REALISE POTENTIALS, AND TRAVELLERS UNPARALLELED POSSIBILITIES TO PERSONALISE THEIR STAY.

2023 saw the refresh of Ascott's flagship namesake brand, **Ascott**, as the showcase of its hotel-in-residence model. Positioned as a flex-hybrid accommodation concept, the highly adaptable model provides Ascott with agility to respond to market demands and optimise occupancy for revenue growth.

The hotel-in-residence model offers flexibility through product and room mix such as the adoption of new room models and features, enabling Ascott to accommodate various lengths of stays regardless of travel purpose. This approach mitigates reliance on single market segments, ensuring stable income and reducing vulnerability to economic fluctuations.

## FOSTERING GUEST LOYALTY THROUGH DIGITAL TECHNOLOGY.

Ascott's loyalty programme, **Ascott Star Rewards (ASR)**, remains an important channel to strengthen its distribution capabilities. With a strong and engaged member base growing at a rate of over 40% annually, ASR welcomed a record of one million new loyalty members in 2023. This contributed to the steady growth of ASR member revenue, which increased more than 50% YoY. Turning five in 2024, the loyalty programme will be enhanced with Ascott Privilege Signatures to provide more exclusive benefits aimed at elevating members' travel experiences.

In addition to providing extraordinary stay experiences, Ascott leveraged the power of technology and launched a generative artificial intelligence (AI) powered web chatbot on its brand website – DiscoverASR.com. Named after its mascot, Cubby, it is designed to play the role of a 'travel buddy' to all guests, making travel planning and booking more personalised and seamless.

## WITH A COMMITMENT TO A CULTURE OF CARE AND HOSPITALITY, ASCOTT GROWS RESPONSIBLY AS A SUSTAINABLE BUSINESS.

As a global business, Ascott's sustainability framework, **Ascott CARES**, ensures that its growth strategy aligns with environmental, social, and governance considerations, in accordance with CLI's 2030 Sustainability Master Plan.

A significant accomplishment in 2023 was the doubling of Ascott's portfolio of properties receiving the Excellence in Design for Greater Efficiencies (EDGE) certification, with almost 30 properties achieving a minimum 20% reduction in energy and water consumption, as well as embodied carbon in construction materials.

Furthermore, having attained Recognised Standard status for adopting the Global Sustainable Tourism Council (GSTC) Industry Criteria, Ascott aims for 100% of its branded and managed properties to be certified by GSTC (or equivalent) by 2028. Ascott's collaboration with GSTC to provide sustainability training for professionals in Singapore signifies a pivotal milestone in its sustainability journey.



▲ Tree planting initiative at Kaliwa Forest Reserve, Mt. Batulusong, Tanay Rizal, as part of Ascott Philippines' collaboration with Haribon Foundation.

Focusing on the core markets of Singapore<sup>1</sup>, China and India, CapitaLand Investment (CLI) provides market-leading Commercial Management services which encompass a range of offerings, including consultancy, asset management, property management, leasing and marketing services across asset classes. These are complemented by our proprietary digital platforms – CapitaStar and CapitaStar@Work in Singapore, as well as CapitaStar Online, CapitaStar Card and the CapitaStar Super Membership Programme in China.

Forming close to one-third of CLI's fee-related earnings (FRE) in FY 2023, Commercial Management provides a stable and recurring source of income for the Group. As at 31 December 2023, CLI recorded an 11% growth in Commercial Management FRE amounting to

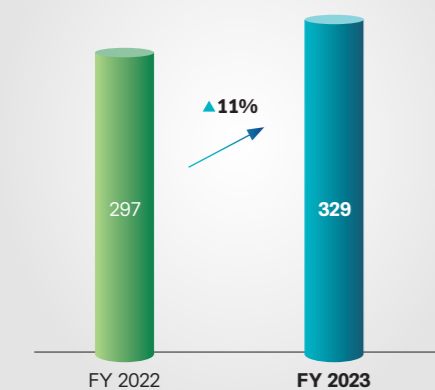
S\$329 million. This was achieved mainly on the back of better operating performance from Singapore properties and higher net property income from China properties due to the cessation of rental rebates offered in FY 2022. Singapore and China are the main contributors to the current earnings, accounting for 58% and 32% respectively.

We currently derive the majority of our Commercial Management FRE, 87% from CLI properties, with the remaining portion from properties under CapitaLand Development and third parties. Moving forward, we will leverage the strength of the CapitaLand brand to selectively pursue third-party commercial management opportunities to grow this fee vertical strategically.

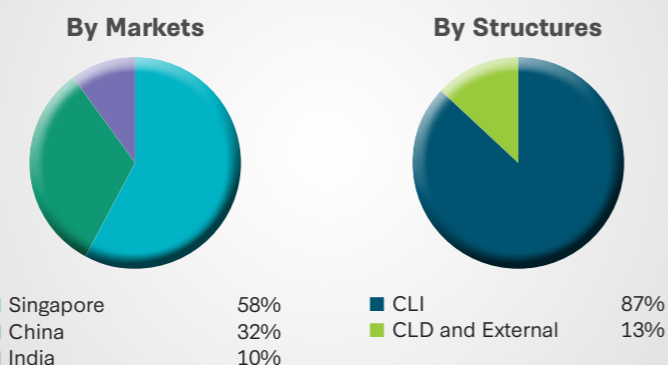


◀ CLI manages approximately 41,000 sqm of commercial space at the Singapore Sports Hub.  
▼ CapitaMall Grand Canyon in Beijing, China completed AEI in December 2023.

**COMMERCIAL MANAGEMENT FRE**  
(S\$ million)



**COMMERCIAL MANAGEMENT FRE BREAKDOWN**



**SINGAPORE**

We made progress in securing third-party commercial management contracts in 2023. We renewed an ongoing contract with SingPost Centre for another term in March 2023 and announced a partnership with Kallang Alive Sport Management in November 2023 to manage around 41,000 sqm of commercial space at the Singapore Sports Hub, which includes the Kallang Wave Mall. The six-year partnership, which commenced on 1 April 2024, supports our aims to elevate the shopping experience, update retail sections and improve space utilisation in the area.

**CHINA**

We continued to maintain healthy traction in asset enhancement initiatives (AEI) and space enhancement initiatives. This included reclaiming space from supermarkets or anchor tenants and subdividing them into smaller units for speciality tenants with higher rents.

CapitaMall Grand Canyon in Beijing completed its AEI in December 2023, resulting in a 20% month-on-month increase in traffic and a 60% month-on-month increase in sales growth.



In January 2024, we secured four management contracts with local state-owned enterprise partners to oversee retail assets in cities such as Changsha and Ningbo. These contracts encompass a total gross floor area exceeding 195,000 sqm, with each extending over a 10-year period.

<sup>1</sup> Includes Malaysia.

**OVERVIEW**

CapitaLand Investment's (CLI) Real Estate Investment Business (REIB) comprises CLI's direct holdings of investment properties, as well as its stakes in listed and private fund vehicles. The business derives rental income from its global real asset portfolio, as well as portfolio gains upon successful divestment of its investment properties. It also benefits from any positive adjustments in the value of its investment properties, as well as its stakes in the fund vehicles.

**Diversified Presence with a Strong Market Foothold**

CLI's real asset portfolio is diversified across various sectors and countries, primarily focused on Asia, which represents over 90% of its assets under management. The core markets include Southeast Asia, including Singapore, China, and India, where CLI has three decades of experience in China and India and 40 years in Singapore, establishing a strong presence and expertise across the entire real estate value chain.

In addition, CLI is also expanding its presence in key gateway cities in Australia, Japan, and South Korea, as well as in strategic markets in the UK, Europe and the USA. This strategy balances opportunities and risks across different sectors and geographies, strengthening CLI's dominance in Asia as well as the overall resilience of its portfolio.

**A WELL-DIVERSIFIED GLOBAL PORTFOLIO WITH STRONG ASIAN PRESENCE**  
As at 31 December 2023

CLI's Core Markets							<b>&gt;90% of AUM in Asia</b>			
	Retail	New Economy <sup>i</sup>	Integrated	Office	Lodging <sup>ii</sup>	Others <sup>iii</sup>	RE AUM (S\$b)	% of Total	FUM (S\$b)	% of Total
<b>Southeast Asia incl. Singapore</b>	●	●	●	●	●	●	55	41	42	42
<b>China</b>	●	●	●	●	●	●	46	34	31	31
<b>India</b>		●			●	●	5	4	7	7
<b>Other Asia<sup>iv</sup></b>		●	●	●	●		16	12	11	11
<b>Non-Asia<sup>v</sup></b>		●		●	●		12	9	9	9
<b>RE AUM (S\$b)</b>	<b>18</b>	<b>28</b>	<b>23</b>	<b>17</b>	<b>48</b>	<b>0</b>	<b>RE AUM S\$134b</b>		<b>FUM<sup>vi</sup> S\$100b</b>	
<b>% of Total</b>	13	21	17	13	36	0	<b>FY 2022: S\$132B</b>		<b>YTD FEB 2023<sup>vii</sup>: S\$96B</b>	
<b>FUM<sup>vi</sup> (S\$b)</b>	16	32	21	17	12	2				
<b>% of Total</b>	16	32	21	17	12	2				

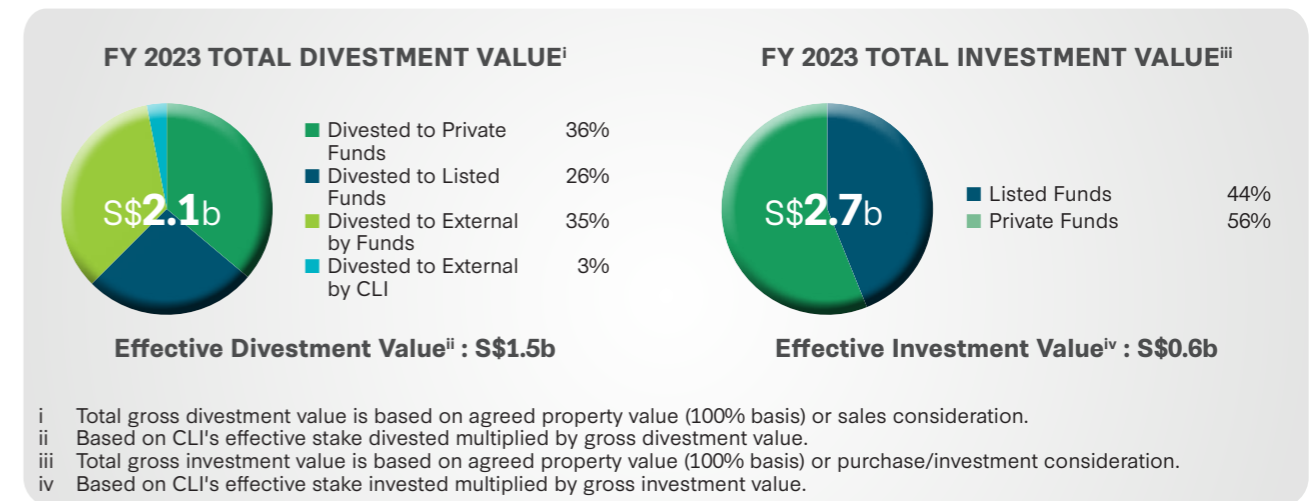
i Includes business parks, industrial, logistics, data centres and self storage.  
 ii Includes multifamily.  
 iii Includes wellness, residential and strata sales.  
 iv Includes Australia, Japan, South Korea and other Asian countries.  
 v Includes the UK, the USA, Europe and other non-Asian countries.  
 vi Includes announced acquisitions/divestments from listed and private funds not yet completed, committed but undeployed capital for private funds on a leveraged basis and forward purchase contracts, as at 27 February 2024 as reported in the FY 2023 Financial Results.  
 vii Includes announced acquisitions/divestments from listed and private funds not yet completed, committed but undeployed capital for private funds on a leveraged basis and forward purchase contracts, as at 22 February 2023 as reported in the FY 2022 Financial Results.

**Disciplined Capital Recycling Approach Supports CLI's Growth Trajectory**

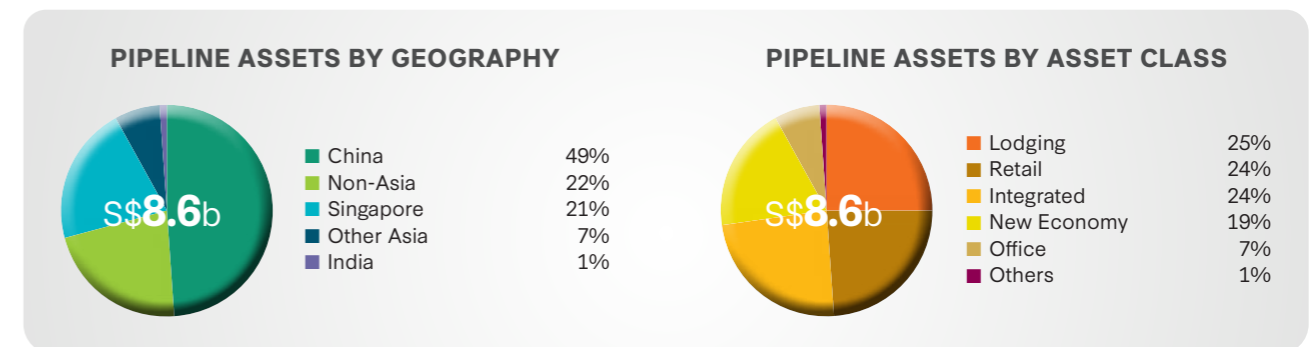
To ensure discipline in our transformation journey into an asset-light real asset manager, as well as to ensure the ongoing relevance of the Group's REIB portfolio, CLI targets to recycle at least S\$3 billion of assets annually across the Group. In FY 2023, this amounted to S\$2.1 billion, which was approximately 32% lower on a year-on-year (YoY) basis.

Nonetheless, CLI secured an average divestment premium of 16% above the carrying value of the assets, contributing to portfolio gains of S\$213 million, which was largely comparable to the prior year. Of the divested assets, 62% of the total divestment value was transferred to CLI's listed or private fund vehicles, enabling retention of funds under management (FUM) to support fee-related earnings performance. This underscores CLI's commitment to supporting the growth of our listed and private funds.

Alongside the divestments, CLI also acquired S\$2.7 billion of new assets, creating a total gross value of S\$4.8 billion in transactions during the year.



As at 31 December 2023, CLI had approximately S\$8.6 billion<sup>1</sup> of assets on our balance sheet that could serve as potential pipeline for capital recycling and contribute to our FUM growth.



1 Refers to real estate assets under management (RE AUM).

FY 2023  
PERFORMANCE REVIEW  
BUSINESS PERFORMANCE  
Real Estate Investment Business

**SINGAPORE**

ION Orchard  
ICON@IBP  
Pratt & Whitney Singapore Component Repair

**CHINA**

Dalian Ascendas IT Park  
Hongkou Plaza  
Minhang Plaza  
CapitaMall Westgate  
CapitaMall Daxing



ION Orchard  
International Tech Park  
Chennai, Radial Road



Arlington Business Park,  
United Kingdom



**INDIA**

International Tech Park Chennai, Radial Road  
Somerset Greenways Chennai  
International Tech Park Gurgaon  
Citadines OMR Chennai



**OTHER MARKETS**

Citadines Saint-Germain-des-Prés Paris, France  
Arlington Business Park, United Kingdom  
Melawati Mall, Malaysia  
A portfolio of multifamily properties in the USA

**KEY CLI-OWNED INVESTMENT PROPERTIES**



▲ CQ @ Clarke Quay: Refreshed Read Bridge landing with a new accessibility ramp.

**SINGAPORE**

With four decades of experience in managing real estate in Singapore, CLI enjoys a substantial advantage as the city-state's largest private landlord and leading real asset manager. It manages 120 properties<sup>2</sup> across various asset classes.

The majority of CLI's Singapore properties are held through our listed funds, namely CapitaLand Integrated Commercial Trust (CICT), which focuses on retail, office, and integrated developments and CapitaLand Ascendas REIT (CLAR), which focuses on business space and industrial assets.

In FY 2023, CLI's Singapore operations experienced healthy demand across retail, office and new economy asset classes, mitigating the effects of higher interest rates, operating costs, as well as a slower-than-expected rebound in business and leisure travel. From Singapore, CLI was also able to strategically pivot towards the larger Southeast Asia region. In October 2023, the CapitaLand Wellness Fund was launched to invest in single or mixed-used assets, including lodging assets, medical facilities and wellness and lifestyle-oriented living solutions across Southeast Asia.

**FY 2023 OPERATING PERFORMANCE**

As at 31 December 2023, CLI achieved a 6% YoY growth in net property income (NPI) across its Singapore portfolio. In line with this, positive rental reversion was achieved and occupancy stayed above 90% across all asset classes.

CLI's office assets performed better than expected, with office occupancy rising to 99% for 4Q 2023 from 97% for 4Q 2022, with high single-digit rental reversion. This was driven by continued strength in flight-to-quality and cyclical demand, as well as the slowdown in new Grade A office supply entering the market.

With the continued return of tourists, MICE<sup>3</sup> events and concerts, coupled with the post-COVID relaxation of border restrictions as well as the return of the office community, shopper traffic grew 10.9%. Downtown malls benefitted the most, and our tenants' sales grew 1.4% YoY, continuing to surpass 2019 pre-COVID levels. This sustained strong occupancy at 99% and positive rental reversion for our retail assets.

Our new economy assets also demonstrated healthy performance, with stable occupancy at 92% and double-digit rental reversion, especially in logistics assets. To enhance the sustainability of our assets, CLI installed rooftop solar panels in six of its new economy assets in 2023, bringing the total number of assets with solar panels to 23. We will continue to identify opportunities to reposition and upgrade the quality of our assets as part of our asset rejuvenation plan.

<sup>2</sup> As at 31 December 2023. Includes owned properties by CLI and excludes lodging properties.  
<sup>3</sup> Refers to Meetings, Incentives, Conferences and Exhibitions.



▲ The Shugart is fully leased out to Seagate for 10 years.

**Acquisition of a freehold lodging property by CapitalLand Wellness Fund (C-WELL) and CapitalLand Ascott Residence Asia Fund II (CLARA II)**

In 2024<sup>4</sup>, C-WELL and CLARA II jointly invested in a 308-unit property in Bugis, in Singapore's downtown core district. The asset will be upgraded and rebranded as lyf Bugis Singapore and will be relaunched in mid-2024 to capture the growing demand for experience-led social living.

**Acquisition of two industrial assets under a Joint Venture (JV) between CLI and APG Asset Management N.V.**

Both assets will be converted into self-storage facilities in phases upon transaction completion. They will offer air-conditioned units and facilities for wine storage.



▲ Enhanced canopy along an internal street at CQ @ Clarke Quay.

**KEY HIGHLIGHTS**

CLI made a total of S\$218 million in investments and S\$35 million in divestments in Singapore in FY 2023. The majority of our transactions executed in FY 2023 and YTD 2024<sup>4</sup> were made through our listed and private funds. They include the following:

**Divestment of KA Place by CLAR**

In April 2023, the high-specification seven-storey industrial building was divested for S\$35 million at a premium of 55% over the market valuation and more than 200% over the original price.

**Acquisition of The Shugart by CLAR**

In May 2023, the business park property, which houses an integrated high-specification research and development facility, was acquired for S\$218 million. The asset is fully leased out to Seagate for 10 years with an option to renew for another 10 years, generating stable long-term returns.



▲ Two industrial assets acquired by Extra Space Asia are to be converted into self-storage facilities.

With an expansive real asset portfolio, we proactively manage our assets through enhancement and rejuvenation initiatives.

**CLAR caters to the needs of tenants through redevelopment and asset enhancement initiatives (AEI)**

The Alpha, a building within Singapore Science Park, completed a round of AEI in September 2023. It now showcases a refreshed main lobby, entrance canopy, and common facilities to improve marketability and better cater to its tenants' needs. Similarly, Aperia Mall is undergoing an AEI to enhance its mall circulation design and configuration of uses, to improve shopper experience.



▲ Enhanced entrance canopy and drop-off area at The Alpha.

The redevelopment of 27 IBP is underway to upgrade it to modern Business Park building specifications and incorporate new facilities such as a gym, sky deck, and food court. 5 Toh Guan Road East, a logistics property, is also being redeveloped into a six-storey ramp-up logistics development.

**CICT reinvents retail and lifestyle spaces**

In December 2023, the major works of the AEI for CQ @ Clarke Quay were completed. The initiatives focused on repositioning the area as a day and night destination with various lifestyle and F&B offerings. Over 85% of its net lettable area has received pre-commitment from tenants. Several new exciting F&B openings have opened, shaping up the dining scene at CQ @ Clarke Quay, such as Red House Seafood (chinese restaurant), HOME (daytime cafe and nighttime music live house), Fairprice Finest (with their signature grocer bar), Overscoop (dessert and healthy bowls

cafe), and Helens Bar (Asian cuisine and bar). New offerings such as Swee Lee Clarke Quay, BOLD Fitness and Simply Retro by Tin Box Group were also added. Pet-friendly amenities such as dedicated hydration bays and pet waste stations will also be ready by 1Q 2024.

In the first quarter of 2024, IMM Building initiated a four-phase enhancement project aimed at solidifying its status as a leading regional outlet destination. This undertaking will expand the total number of outlet stores to approximately 110 stores after the completion of the enhancement. As at 31 December 2023, the mall has secured a robust pre-commitment level of approximately 70% for the reconfigured space under phases 1 and 2. The rest of the mall will remain in operation during this period.

<sup>4</sup> Refers to the period from 1 January 2024 to 27 February 2024.

# FY 2023 PERFORMANCE REVIEW

## BUSINESS PERFORMANCE

Real Estate Investment Business

Additionally, CLI embarked on multiple public and private sector partnerships during the year to uplift the retail sector in Singapore by hosting and introducing unique retail concepts with partners such as the Singapore Retailers Association, Singapore Tourism Board and National Gallery Singapore. CLI also deepened its participation in industry developments by working with NTUC LearningHub to attract and nurture talents in the retail sector.

### HARNESSING CLI'S OMNICHANNEL CAPABILITIES TO AUGMENT ITS REAL ASSET PLATFORM



CLI continues to ramp up the omnichannel offerings of the CapitaStar ecosystem – our digital engagement platform. The CapitaStar rewards programme serves more than 1.5 million members and continued to showcase resilient growth in 2023, powering more than S\$1.2 billion of tenant sales, an 8% increase YoY.

Building on the strong foundation of the CapitaStar ecosystem, CapitaStar For Business (an initiative providing businesses and retailers operating in or beyond the CLI network with a suite of enterprise digital marketing solutions) has also seen a strong uplift in generated revenue of more than 100% YoY.

Points conversion arrangements with leading industry partners allow members to use partner points to exchange for STAR\$®, funnelling spend back to our platforms and properties.

The sales of eCapitaVoucher also registered a 55% YoY increase, reflecting the market's recognition of it as a popular digital payment mode and gift option. Additionally, CLI significantly increased the number of acceptance points for eCapitaVoucher to over 3,500 stores in 31 committed properties. This includes shopping malls such as Paragon, The Clementi Mall, The Rail Mall, Changi City Point, as well as the upcoming Kallang Wave Mall.

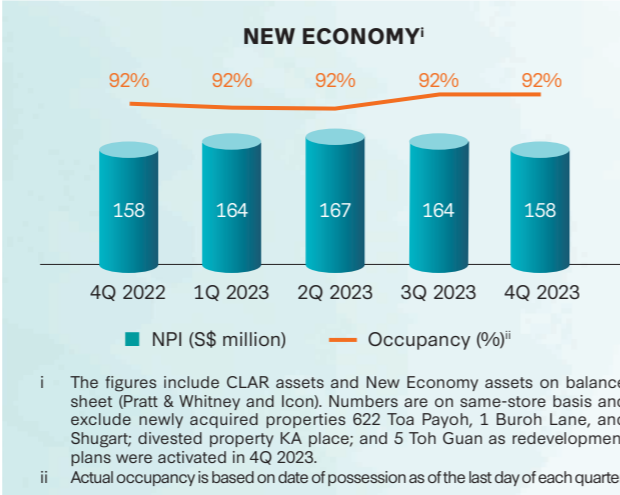
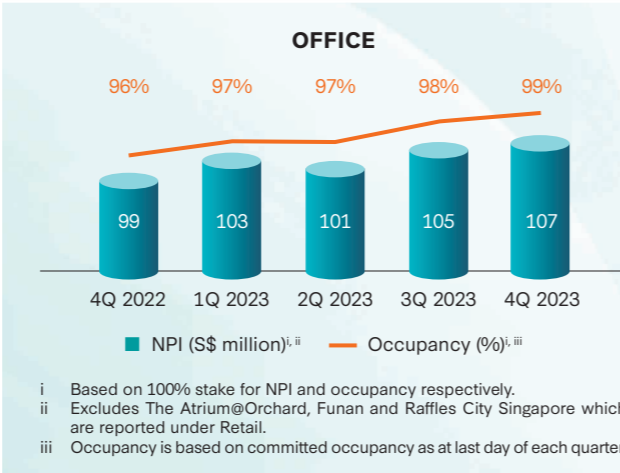
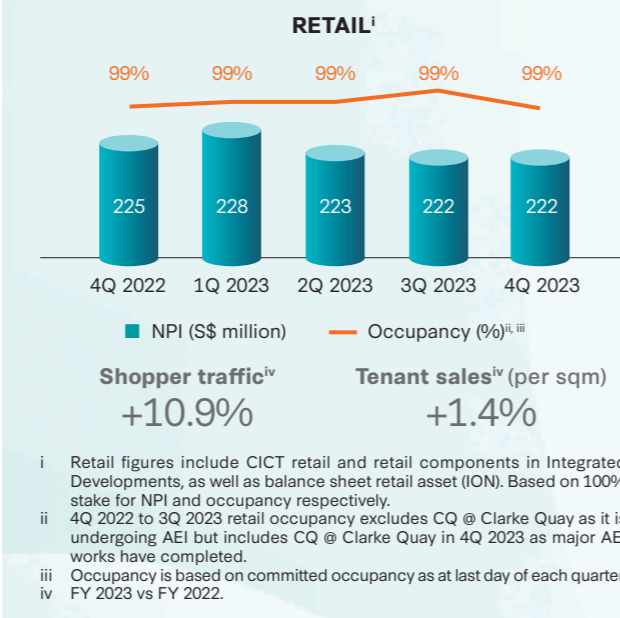
The CapitaStar@Work platform, our innovation lever for workspace properties, currently powers digital-led workspace experiences and integrated Property-Tech utility solutions for 91 workspace properties and seven coworking spaces island-wide. Digital solutions include contactless access to workspaces via facial recognition, smart lifts, QR code booking systems for meeting rooms and event spaces, and registration for tenant engagement activities.

### PORTFOLIO SNAPSHOT FY 2023

Portfolio value <sup>i</sup> <b>S\$38.9b</b>	Number of properties <sup>ii</sup> <b>120</b>
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**Gross floor area<sup>ii</sup>  
4.8m sqm**

i Refers to total sum of CLI's owned properties' valuations as at 31 December 2023 and excludes lodging.  
ii CLI's owned properties excluding lodging.



## CHINA

In 2024, CLI celebrates its 30th anniversary of operations in China. China has been a significant part of CLI's growth and continues to present new opportunities in the country, underpinning our commitment as a long-term player.

With over 200 properties under management, spanning more than 40 cities, CLI's total assets under management in China amounted to S\$46 billion in FY 2023<sup>5</sup>. Nearly half of these are held through 14 private funds and a listed fund, CapitaLand China Trust (CLCT).

### FY 2023 OPERATING PERFORMANCE

In FY 2023, CLI demonstrated resilience amid macroeconomic and sectoral challenges. Notably, a 2.4%<sup>6</sup> YoY growth in NPI was achieved, driven by China's consumption recovery. This was particularly evident in the retail segment which saw a noteworthy 7% YoY NPI increase. This growth was fueled by a significant rise in shopper traffic and tenant sales on a same-mall basis, in addition to the discontinuation of rental rebates from FY 2022.

Nonetheless, retail rents continue to face pressure due to lower rates secured for new leases and renewals. However, occupancy steadily improved over the quarters, reaching 94.3% by 4Q 2023.

Through initiatives like CapitaStar Online mall and CapitaStar Card payment, CLI further boosted retail sales by increasing its annual gross merchandise value by 25% YoY in FY 2023. The CapitaStar Super Membership Programme for high spenders accounted for 50% of sales amongst all members, with spending increased from RMB1.3 billion to RMB3.3 billion. Additionally, the CapitaStar card, launched in 2022, saw total sales reaching RMB300 million in 2023.

In the office sector, NPI experienced a 3.7% decrease YoY due to softening leasing demand and declining rents. Strategies focused on prioritising tenant retention through proactive lease management resulted in an

impressive retention rate of 81%. In July 2023, the launch of the new CapitaLand Office brand, which aimed at strengthening the values of commitment, connectivity, and community was implemented across 26 operational projects in 11 cities. The positive outcome of this initiative was evident in the LuOne office which achieved over 90% occupancy by the end of 2023.

In the Business Park segment, mild positive rental reversion was achieved despite market rent pressure from new supply and weak economic sentiment. While overall demand for logistics gradually improved, tenants exercised caution in new leases and expansions, leading to rental pressure in most markets in 4Q 2023.

### KEY HIGHLIGHTS

CLI made a total of S\$1,083 million in investments in China, through new private funds launched in 2023. CLI also made more than S\$760 million in divestments, of which a significant portion was attributed to the sale of CLI's 95% stake in Capital Square Beijing. The key transactions executed in China, in FY 2023 and YTD 2024<sup>7</sup> include:

**Investment in two hyperscale data centre development projects by CapitaLand China Data Centre Partners (CDCP)**  
In February 2023, CDCP committed to invest S\$530 million in two hyperscale data centre development projects in Greater Beijing.

**Acquisition of Innov Tower by CapitaLand China Opportunistic Partners Programme (CCOP)**  
In February 2023, CCOP acquired Innov Tower, an integrated development in Beijing's Central Business District (CBD), for S\$553 million (RMB2.8 billion). Most of the retail space will be converted into a Grade A office which will feature communal office spaces and large common areas. Coupled with the introduction of a new subway line in 2024, it is expected to command higher rental rates.

<sup>5</sup> Includes both owned and managed properties by CLI, and lodging properties.  
<sup>6</sup> On a same-store basis.  
<sup>7</sup> Refers to the period from 1 January 2024 to 27 February 2024.

# FY 2023 PERFORMANCE REVIEW

## BUSINESS PERFORMANCE

Real Estate Investment Business

### Partial divestment of Foshan logistics development to CCOP

In August 2023, CLI divested a 30% stake in a high-quality logistics development in Foshan, Guangdong to CCOP for S\$43 million. The build-to-suit asset is 100%-leased to a leading domestic textile e-trading platform, under a 15-year lease term with annual lease escalation.

### Divestment of CapitaMall Shuangjing by CLCT

CLCT divested CapitaMall Shuangjing, a shopping mall with four retail levels located near the East Third Ring Road, Chaoyang District, Beijing, at approximately S\$158 million (RMB842 million).

### Divestment of 95% stake in Capital Square Beijing by CLI

CLI divested its stake in Capital Square Beijing, a Grade A office building to AIA Life Insurance for S\$447 million (RMB2.4 billion) under a JV to recapitalise the asset. Located in the CBD of Chaoyang District, the asset was acquired through a court auction and underwent an AEI to upgrade its facilities, revitalise its tenant mix and improve operational performance.

Despite the slowdown in transaction momentum amid high interest rates, CLI remained focused on value creation of its portfolio through AEI on selected assets.

### AEI of Rock Square by CLCT

AEI was focused on the space at basement two and level three of Rock Square, a large mall located in the second most populous district in Guangzhou. It recovered 6,450 sqm of space in total, with 100% of net lettable area (NLA) in these spaces leased out. At level three, two big F&B units were reconfigured into five smaller F&B units. Overall, the AEI elevated retail experience and unlocked value in the anchor tenant area.

### Reconfiguration of CapitaMall Grand Canyon by CLCT

Basement one of CapitaMall Grand Canyon was reconfigured and reopened in December 2023 following the successful launch of level one post-AEI in July. Level one saw a 100% opening rate with around 60 popular F&B outlets and trendy retail and lifestyle stores. Traffic and gross turnover for December 2023, excluding electric vehicles increased 20% and 60% month-on-month respectively.

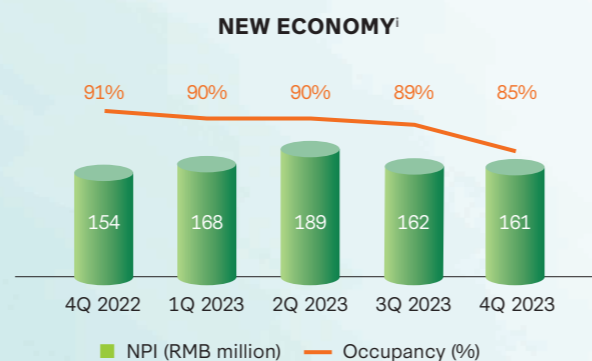
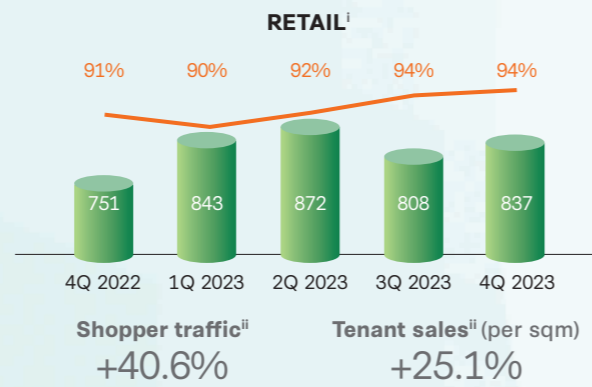
**PORTFOLIO SNAPSHOT**  
FY 2023

Portfolio value<sup>i</sup>  
**RMB174b**

Number of properties<sup>ii</sup>  
**62**

Gross floor area<sup>iii</sup>  
**6.8m sqm**

- i Refers to total sum of CLI's owned properties' valuations as at 31 December 2023 and excludes Lodging.
- ii CLI owned properties excluding lodging.
- iii CLI's owned properties excluding lodging and carpark area.



- i CLI's owned properties on same-store basis excluding lodging.
- ii FY 2023 vs FY 2022.



## INDIA

CLI started India's first IT park in 1994 and today holds a diversified portfolio encompassing business parks, logistics and industrial parks, and more recently, data centres and lodging assets. As at 31 December 2023, CLI managed approximately S\$5 billion worth of real estate in India, strategically located across eight prominent cities in the country.

Majority of our properties in India are owned through CLI's India-focused listed fund, CapitalLand India Trust (CLINT) as well as four private funds. These fund vehicles may acquire and develop land or uncompleted developments primarily to be used as business spaces, with the objective to hold the completed properties for investment purposes or to divest them when the right opportunity arises.

### FY 2023 OPERATING PERFORMANCE

In FY 2023, CLI India's total portfolio NPI improved by 9% YoY on the back of healthy leasing activity. Strong tenant engagement was maintained throughout the year, resulting in the leasing and renewal of approximately 5.9 million sq ft of space. As at 31 December 2023, we achieved healthy committed occupancy of 89% and a healthy 50% physical occupancy across our IT parks as most corporates implemented return-to-office policies for their employees.

Office space leased in India grew 7% YoY to 61.6 million sq ft in 2023, with healthy space take-up from the banking, financial services and insurance (BFSI) sector, with both global and domestic banks, and financial institutions expanding their presence in the country. Improved business sentiment has led to occupiers signing long-term leases, indicating a preference for longer-term commitments to the workplace.

### KEY HIGHLIGHTS

In FY 2023, CLI made a total of S\$367 million in investments and S\$166 million in divestments in India. Key transactions executed in India to date<sup>8</sup> include:

#### Completion of Block A in International Tech Park Hyderabad (ITPH) by CLINT

In January 2023, the construction of Block A, the first phase of redevelopment of ITPH was completed. Block A is a 1.38 million sq ft, 100% committed Grade A IT building developed in place of the former 0.2 million sq ft Auriga building.

#### Forward purchase of a 1 million sq ft IT Park in Bangalore by CLINT

In January 2023, CLINT signed a forward purchase agreement for a 1 million sq ft IT Park located at Outer Ring Road, Bangalore, with an expected total purchase price of S\$201 million. The project comprises two buildings with an aggregate NLA of approximately 1.5 million sq ft, of which one building (of 0.5 million sq ft in area) will be retained by the landowners.

#### Development of CyberVale Free Trade Warehousing Zone (FTWZ) by CLINT

In October 2023, CLINT announced that it would develop a 0.21 million sq ft FTWZ on the vacant land within CyberVale Chennai, to cater to increasing industrial and logistics demand. This development will be the first and only FTWZ in Mahindra World City and it is expected to be completed by 2H 2024.



<sup>8</sup> Includes FY 2023 and year-to-date in 2024 as at 27 February 2024.

# FY 2023 PERFORMANCE REVIEW

## BUSINESS PERFORMANCE

Real Estate Investment Business

### Divestment of International Tech Park Chennai (ITPC), Radial Road to CapitaLand India Growth Fund 2 (CIGF2)

In August 2023, CLI divested a 70% stake in ITPC, Radial Road to CIGF2. Phase 1 of this business park commenced operations two months later and it is the first business park in India to be certified by the Indian Green Building Council as Net Zero at the design stage for energy efficiency, water conservation and waste management.

The 5 million sq ft business park offers four Grade A office blocks with the capacity to house over 50,000 IT service professionals upon completion. A 245,000 sq ft lease commitment with Vestas Wind Technology India has been signed. The development of Phase 2 is currently underway and is set to begin operations by 4Q 2024.

### Acquisition completion of Casa Grande - Phase 2 at Mahindra World City by CLINT

In December 2023, the acquisition of Casa Grande - Phase 2, an industrial facility located at Mahindra World City, Chennai was completed. Comprising two fully-leased industrial facilities measuring 0.33 million sq ft, the majority of the space is leased to a leading international electronics manufacturer while the remaining space is leased to a global energy solutions provider.

### Core and shell construction of CLINT's first data centre

Four data centres (DC) are currently being developed by CLINT in India's key data centre markets - Navi Mumbai, Bangalore, Hyderabad and Chennai, with a total power load capacity of approximately 240 MW. The four DCs are designed with sustainability in mind and will incorporate features such as specialised cooling, solar panels, and energy efficient systems.



▶ Artist's impression of the Navi Mumbai data centre.

### PORTFOLIO SNAPSHOT FY 2023

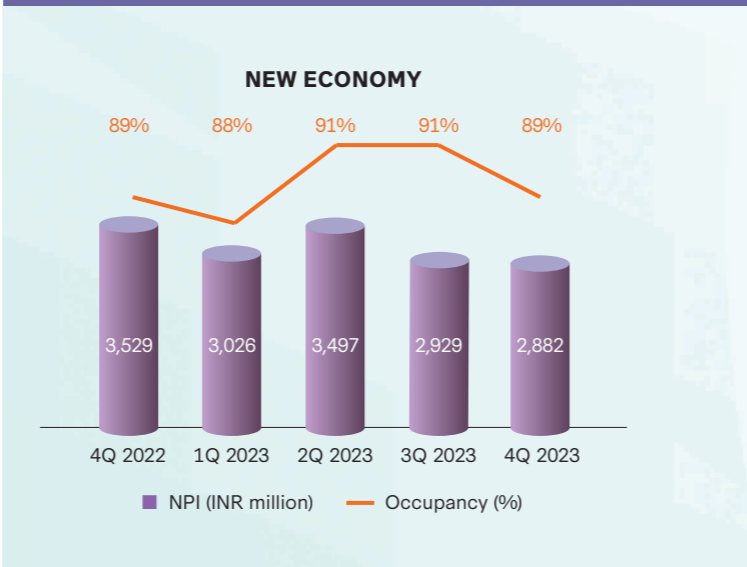
Portfolio value <sup>i</sup> <b>INR262.6b</b>	Number of properties <sup>ii</sup> <b>33</b>
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**Net leasable area of operating IT parks and Logistics parks**  
**30.6m sq ft**

i Refers to total sum of CLI's owned properties' valuations as at 31 December 2023 and excludes lodging.  
ii Includes operational IT parks and Logistics parks, as well as properties under development/to be developed. Excludes lodging.



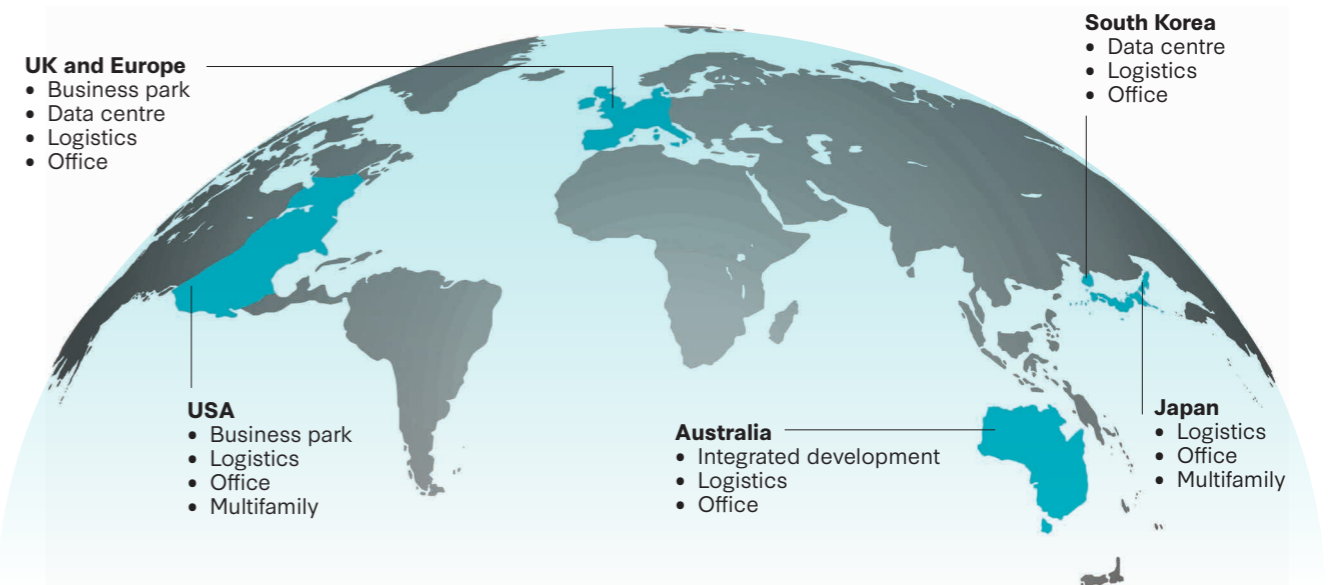
## OTHER KEY MARKETS



Construction of the core and shell for the Navi Mumbai DC and Hyderabad DC are expected to be completed in 4Q 2024 and 1H 2025 respectively, while the Bangalore and Chennai DCs are in initial stages of development.

CLI continues to actively explore opportunities and deepen its presence in markets such as Australia, Japan, South Korea, the UK, Europe, and the USA. We have built a diversified and resilient international markets portfolio comprising asset classes including multifamily, business parks, offices, logistics and data centres.

2023 saw divergent operating environments across CLI's international markets, with markets such as Australia, Europe, the UK and the USA being more challenged than the others due to high capitalisation rates, impacting asset valuations and deal making. Japan experienced favourable demand-supply dynamics in the lodging and logistics sectors while South Korea's logistics sector remained supported by limited supply. During the year, we expanded our footprint in the new economy sector, acquiring a logistics asset in South Korea and a data centre asset in the UK through our fund vehicles.



### FY 2023 OPERATING PERFORMANCE

#### USA multifamily and new economy portfolios stayed resilient despite macroeconomic headwinds

CLI's portfolio of 16 operating multifamily assets maintained stable performance in FY 2023, with portfolio occupancy at 91% and positive rental reversion. As part of the multifamily value-add programme, the portfolio continued its phased unit interior renovations during the year. This yielded strong double-digit return on investment and rental uplifts for the renovated units.

The new economy portfolio of 48 properties, owned through CLAR, achieved a stable occupancy of 90% with positive rental reversion.

#### Australia new economy and office portfolios delivered healthy performance

Our new economy portfolio in Australia of about 37 operating properties, all owned through CLAR, maintained healthy operating performance in FY 2023, with occupancy of 99% and positive rental reversion. The two operating office assets and one integrated development, which CLI owns through CICT, exhibited steady performance in a challenging leasing environment, with occupancy increasing to 88%. In North Sydney, CICT's 101 Miller Street will undergo an approximately A\$9 million upgrade to transform its lobby into a best-in-class multifunctional communal space, supporting tenants' return to office.



FY 2023  
PERFORMANCE REVIEW  
BUSINESS PERFORMANCE  
Real Estate Investment Business

**South Korea office and new economy assets exhibited strong operating fundamentals**

Our office asset in South Korea, which CLI owns through our private fund, demonstrated strong operating performance. Recording a stable occupancy of 100%, the Grade A office building achieved a 16% YoY increase in NPI in FY 2023.

The new economy portfolio, which CLI owns through our private funds, consists of two stabilised assets which maintained a high occupancy of 100% with NPI remaining largely similar YoY, and an asset which has completed AEI in 3Q 2023 and continues to be leased up.

**Japan office portfolio delivered stable performance**

Our four operating office assets in Japan achieved an improvement in portfolio occupancy rate to 94% and we expect further stability in the office market through FY 2024.

**New economy portfolio in Europe and the UK delivered steady growth**

Our new economy portfolio of 51 properties continued to maintain a high portfolio occupancy of around 97%, with FY 2023 portfolio NPI growing by about 10% YoY. In February 2024, Gallileo in Frankfurt, Germany commenced a planned AEI which is estimated to take approximately 18 months. In March 2024, we announced the signing of the European Central Bank as the new anchor tenant for the asset, with a lease term of 10 years.

**KEY HIGHLIGHTS**

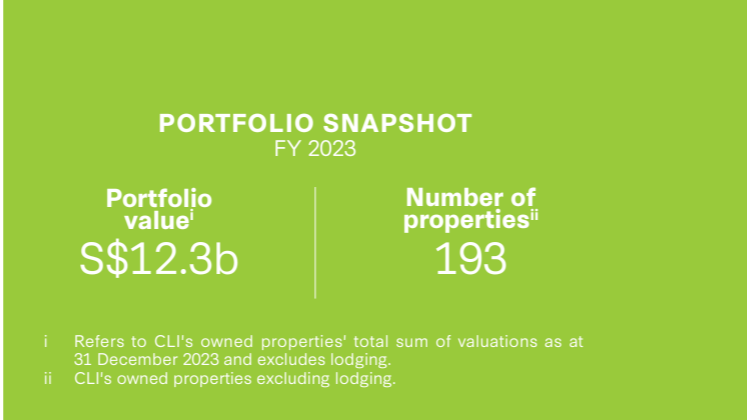
CLI made a total of S\$453 million in investments and S\$285 million in divestments in FY 2023. Key transactions executed to date<sup>9</sup> include:

**Forward purchase of six multifamily assets in Osaka, Japan by CapitaLand Open End Real Estate Fund (COREF)**

In April 2023, CLI entered into a forward purchase agreement with an established Osaka-based residential developer to acquire six multifamily assets in Central Osaka, Japan at a purchase price of S\$141 million (US\$106 million) for its flagship regional core-plus fund, COREF.

The deal marks COREF's entry into the attractive multifamily sector in Japan and the properties are expected to be completed in phases from May 2023 to June 2024.

<sup>9</sup> Includes FY 2023 and year-to-date in 2024 as at 27 February 2024.



▲ A multifamily property, which is part of the six multifamily assets in Central Osaka, Japan acquired by COREF.

**Acquisition of fifth UK data centre by CLAR**

In August 2023, a high-specification Tier III colocation data centre facility in Watford, North-West London was acquired for S\$200 million (£119 million).

**Acquisition of Grade A logistics property in South Korea by COREF**

In September 2023, COREF acquired Anseong Seongeun Logistics Centre, a newly completed, high specifications Grade A logistics property in South Korea for S\$112 million (US\$83 million). Strategically located in Anseong, an emerging logistics hub in the Gyeonggi province, the asset is well served by primary expressways providing easy access to Seoul and key population centres across Greater Seoul.

**Divestment of Queensland properties by CLAR**

In December 2023, CLAR announced the divestment three logistics properties in Queensland, Australia, namely, 77 Logistics Place, 62 Sandstone Place and 92 Sandstone Place. The total sale consideration amounts to S\$64 million (A\$73 million) and represents a 6.2% premium to market valuation.

**Divestment of two freehold logistics assets in Japan to CLI's new core logistics private fund, Orchid Two Godo Kaisha**

In February 2024, CLI and its JV partner Mitsui & Co. Real Estate divested their stakes in the Sagami-hara Minami Hashimoto Logistics Centre located in Greater Tokyo to the fund, while CLI divested its 100% stake in the fully leased Ibaraki Saito Logistics Centre located in Osaka to the fund.

The green-certified properties which are operational, are well-connected to major expressways and have a combined gross floor area of approximately 49,300 sqm.

# OUR STAKEHOLDERS

At CapitaLand Investment (CLI), our stakeholders play a crucial role in achieving our business objectives and fulfilling our commitment to environmental, social, and governance responsibilities. Our stakeholders are not just partners but also active contributors. We value their inputs and work together to understand their unique concerns, needs, and expectations. Through open dialogues, we establish common objectives that are mutually constructive for all stakeholders.

This collaborative exchange shapes how we engage with stakeholders across different groups - including our

## People, Investors, Customers and Communities.

Whether it is investing in our people, providing timely insights for our investors, delivering improved products to our customers, or contributing to our communities, our engagement aims to cultivate long-term relationships with a holistic approach. As we embark on this journey together, our goal remains clear - to create a lasting and positive impact for all our stakeholders.

▶ Staff volunteers visited the children supported by the CapitaLand Hope School Programme in Xi'an, China.





▲ CapitaLand Group Sports Day 2023 at 100PLUS Promenade, Singapore Sports Hub.

## Our People

At CLI, we recognise that the backbone of our organisation is rooted in the talent and dedication of our people. We value their pivotal roles in our achievements and remain unwavering in our commitment to take bold steps and prioritise the well-being of our people. Our high-performing and diverse teams embody our core values, which include a winning mindset, an enterprising spirit, mutual respect and unwavering integrity.

Dedicated to uplifting our global employee experience, we formed an Employee Experience Committee to curate programmes and launch initiatives with our people as the central focus. To amplify the voices of our employees and encourage open communication, we organised coffee chats with our Senior Leadership team as well as global and in-country townhalls regularly. Promoting teamwork and fostering ONE CapitaLand Ecosystem, we successfully held the first-ever CapitaLand Sports Day, and the annual Staff Appreciation Night in Singapore with close to 2,000 colleagues in attendance at each event.

We understand that we are at our best when our employees are at theirs and are committed to their holistic well-being and mental health. Through our CapitaLand Well-being programme, we offer a range of in-person and virtual employee engagement and wellness events that focus on six dimensions of wellness – namely emotional (mental), financial, purposeful (community involvement), social, career and physical wellness for our colleagues globally. Our Voice of Employees (VoE) platform provides a confidential



▲ CapitaLand Walking Club unwinding with a scenic walk from Capital Tower to Marina Bay Sands in Singapore.

avenue for anonymous feedback on any work-related matters. In addition to our ongoing Employee Assistance Programme and global Mental Well-being Ambassadors, we have concluded additional well-being workshops with close to 500 participants. In Singapore, we have piloted a psychological health, safety and well-being mobile app, FlourishDx, that provides on-demand education and positive psychology strategies for our employees on the go.

Recognising the dynamic nature of the professional landscape, we prioritise the continuous learning and growth of our employees. With investments of approximately S\$2.7 million, we have delivered over 360,000 hours of meticulously curated learning programmes and initiatives. Our Learning CAREnival, featuring internal and external industry experts, covers a range of topics, including innovation and sustainability. Through our culture of continuous improvement and adaptability, we equip our employees with the necessary skills and knowledge to stay ahead in their respective fields.

These collective initiatives garnered positive feedback, as reflected in the results of our latest global employee pulse survey in October 2023. The survey measured various drivers, including our employees' well-being, and we achieved an 84% employee engagement score, marking a slight improvement compared to 83% in 2022. The top three drivers for the 2023 survey – Core Values, Well-being and Immediate Manager – confirm the high levels of collaboration within our teams and support of work-life balance across the organisation.



▲ CapitaLand Group Staff Appreciation Night 2023 at Marquee, Marina Bay Sands in Singapore.

Our employees are driven by a culture of championing growth, where everyone is empowered to take ownership, build bridges and seek expertise to deliver value and achieve success as ONE CLI.

Together, we create a positive impact by ensuring our business and social outcomes align with our commitment to make a meaningful difference, uphold diversity and inclusion, do right by our stakeholders and contribute to the long-term interests of the communities we operate in.



▲ Well-being Programme - Marble Coaster Making Workshop in Singapore.

## Our Investors

As custodians of our shareholders' capital, earning the trust and support of both our shareholders and the broader listed investor community is essential to propel CLI's long-term success. CLI firmly believes that maintaining transparency, clarity, timeliness, and proactive communication about our business operations are fundamental principles for nurturing crucial alignment of expectations between us and our stakeholders. This belief drives our investor relations approach and efforts.

With a market capitalisation of approximately S\$16 billion as at the end of 2023, CLI is one of the largest companies listed on the Singapore Exchange. Its inclusions in multiple global and regional indices, such as MSCI Singapore, Straits Times Index, and FTSE EPRA Nareit Developed Index, underscore its significance and appeal to the listed equity market. CLI therefore adopts a diverse approach to maximise its investor relations objectives and outreach globally. They include:

### ENSURING TIMELY DISCLOSURE OF INFORMATION THROUGH MULTIPLE PLATFORMS

CLI is committed to providing fair, transparent, and timely disclosure of new material information, whether positive or negative, on SGXNET, in compliance with the requirements of the Listing Manual and applicable listing rules. Additionally, any news and updates are disseminated through various channels, including news releases on CLI's website and its social media platforms. CLI's Investor Relations and Group Communications departments are easily accessible to stakeholders with inquiries, accessible via both phone and email. Contact information can be found on [www.capitalandinvest.com](http://www.capitalandinvest.com).

### REGULAR BRIEFINGS BY CLI MANAGEMENT TEAM

CLI conducts regular briefings by its senior management executives and investor relations team to provide updates on material information and ensure the investor community and general public understand its business strategy, operations, and financial performance.

Financial results briefings occur twice a year, following the announcement of first-half and full-year financial results. These sessions are broadcast live on CLI's website, allowing accessibility to all stakeholders. CLI's senior management will present the results, and invited analysts and media can ask questions in person. Viewers watching online can also pose questions online. Recordings of these briefings are promptly uploaded on CLI's website and YouTube channel for repeated access.



▲ Group CEO Lee Chee Koon speaks to shareholders at CLI's 2023 AGM on its growth roadmap.

Additionally, CLI voluntarily provides updates for the first and third quarters of each year through detailed presentation slides uploaded on SGXNet and the company's website.

CLI maintains close communication with sell-side research houses and various media outlets to ensure that their independent views accurately reflect CLI's business operations, thereby benefiting investors. We also actively engage with proxy advisors such as ISS and Glass Lewis to ensure they understand CLI's perspectives in relation to their voting guidelines, thereby ensuring a comprehensive consideration of their recommendations.

### ACTIVE PARTICIPATION IN INVESTOR CONFERENCES AND NON-DEAL ROADSHOWS

Given CLI's geographically diversified shareholder base, we actively participate in institutional investor conferences across the globe, as well as those focusing on retail investors. In FY 2023, CLI participated in over 20 institutional conferences and non-deal roadshows held across Asia, as well as the UK, and the USA. These events facilitated 160 one-on-one and group sessions with institutional investors.

In November 2023, we also hosted a hybrid Sustainability Non-deal Roadshow following the refresh of CLI's 2030 Sustainability Master Plan (SMP). Chief Sustainability and Sustainable Investments Officer, Vinamra Srivastava,



▲ CLI management addressing to questions from analysts and the media during CLI 1H 2023 financial results briefing.



▲ Sustainability Non-deal Roadshow 2023.

and Group Chief Financial Officer (CFO), Paul Tham shared valuable insights on CLI's sustainability journey and progress towards our SMP. The event attracted 70 participants, and the recording was also shared on our website.

For retail engagements, CLI hosted its flagship "Kopi with CapitaLand Investment" dialogue session in collaboration with the Securities Investors Association (Singapore) (SIAS) in April 2023, providing over 50 retail investors with the opportunity to interact with CLI's Group Chief Operating Officer, Andrew Lim, and Group CFO, and better understand CLI's growth strategy and performance ahead of CLI's 2023 Annual General Meeting. In May 2023, CLI Group of listed REITs and business trusts also participated in the REITs Symposium 2023, which was jointly organised by ShareInvestor, REITAS and InvestingNote. This in-person

event served as a platform for industry experts, REITs, business trusts, and retail investors to share valuable insights. CLI REITs representatives were involved in an array of activities, including panel discussions of pertinent topics relating to the viability of REITs as an investment in a high interest rate environment as well as engaging with participants to showcase our range of REIT products.

### ANNUAL GENERAL MEETING (AGM)

CLI's AGM transitioned back to an in-person format in 2023, facilitating direct interaction between our board of directors, management team, and the 200 attending shareholders.

CLI's AGM in 2024 will be held at The Star Vista in Singapore on 25 April 2024. Shareholders are welcome to join the AGM in person or watch the event via webcast at their convenience. Please refer to the Notice of AGM on our website for further details.

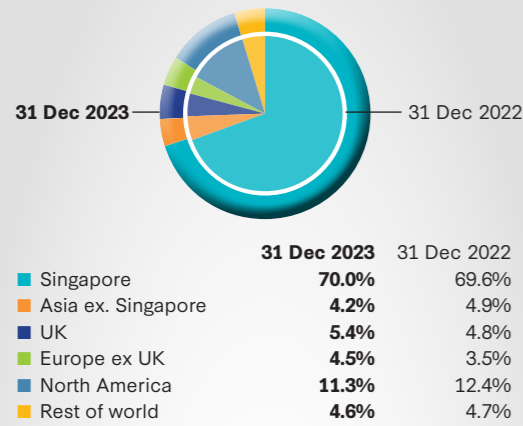
### CLI SHAREHOLDING ANALYSIS

As at 31 December 2023, CLI has more than 5.1 billion issued shares trading on the Singapore Exchange. These shares are held by over 55,000 accounts worldwide, with Temasek Holdings Limited (Temasek) holding approximately 52% of CLI's total issued shares—an amount that has remained largely stable since CLI's listing. CLI's share price opened at S\$3.70 and ended at S\$3.16 for FY 2023, marking a 14.6% decrease for the year.

# OUR STAKEHOLDERS

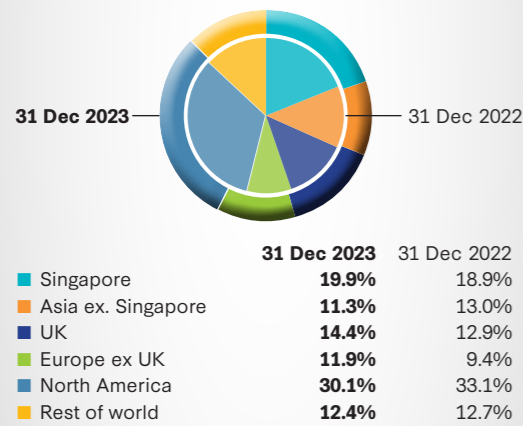
## SHAREHOLDINGS BY GEOGRAPHY

(Including Temasek's and CLI's shareholdings which are based in Singapore)

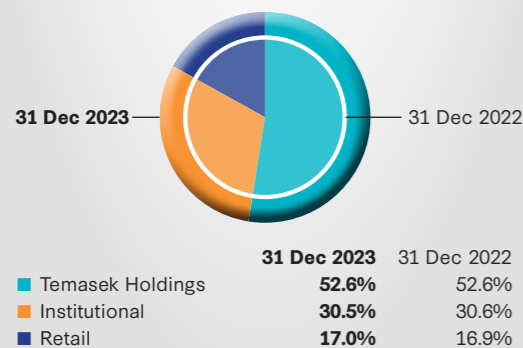


## SHAREHOLDINGS BY GEOGRAPHY

(Excluding Temasek's and CLI's shareholdings which are based in Singapore)



## SHAREHOLDINGS BY INVESTOR TYPE



## ACCOLADES

CLI clinched the award for Best Annual Report – Bronze for companies with market capitalisation of S\$1 billion and above at the 2023 Singapore Corporate Awards, a leading awards event to celebrate corporate governance excellence. The Best Annual Report award recognises excellence and clarity in financial reporting and presentation as well as quality in disclosures.

In addition, CLI was awarded by Institutional Investor, a leading international finance publication, in multiple categories of the Asia (ex-Japan) Executive Team Awards. The awards include Best IR Program, Best CEO, Best CFO, Best ESG, and Best Company Board, Property under the Combined and buy-side categories. The winners are selected through surveys conducted by Institutional Investor with security analysts, fund managers and researchers.

## KEY INVESTOR RELATIONS EVENTS IN FY 2023

### 1Q 2023

- CLI FY 2022 Financial Results Briefing
- Non-deal roadshow in Hong Kong
- 26th Credit Suisse Asian Investment Conference
- 2023 Citi's Global Property CEO Conference

### 2Q 2023

- Kopi with CapitaLand Investment (Dialogue session in collaboration with SIAS)
- CLI 2023 Annual General Meeting
- CLI 1Q 2023 Business Updates
- Non-deal roadshow in Shanghai and Beijing hosted by HSBC
- Citi Pan-Asia Regional Investor Conference 2023
- UBS OneASEAN Conference 2023

### 3Q 2023

- Boardroom Bites investor engagement luncheon with CLI board members
- CLI 1H 2023 Financial Results Briefing
- Non-deal roadshow in Hong Kong hosted by BofA
- Citi ASEAN Financials and Real Estate Investment Forum 2023

### 4Q 2023

- Non-deal roadshow in KL hosted by CGS-CIMB
- CLI 3Q 2023 Business Updates
- CLI Sustainability Non-deal Roadshow 2023
- CLI and CLI REITs Corporate Day 2023 in Bangkok
- Morgan Stanley Twenty-Second Annual Asia Pacific Summit
- UBS Global Real Estate CEO/CFO Conference 2023



# Our Customers

▲ CQ @ Clarke Quay underwent a S\$62 million asset enhancement initiative to transform it to a day-and-night destination.

CLI is dedicated to serving a wide customer base across its multi-geography and multi-asset class portfolio. Our customers are integral to the performance of our assets, bringing activity and occupancy. They include the tenants of our portfolio assets spanning all asset classes, the shoppers who visit our retail malls and generate sales, and the guests staying at our lodging assets that we manage or own. Beyond our assets, as CLI ramps up the growth of our fund management business, our capital partners who place trust in CLI as stewards of capital, are also increasingly an important part of our customer base.

With the further easing of the COVID-19 pandemic, 2023 saw the continued return of business activity, as well as shoppers, event-goers, workers and tourists across our assets. Along with these trends, our touchpoints with customers increased, allowing us to bring greater value and establish deeper brand loyalty with them.

## CREATING A DIFFERENTIATED EXPERIENCE FOR SHOPPERS AND GUESTS

Amidst keen competition among retail spaces in markets such as Singapore and China, we constantly seek to differentiate the value we bring to our tenants and shoppers. We look to elevate our assets beyond mere shop spaces, by creating meeting points for families, friends, residents and even tourists.

In 2023, we committed resources into creating new experiences from rejuvenating spaces at Bugis Street and CQ @ Clarke Quay. We unveiled a refreshed Bugis Street for shoppers, featuring a new tenant mix, as well as new and improved spaces. Following the completion of major works for CQ @ Clarke Quay's asset enhancement initiative in December 2023, visitors can look forward to new brands and exciting day-to-night offerings following full completion by early 2024.

## OUR STAKEHOLDERS

In our core markets, we are well-positioned to leverage the CapitaLand brand to initiate various public and private partnerships to create new experiences for our customers. For instance, in September 2023, we partnered with the Singapore Retailers Association for its inaugural 'Wunderground Festival', a showcase of innovative retail, F&B and lifestyle brands and ideas. Through our ongoing partnership with the Singapore Tourism Board, our shoppers were treated to two unique experiential retail-tainment events, namely the 'Stranger Things - The Encounter: Singapore' immersive experience at Bugis+ and the 'Game On' Global Tour Exhibition, in collaboration with contemporary artist Edgar Plans at Funan.

Similarly in China, we sought partnerships to create a unique and differentiated experience for our tenants and shoppers. For example, we joined forces with Sony Pictures for the screening of 'Spider-Man: Across the Spider-Verse' at our shopping malls. In partnership with Disney China, we organised the 'Pixar Puffy Happiness' exhibition which brought popular Pixar characters to life at six integrated properties in major cities such as Shanghai, Ningbo, Hangzhou and Chongqing.

Riding on the recovery of international travel, our lodging business under The Ascott Limited (Ascott) continued to create new options for travellers by debuting The Crest Collection in Asia, as well as signing more units under Oakwood and Iyf. We also unveiled the Somerset Sustainability Passport Programme in November 2023 to encourage guest participation in eco-friendly activities and community initiatives in Somerset properties globally.



▲ Situated along the iconic Singapore River, The Robertson House by The Crest Collection, the brand's flagship in Singapore was unveiled in October 2023.

▶ As part of CLI's ongoing partnership with the Singapore Tourism Board, we hosted the 'Stranger Things - The Encounter: Singapore' immersive experience at Bugis+ and the 'Game On' Global Tour Exhibition, in collaboration with contemporary artist Edgar Plans at Funan.



### ENRICHING WORKSPACES FOR TENANTS AND THEIR EMPLOYEES

Workspace tenants are an important cohort in the CapitaLand ecosystem. We look to create positive workspace experiences and build long-lasting relationships with them, engaging with both decision makers in the respective companies and their employees.

Across Singapore, China and India, we engage our workspace tenants through a variety of flagship events, festival celebrations, sports and enrichment programmes. In Singapore, we organised more than 970 activities and campaigns in 2023 including a Futsal 5v5 challenge, Oktoberfest celebrations at Changi Business Park and CapitaSpring, as well as lunchtime workshops.

In China, we engaged tenants through a combination of more than 440 office community and recreation events in 2023, as well as providing exclusive benefits such as medical care, and discounts on Ascott accommodation. Bridge+, CapitaLand's core and flex workspace solutions platform, continued to facilitate prompt and effective responses to our tenants' needs.

In India, our tenants and their employees attended more than 60 events during the year, including several flagship events such as 'Livewire', in which our clients' employees competed in cultural activities such as

dancing, singing, fashion shows, culinary expertise etc, and the annual 'CEO Connect' and 'FM Connect' networking event in which our city teams hosted the facility and administrative teams of our clients.

Souvenirs and treats are also often distributed at various events and festival celebrations across our markets, such as Chinese New Year, Valentine's Day, International Women's Day, Diwali and Christmas.

Our consistent efforts in enriching the user experience of our tenants have translated into positive results in the most recent Voice-Of-Customer survey conducted with workspace tenants. Across all three core markets, customer satisfaction among workspace tenants increased by five percentage points and above, a testament to our comprehensive approach to building connections with our customers.

### BUILDING CUSTOMER LOYALTY THROUGH EXPANDING TOUCHPOINTS

The customer experience at CapitaLand is complemented by a strong digital ecosystem through which we extend our engagement with customers and forge stronger connections with our brands.

Our CapitaStar digital ecosystem in Singapore, which currently supports over 3,380 stores across 30 committed properties, helped drive an 8% year-on-



▲ CLI partnered Sony Pictures for the screening of 'Spider-Man: Across the Spider-Verse', engaging visitors with experiential marketing and promotional activities in its malls across China.

year increase in tenant sales. Revenue generated by CapitaStar For Business also more than doubled. Additionally, we made similar progress with our eCapitaVoucher (eCV) programme, expanding the number of acceptance points by four shopping malls in Singapore.

In China, CLI continued to ramp up the CapitaStar platform, achieving a 33% year-on-year increase in sales contributed by CapitaStar members. Notably, the CapitaStar Super Membership Programme, which provides exclusive benefits and privileges for high spenders, accounted for half of the overall sales among all members and we continued to engage this group of members through tie-ups with popular brands such as Meitu, KEEP, Marumi and CHALI. We also launched CapitaStar Buy, a cross-border e-commerce platform, that gives local consumers access to popular brands and products from around the world.

Our workspace tenants in China remained well-served during the year by our Bridge+ WeChat mini programme which provides a comprehensive list of customer-oriented solutions in meeting room bookings, visitor reservations and access management, and the addition of the use of CapitaStar points and CapitaStar Card for payment. This programme is currently available to more than 410,000 users across 35 workspace assets in China.

## OUR STAKEHOLDERS

Ascott's loyalty programme, Ascott Star Rewards (ASR) maintained strong engagement with our guests and travellers in 2023, with the signing of a record one million members, amassing a total of 3.8 million members as at end of the year. In fact, since its launch in 2019, ASR's membership has grown 40% annually. Today, members can earn reward points at over 400 properties, across more than 220 cities and over 40 countries.

### LEVERAGING TECHNOLOGY TO LEVEL UP ENGAGEMENT

We see technology creating new frontiers in our interactions with our customers. Artificial Intelligence (AI) has tremendous potential in value-adding to the customer engagement journey and delivering a differentiated experience. With Ascott, we invested resources into developing AI capabilities in service delivery and launched Cubby, a generative AI-powered web chatbot to enable guests to personalise their travel. Fuelled by ChatGPT, Cubby provides travel insights to all guests including destination highlights, accommodation recommendations, must-visit attractions, suggestions for shopping and adventure activities, as well as the best "Instagram-worthy" spots and more.

Finally, as part of our ongoing digitalisation efforts to provide value-adding services for our customers and retail partners, we held the second edition of

CapitaVerse, CapitalLand's 24-hour experiential metaverse event, that allowed participants to watch live performances, view art and fashion showcases, and win prizes. The event was a resounding success, allowing us to reach new customer segments and engage a global audience. As a second edition, it achieved a 150% growth in the overall reach with 2,000 participants and an average dwell time exceeding 36 minutes.



▲ CapitaVerse, a 24-hour experiential metaverse event returned for a second edition, drawing 2,000 participants.



## Our Communities

▲ Staff volunteers packed 1,000 sets of back-to-school essentials for graduating Kindergarten 2 students under the CapitalLand Bright Horizons Fund Ready-For-School Programme.

CLI actively supports and contributes to initiatives by CapitalLand Group's philanthropic arm, CapitalLand Hope Foundation (CHF). Our community development efforts align with the Foundation's key focus areas towards building resilience in communities where CapitalLand operates, through supporting education, health and well-being initiatives, targeting at children, youth and seniors. Through these efforts, we are committed to creating a better future for those in need in collaboration with our communities.



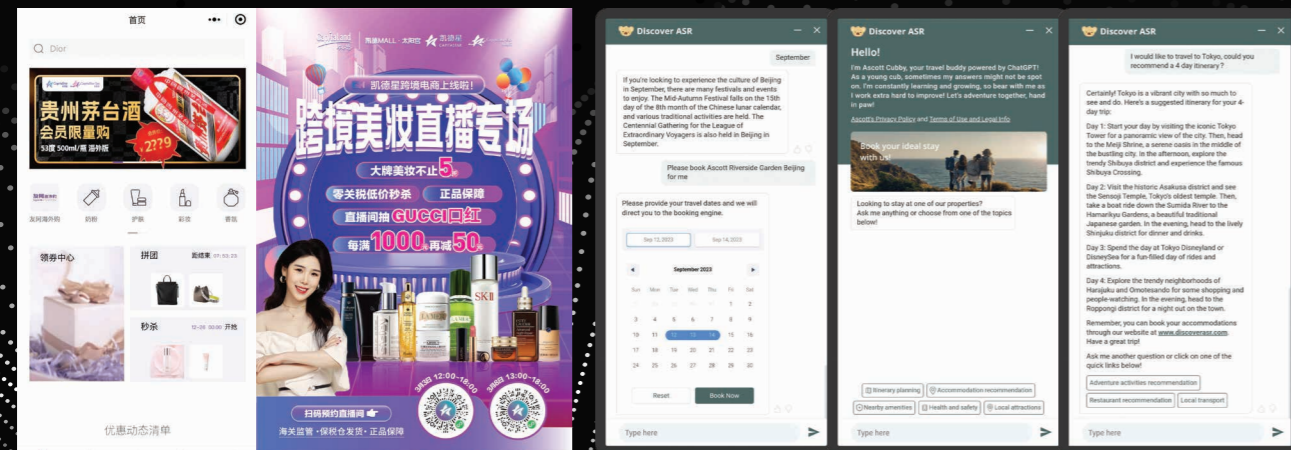
▲ Staff volunteers in Vietnam engaged with students under the CapitalLand Hope School Programme through a mosaic workshop.

Volunteerism plays a pivotal role in our corporate giving strategy. We continue to leverage our resources and networks to galvanise our employees, business partners and tenants to join our activities and do good together. We also collaborate with our community partners to curate sustainable volunteer opportunities and measure the impact of the programmes that we are supporting through CHF, ensuring that we maximise the benefits for the communities we serve.

In 2023, CHF and CHF India donated more than S\$3.5 million globally, benefitting over 14,000 beneficiaries. More than 1,500 dedicated CLI employees devoted over 13,500 volunteer hours to support community activities such as distributing school essentials, enhancing learning spaces to provide a safe and conducive environment for the children as well as befriending seniors through outings and delivering essential care packs and meals to them.

The third edition of 'CapitalLand #GivingAsOne' global campaign took place from September to October 2023. This initiative brought together CLI employees, business partners and customers to create a collective social impact, by uplifting the lives of vulnerable groups in communities where CapitalLand operates. Through various volunteering initiatives, more than 1,400 volunteers contributed over 9,800 volunteer hours, benefitting over 7,300 beneficiaries.

CHF aims to improve access to education and basic healthcare and enhance the overall well-being of children and youths. Through the CapitalLand Hope School Programme, we have contributed INR19 million towards the refurbishment of the third school in India, which will provide more than 500 children from underserved families with access to education.



▲ CapitaStar Buy, a cross-border e-commerce platform was launched on the CapitaStar platform. The platform offers popular brands and products from around the world.

▲ Cubby is designed to play the role of a "travel buddy" that provides travel insights such as destination highlights, accommodation recommendations and more.

## OUR STAKEHOLDERS



**> S\$3.5 million** donated globally through CHF and CHF India to support communities where we operate, such as providing children with access to education, and helping seniors to age in place.



**> 1,500 CLI employees and 13,500 volunteer hours** contributed to various community activities globally.



**> 14,000 beneficiaries** including children and seniors in need who benefitted from CHF's initiatives.



▲ Staff volunteers visiting a school under the CapitaLand Hope School Programme in Bangalore, India.

Since 2005, the programme has supported a total of 32 schools. In addition, CHF has partnered with Pratham Education Foundation, a non-governmental organisation, to expand the latter's holistic learning programme to benefit more than 3,000 children in 62 underserved communities in Karnataka state. About 70 CLI staff volunteers from six countries participated in an International Volunteer Expedition to Bangalore, and visited a school supported by the CapitaLand Hope School Programme at KR Puram.

Through CHF's #LoveOurSeniors initiative, we collaborated with various charity and community partners and rallied employees as well as tenants and community volunteers to improve the quality of life for over 3,100 seniors in need. Our efforts focused on



▲ Staff volunteers delivered the #LoveOurSeniors essential care packs to a senior in need.

providing them with better nutrition, enhanced well-being and improved living conditions. One of our key activities was rallying our employees and tenants to bring good cheer to seniors from FaithActs, Fei Yue Community Services, Thye Hua Kwan Moral Charities and TOUCH Community Services through outings to IMM and Bedok Mall. Accompanied by the volunteers, the seniors enjoyed a hearty meal and bought daily necessities from the supermarkets.

At the Group level, CapitaLand received the Volunteer Partner Award at the Community Chest Awards 2023, which recognises our continuous efforts to support the community in need. CapitaLand was also presented the Company of the Year Award for community care under the shopping mall category at the Sustainability and CSR Malaysia Awards 2023 for its #GivingBersama 2.0 initiative.



▲ Tenant volunteers were rallied to befriend seniors through an outing to IMM.

### NURTURING RESILIENT, THRIVING AND FUTURE-READY CHILDREN AND YOUTHS

- ♥ Through the CapitaLand Kids Programme @ Education Bursary, CHF supports academically gifted and underserved students in China under the CapitaLand Hope School Programme in their academic pursuits from Grade 4 to university. In 2023, over 440 students benefitted from the programme.
- ♥ CHF provided 1,600 students from 39 schools across 17 provinces and cities in China with schooling essentials under the 'My Schoolbag' initiative, with the involvement of 200 staff volunteers.
- ♥ About 70 CLI staff volunteers from six countries completed a 3-day International Volunteer Expedition to Bangalore, India, where they visited a school and decorated the classrooms and common areas, enhanced the play area with a sandpit and added more shelves and books in the reading room.
- ♥ As part of the CapitaLand Hope School Programme in Vietnam, 22 scholarships were awarded to high-performing graduating fifth-grade students in the academic year 2022-2023 and school essentials were distributed to about 1,400 students.
- ♥ On International Volunteer Day, staff volunteers befriended 40 children under the CapitaLand Hope School Programme in Vietnam through a zoo outing, office visit and mosaic art workshop.
- ♥ Through #GivingBersama 3.0 initiative, RM200,000 worth of daily necessities and educational supplies were distributed to more than 800 underserved children from 22 homes and schools, as well as over 1,500 beneficiaries from 520 low-income families in Malaysia.
- ♥ Over 40 employees from Ascott Indonesia took part in cleaning the common areas of SOS Children's Village, Jakarta on World Cleanup Day and engaged the children in interactive activities. CHF also donated over S\$2,000 to SOS Children's Village, in support of tuition fees for the children and youths.
- ♥ From September 2022 to June 2023, over S\$6,000 was raised for ISCO Foundation through Ascott's street children education sponsorship programme in Indonesia, and CHF matched the donation dollar-for-dollar, to support children and youth's education fees and youth employment workshops.

- ♥ As part of CHF's CapitaLand Empowerment and Resilience Programme, staff volunteers facilitated and befriended over 70 children from social service agencies supported by Yellow Ribbon Singapore across several afternoon camps to build their social-emotional resilience under Camp Cacti in Singapore.
- ♥ CHF partnered Fei Yue Community Services to pilot the Youth-REKA initiative which aims to engage, build resilience and support the character development of youths from complex backgrounds. Through vocational education in areas such as baking and animal care, the programme reached out to over 170 vulnerable youths in Singapore.
- ♥ Staff volunteers packed 1,000 schoolbags with school essentials for graduating preschool children from My First Skool in Singapore under CapitaLand-Bright Horizons Fund Ready-For-School Programme.

### SUPPORTING SENIORS IN THE COMMUNITY

- ♥ In Singapore, over 1,200 CapitaLand staff, tenant and community volunteers, as well as our charity partners, came together in 2023 to distribute 3,000 essential care packs, and over 15,500 specially curated meals and wholemeal bread loaves to vulnerable seniors under the #LoveOurSeniors initiative. Staff volunteers also helped with decluttering and assembling of furniture at 11 seniors' homes to create a safer and more conducive living conditions. CHF and two other tenant companies sponsored new bedsheets and curtains.
- ♥ Staff and tenant volunteers accompanied seniors who had an enjoyable time during four outings to IMM and Bedok Mall in Singapore.
- ♥ Championed by CapitaLand's retail marketing team, the STAR\$® for GOOD campaign held from October 2023 to February 2024 to treat seniors to a dining experience at participating F&B stores across CapitaLand malls. This is in partnership with six SG Cares Volunteer Centres and two participating F&B partners. CHF matched the amount raised dollar-for-dollar.

# SUSTAINABILITY IS AT THE CORE OF EVERYTHING WE DO

**12%**  
reduction in carbon emissions intensity<sup>1</sup> since 2019

**20%**  
(or 2 out of 10) of board directors were women<sup>4</sup>

CapitaLand Sustainability X Challenge (CSXC) 2023 received over  
**680**  
entries from 79 countries

**12%**  
reduction in energy consumption intensity<sup>2</sup> from 2019

**38%**  
of senior management were women

**20**  
innovations sourced from CSXC 2021 and 2022 are being piloted or planned at

**19%**  
reduction in water intensity<sup>2</sup> from 2019

Over  
**36**  
training hours per staff

**24**  
CapitaLand properties in Singapore, China, India, Thailand and the USA. Another 10 innovations from CSXC 2023 are targeted to be piloted in 2024.

**60%**  
of global portfolio<sup>3</sup> achieved green building certification

For more information on our other performance metrics, please refer to page 80 to 82.

1 Figure represents a reduction in carbon emissions intensity (Scope 1 and 2) from January to December 2023 (with close to 90% coverage) compared to the baseline year of 2019.  
2 Figure represents a reduction in intensity for CLI operationally managed properties from January to December 2023 (with close to 90% coverage) compared to the baseline year of 2019.  
3 This refers to CLI's owned and operationally managed properties by m<sup>2</sup>.  
4 Figure represents board composition as at 31 December 2023. This proportion increased to 27% (or three female directors out of a total of 11 directors) with the appointment of Ms Belita Ong on 1 January 2024.

## BOARD STATEMENT

At CapitaLand Investment, sustainability is at the core of everything we do. We are committed to growing in a responsible manner, delivering long-term economic value, and contributing to the environmental and social well-being of our communities. The material environmental, social and governance (ESG) factors have been identified and encapsulated in the CapitaLand Investment 2030 Sustainability Master Plan (SMP), which was refreshed in 2023 as part of the review by the Board of Directors together with Management.

The CapitaLand Investment 2030 Sustainability Master Plan steers our efforts on a common course to maximise impact through building portfolio resilience and resource efficiency, enabling thriving and future-adaptive communities, and stewarding responsible business conduct and governance. Ambitious ESG targets have been set which include carbon emissions reduction targets validated by the Science Based Targets initiative (SBTi). In 2023, CapitaLand Investment revised its SMP targets to elevate its SBTi-approved targets in line with a 1.5°C scenario, incorporate its Net Zero commitment, and enhance its focus on social indicators.

The Board is responsible for overseeing the Company's sustainability efforts, and takes ESG factors into consideration in determining its strategic direction and priorities. The Board also approves the executive compensation framework based on the principle of linking pay to performance. The Group's business plans are translated to both quantitative and qualitative performance targets, including sustainable corporate practices and are cascaded throughout the organisation.

Our sustainability performance has consistently been highly ranked by globally recognised indices such as Dow Jones Sustainability World Index andGRESB. As an industry leader, CapitaLand Investment will continue to push the boundaries to adopt meaningful ESG practices and enhance sustainability in the real estate sector.

## BOARD, TOP MANAGEMENT AND STAFF COMMITMENT

The Board recognises the importance of sustainability as a business imperative and ensures that sustainability considerations are factored into CapitaLand Investment's (CLI) strategy development. This enables CLI to remain competitive and resilient in an increasingly challenging business environment.

The Board is kept informed on a regular basis through the Strategy and Sustainability Committee (SSC) on the Group's sustainability management performance, key material issues identified by stakeholders, and the planned follow-up measures. Additionally, the Board is typically updated by the Risk Committee and Audit Committee at least once a year and at ad-hoc Board meetings. The Board discusses matters relating to sustainability risks and relevant performance metrics, which include carbon emissions and our progress on achieving the reduction targets, green certification, human capital development, stakeholders' expectations on climate change, social impact and/or other matters. The Board is also informed of any incidents relating to workplace safety, business malpractice and environmental impact, which may include climate-related damage or disruptions.

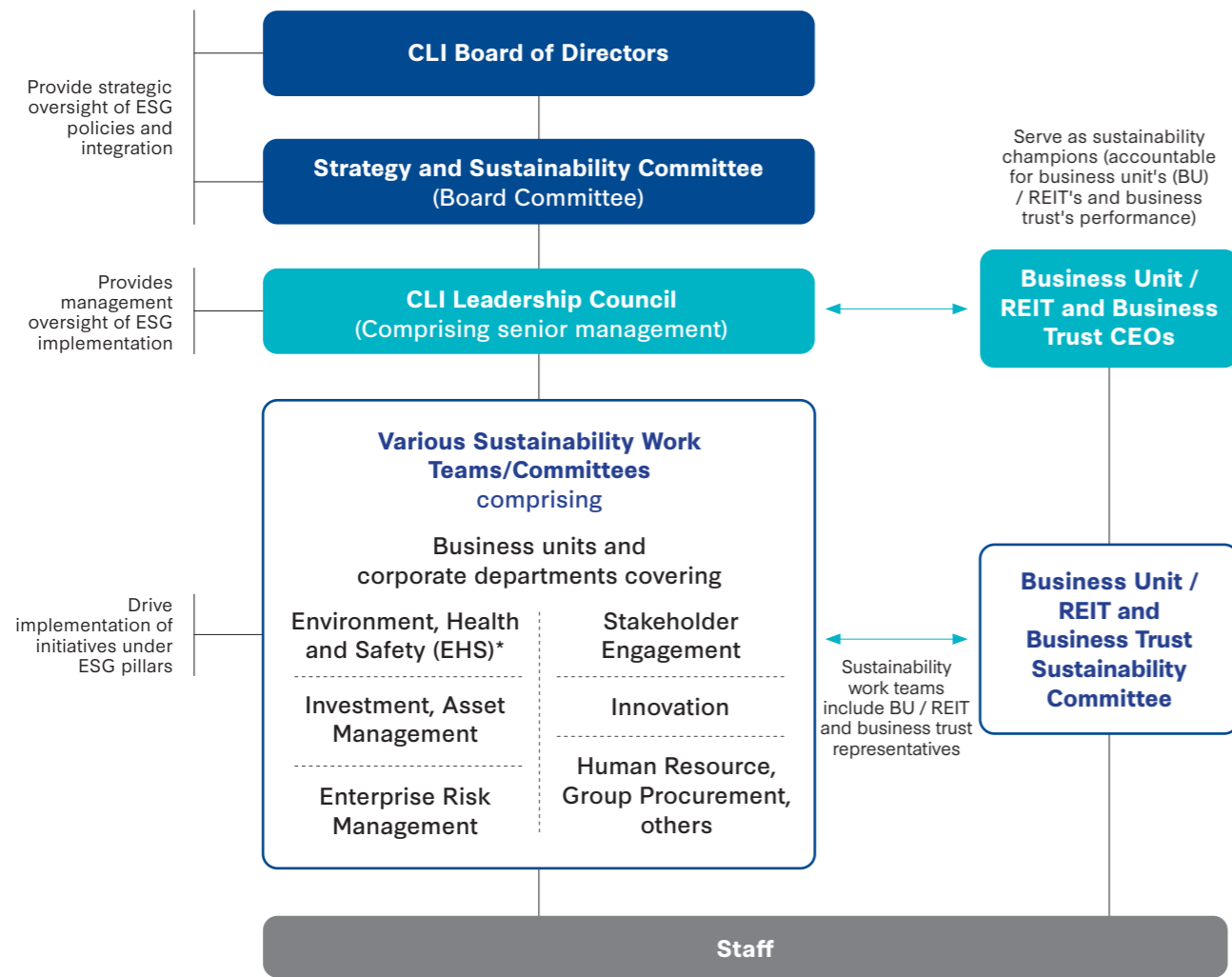
Lead Independent Director, Mr Anthony Lim, chairs the SSC which is a Board Committee. The SSC is responsible for overseeing CLI's sustainability strategies and goals, including providing guidance to management and monitoring progress against achieving the goals of sustainability initiatives. The SSC typically meets twice a year, with additional meetings convened as necessary. These responsibilities are also detailed under Corporate Governance Board Matters Principle 1 on page 89 of this report.

The CLI Leadership Council makes strategic resource allocation decisions and meets on a regular basis. The CLI Leadership Council comprises the Group Chief Executive Officer (CEO), CEOs of the various business units and key management executives of the corporate office. The members of the council can be found on page 20 of this report.

The sustainability work teams comprise representatives from CLI's business units and corporate functions. Each business unit has its own Environmental, Health and Safety (EHS) Committee to drive initiatives in countries where it operates with support from various departments.



CLI SUSTAINABILITY MANAGEMENT STRUCTURE



\* Includes EHS Internal Audit and Environmental Tracking System.

**Maintaining Diversity on the Board**

The Company embraces diversity and has in place a Board Diversity Policy which ensures that the Board comprises talented and dedicated Directors with a wide mix of expertise (including industry, domain and functional expertise), skills, experience (including international experience) and perspectives. This is with due consideration to diversity in gender, age, tenure, ethnicity, culture and geographical background, including nationality as well as any other relevant aspects of diversity.

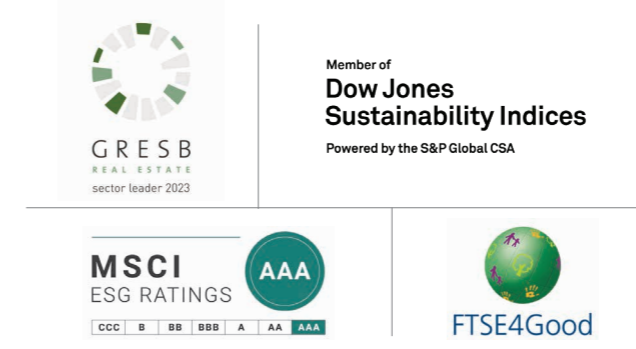
Our Board Diversity Policy, targets, plans and progress are detailed under Corporate Governance Board Matters Principle 2 on page 96 to 104 of this report.

**RECOGNITION BY GLOBAL BENCHMARKS**

CapitaLand was one of the first companies in Singapore to voluntarily publish an annual Global Sustainability Report since FY 2009, and has had the entire report externally assured since FY 2010. Benchmarking against an international standard and framework that is externally validated helps us to overcome the challenges in sustainability reporting that may arise from our portfolio of diverse asset types and geographical presence globally.

We have been a signatory to the United Nations (UN) Global Compact since 2015 and our Communication on Progress for FY 2023 will be published at [www.unglobalcompact.org](http://www.unglobalcompact.org). In February 2023, we also became a signatory of the UN-supported Principles for Responsible Investment (UN PRI), as part of our commitment to invest responsibly.

For our efforts, we continue to be listed on the Dow Jones Sustainability World Index and Asia-Pacific Index, GRESB (Global Sector Leader - Listed (Diversified) with the highest 5-star rating), FTSE4Good Index Series, MSCI Global Sustainability Indexes and The Sustainability Yearbook.



CLI's global sustainability reporting has evolved into a uniquely hybrid model using the Global Reporting Initiative (GRI) Standards and Greenhouse Gas (GHG) Protocol (operational control method) since 2009, GRESB since 2013, Value Reporting Foundation's Integrated Reporting Framework since 2015, UN Sustainable Development Goals (SDG) Reporting since 2016, Task Force on Climate-related Financial Disclosures (TCFD)<sup>5</sup> framework since 2017, and Sustainability Accounting Standards Board (SASB) Standards since 2020.

We will continue to enhance our disclosures in accordance with these standards and work towards preparing for International Sustainability Standards Board's (ISSB) standards relating to climate reporting. CLI's Global Sustainability Report (GSR) 2023 will be published by 31 May 2024 on the CLI website.

CLI's GSR will continue to be externally assured with reference to the International Standard on Assurance Engagements (ISAE) 3000, and will cover CLI's global portfolio and employees, including our listed real estate investment trusts (REITs) and business trusts -

CapitaLand Integrated Commercial Trust, CapitaLand Ascendas REIT, CapitaLand Ascott Trust, CapitaLand China Trust, CapitaLand India Trust and CapitaLand Malaysia Trust, unless otherwise indicated.

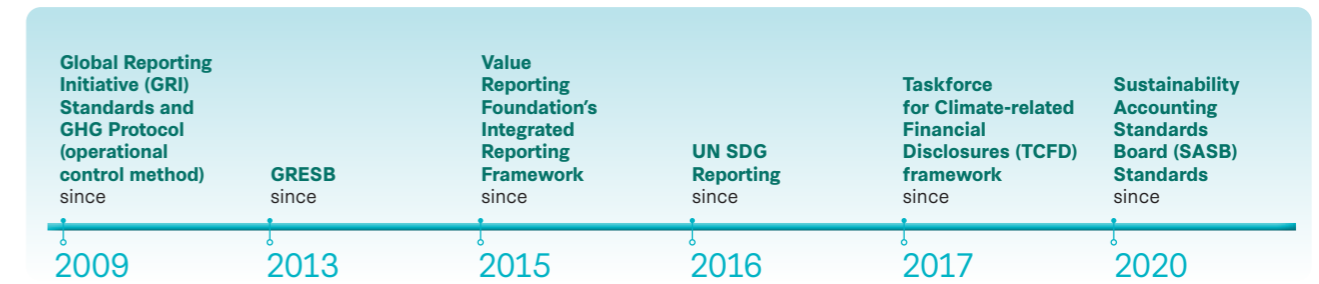
**MATERIALITY**

CLI identifies and prioritises the management of material ESG issues that are most relevant and significant to the company and its stakeholders. The company adopts a double materiality approach, considering issues which are material from either the impact perspective or financial perspective<sup>6</sup> or both.

Potentially material ESG issues arising from activities across CLI's value chain (including potential risks and opportunities in the immediate and longer term) are primarily identified via ongoing engagement with CLI's business units and external stakeholders, and reviews of sources including investor questionnaires, as well as ESG surveys, sustainability benchmarks and frameworks such as Dow Jones Sustainability Indices, GRESB and SASB.

In addition, CLI has a regular review, assessment and feedback process in relation to ESG topics. Identified material issues are reported in our corporate risk register through the annual Group-wide Risk and Control Self-Assessment (RCSA) exercise<sup>7</sup>, which identifies, assesses and documents material risks and the corresponding internal controls to manage those risks. These material risks include fraud and corruption, environmental (e.g. climate change), health and safety, and human capital risks which are ESG-relevant. Identified material ESG issues are then prioritised based on the likelihood and potential impact of issues affecting the business continuity of CLI. For external stakeholders, priority is given to issues important to the community and applicable to CLI. In FY 2023, the material ESG topics that were identified were approved by the SSC.

For more information on stakeholder engagement and our sustainability strategy, please refer to CLI's GSR 2023 that will be published by 31 May 2024.



5 The Financial Stability Board (FSB) set up the TCFD in 2015 to address concerns around insufficient disclosure of climate-related risks and opportunities. Following the publication of IFRS S1 and IFRS S2, and at the FSB's request, the TCFD itself is now being subsumed into the ISSB with the standard-setter taking over the monitoring of the progress on companies' climate-related disclosures from 2024.  
 6 To identify ESG issues which are potentially financially material, CLI takes reference from the SASB Standards for Real Estate and Real Estate Services, which identify sustainability factors that are material to short, medium, and long-term enterprise value for the industry.  
 7 For more information on CLI's Enterprise Risk Management and Group-wide Risk and Control Self-Assessment exercise, please refer to page 83 of this report.

PRIORITISATION OF MATERIAL ESG ISSUES



i This includes green leases and tenant engagement on ESG matters.  
 ii This includes products and services promoting customer health and safety, and green certified buildings.  
 iii This includes consideration of compliance, economic performance and cybersecurity.  
 iv This relates to CLI's zero tolerance stance towards child/forced labour.

CREATING VALUE AND ALIGNMENT TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGs)


CLI's material ESG issues and the value created, aligned to CLI 2030 SMP focus areas and commitments, are mapped to the International Integrated Reporting Commission (IIRC) Framework's six integrated reporting Capitals – Environmental, Manufactured, Human, Social and Relationship, Organisational and Financial. This is further mapped against eight UN SDGs that are most aligned with CLI 2030 SMP focus areas, and where CLI can achieve the greatest positive impact.

For more information, please refer to CLI's GSR 2023.

Our Commitments	2023 Value Created
<p><b>Environment</b></p> <ul style="list-style-type: none"> <li>• Transit to low-carbon business and reduce energy consumption through improved energy efficiency and increased use of renewable energy.</li> <li>• Reduce water consumption, reuse water and prevent water pollution, especially in countries where the availability of clean water and sanitation are of concern.</li> <li>• Green our global operational portfolio by 2030<sup>iii</sup>.</li> <li>• Strengthen our portfolio's climate resilience by addressing climate-related risks and opportunities throughout the real estate lifecycle.</li> <li>• Actively embrace innovation to ensure commercial viability without compromising the environment for future generations.</li> <li>• Influence our supply chain to operate responsibly in the area of environmental management through CLI's Supply Chain Code of Conduct.</li> </ul>	<ul style="list-style-type: none"> <li>• 12% reduction in carbon emissions intensity (per m<sup>2</sup> from 2019 baseline)<sup>i</sup>.</li> <li>• 12% and 19% reduction in energy and water intensity (per m<sup>2</sup> from 2019 baseline) respectively<sup>ii</sup>.</li> <li>• Achieved green building certifications for 60% of our global portfolio<sup>iii</sup>.</li> <li>• Publishing CLI Climate Resilience Report with climate risk assessment and scenario analysis for our portfolio<sup>iv</sup>.</li> <li>• From the submissions received through the first two CSXC editions, 20 innovations are being piloted or planned at 24 CapitaLand properties in Singapore, China, India, Thailand, and the USA, with a focus on improving building energy and water efficiency as well as indoor air quality.</li> <li>• Retained ISO 14001 certification in 19 countries.</li> </ul> <p><b>Environmental Capital</b></p> <p><b>Manufactured Capital</b></p>

Our Commitments	2023 Value Created
<p><b>Social</b></p> <ul style="list-style-type: none"> <li>• CLI believes staff can make a significant contribution based on their talent, expertise and experience, regardless of ethnicity, age or gender. We adopt consistent, equitable, and fair labour policies and practices in rewarding as well as developing staff under CLI's direct hire.</li> <li>• CLI aims to provide a safe work environment that contributes to the general well-being of our staff, tenants, contractors, suppliers and the communities that use our properties.</li> <li>• CLI's Supply Chain Code of Conduct influences its supply chain to operate responsibly in the areas of human rights, and health and safety.</li> <li>• CLI is committed to activities that are aligned with our focus on community investment. We engage our stakeholders to raise awareness in the areas of philanthropy, environment, health and safety, as well as promote sustainability within the tenant community.</li> </ul>	<ul style="list-style-type: none"> <li>• Global workforce (more than 9,900 staff).                     <ul style="list-style-type: none"> <li>– More than 90 nationalities working within the Group.</li> <li>– Males and females at a ratio of about 46 : 53.</li> <li>– More than 67% of CLI's global workforce is aged between 30 and 50.</li> </ul> </li> <li>• More than 38% of senior management were women.</li> <li>• 84% staff engagement score, with 93% survey participation.</li> <li>• Over 36 training hours per staff.</li> <li>• More than 90% of staff attended at least one ESG training.</li> <li>• Zero staff work-related fatality and permanent disability incidents.</li> <li>• One contractor work-related fatality<sup>v</sup> and zero contractor work-related permanent disability incident.</li> <li>• No reported incidents relating to discrimination, child labour or forced labour in CLI.</li> <li>• Retained ISO 45001 certification in 19 countries.</li> <li>• CLI contributed more than S\$3.1 million to CapitaLand Hope Foundation (CHF) and CHF (India)<sup>vi</sup>. CHF donated over S\$3.5 million<sup>vii</sup> globally in 2023.</li> <li>• More than 1,500 CLI staff tapped on the volunteer service leave to contribute more than 13,500 hours for various activities.</li> </ul> <p><b>Human Capital</b></p> <p><b>Social and Relationship Capital</b></p> <p><b>Manufactured Capital</b></p>

i Data provided is for Scope 1 and 2 carbon emissions from 1 January 2023 to 31 December 2023 (with close to 90% coverage). The full year data from 1 January 2023 to 31 December 2023 will be available in CLI's GSR 2023.  
 ii Data provided is for CLI operationally managed properties from 1 January 2023 to 31 December 2023 (with close to 90% coverage). The full year data from 1 January 2023 to 31 December 2023 will be available in CLI's GSR 2023.  
 iii Covers CLI-owned and operationally managed properties (by m<sup>2</sup>).  
 iv For more information, please refer to CLI's GSR 2023.  
 v Despite CLI's best efforts to assure site safety, there was one workplace fatality involving CLI's contractor staff in Indonesia. This has undergone proper investigation. For more information, please refer to CLI's GSR 2023.  
 vi CapitaLand Hope Foundation (India) (CHF) is a non-government, private, unlisted Section 8 company, incorporated in April 2019 along with necessary registration under Indian Income Tax (IT) Act to carry out CSR activities that qualify as CSR expenditure under Indian Companies Act, 2013. CHF also adopted CapitaLand's corporate governance framework including internal policies, procedures and codes of business conduct (e.g. anti-corruption and whistle-blowing policies) and CHF's constitution also states that no grant or assistance shall be given in aid of any political organisation or purpose.  
 vii This amount included donations made under CHF (India), which is a separate entity from CHF as well as CapitaLand Development.

Our Commitments	2023 Value Created	
<p><b>Governance</b></p> <ul style="list-style-type: none"> <li>• CLI has in place a Board Diversity Policy which ensures that the Board comprises talented and dedicated Directors with a wide mix of expertise (including industry, domain and functional expertise), skills, experience (including international experience) and perspectives. This is with due consideration to diversity in gender, age, tenure, ethnicity, culture and geographical background including nationality, as well as any other relevant aspects of diversity.</li> <li>• CLI is committed to meeting high standards of risk management in the way it conducts its business. All employees are required to understand and be responsible for ensuring that risks are managed effectively in their day-to-day work.</li> <li>• CLI requires third-party service providers and vendors to adhere to anti-bribery and anti-corruption provisions.</li> <li>• CLI's Supply Chain Code of Conduct influences its supply chain to operate responsibly in the area of anti-corruption.</li> </ul>	<ul style="list-style-type: none"> <li>• 20% of the Board were women<sup>viii</sup>.</li> <li>• Close to 91% of staff attended Fraud, Bribery and Corruption and Whistle-blowing training<sup>ix</sup>.</li> </ul>	<p><b>Organisational Capital</b></p> <p><b>Human Capital</b></p> 
<p><b>Economic</b></p> <ul style="list-style-type: none"> <li>• Integrate CLI's ESG performance with financial metrics.</li> </ul>	<ul style="list-style-type: none"> <li>• CLI and its listed REITs and business trusts raised S\$4.5 billion in sustainable finance in FY 2023.</li> <li>• For more details, please refer to the following sections in CLI's Annual Report 2023:                     <ul style="list-style-type: none"> <li>- Performance Highlights, page 6-7</li> <li>- Three-Year Financial Summary and Financial Performance, page 30-37</li> <li>- Value Added Statement, page 272</li> </ul> </li> </ul>	<p><b>Financial Capital</b></p>

viii Figure represents board composition as at 31 December 2023. This proportion increased to 27% (or three female directors out of a total of 11 directors) with the appointment of Ms Belita Ong on 1 January 2024.  
 ix Training completion rate is monitored based on staff strength as at 21 Aug 2023 (training launch date).

**LEVERAGING SUSTAINABLE FINANCE FOR DECARBONISATION**  
 (As at December 2023)

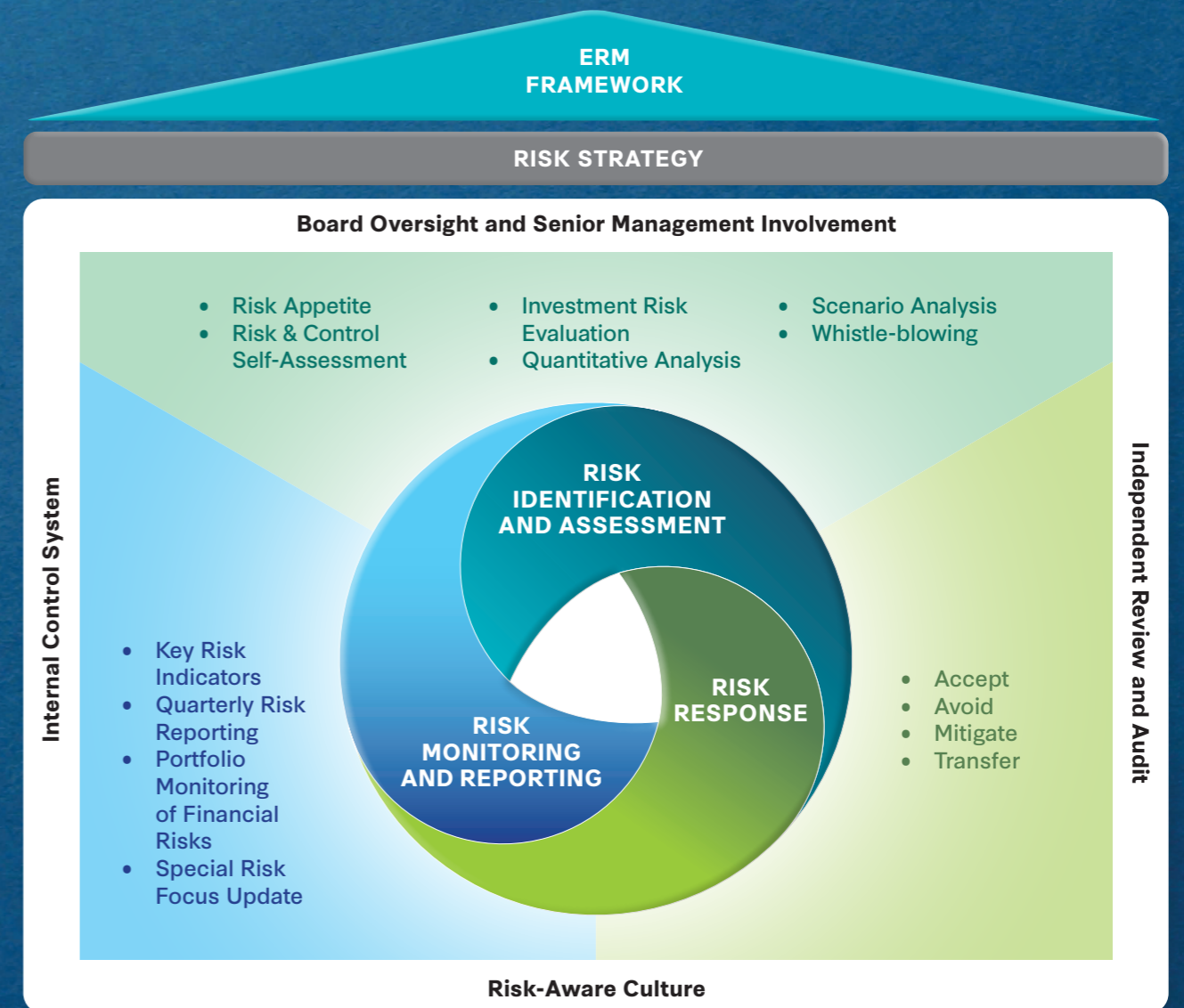
Since 2018, over S\$16.1 billion has been raised in sustainable finance by CLI, including its listed REITs and business trusts.



CapitaLand Investment (CLI) maintains a robust risk management framework that enables proactive identification, assessment and response to material risks. This supports CLI's objective as a global real asset manager to generate sustainable returns and create long-term value for our stakeholders. Our risk strategy focuses on optimising opportunities within approved risk appetite levels, positioning CLI to deliver sustainable long-term results.

**ENSURING BEST-IN-CLASS RISK MANAGEMENT, CORPORATE GOVERNANCE AND COMPLIANCE TO BUILD A SUSTAINABLE BUSINESS**

CLI's Enterprise Risk Management (ERM) Framework is adapted from the International Organisation for Standardisation 31000 International Risk Management Standards, and is benchmarked against other recognised best practices and guidelines. The Framework is reviewed annually and updated as appropriate. It sets out the required environmental and organisational components to enable integrated, systematic and consistent identification, assessment, response, monitoring and reporting of material risks, as illustrated below.



# RISK MANAGEMENT

## RISK GOVERNANCE

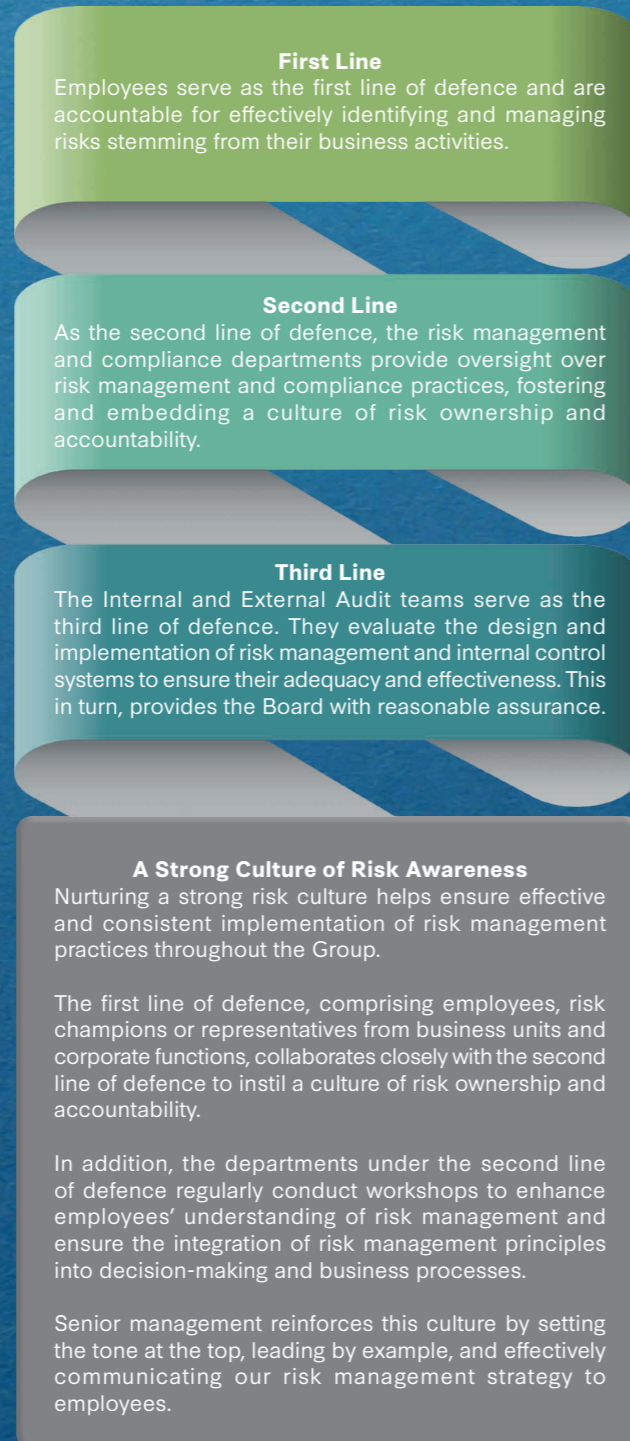
The CLI Board (the Board) oversees risk governance and ensures that senior management maintains robust risk management and internal control systems to safeguard the interests of the Group and its stakeholders. The Board, with support from the Risk Committee, approves the Group's risk appetite (risk tolerance) that determines the nature and extent of material risks the Group is willing to take to achieve strategic objectives. The Board also regularly reviews the Group's risk profile, material risks and mitigation strategies, and ensures the adequacy and effectiveness of the risk management framework and policies.

The senior management team supports the Board and Risk Committee to ensure effective risk governance and oversight. They are responsible for directing and monitoring the implementation of risk management practices throughout the Group, which includes tracking risk exposure using key risk indicators.



## INTERNAL CONTROLS SYSTEM

CLI's ERM Framework operates within a risk governance structure based on three lines of defence.



## CLI'S MATERIAL RISKS AND KEY MITIGATING ACTIONS

CLI conducts an annual Group-wide Risk and Control Self-Assessment (RCSA) exercise that requires all business units and corporate functions to identify, assess and document key material risks, including new and emerging risks that CLI faces as well as the respective mitigating measures and any opportunities that we can leverage to achieve our strategic objectives. The following measures are taken to mitigate the identified material risks based on the 2023 RCSA exercise.

Material Risks	Key Mitigating Actions
<p><b>CLIMATE-RELATED</b></p> <p><b>Physical risks such as rising sea levels, violent storms, long intense heat waves, flash floods and freshwater depletion.</b></p> <p><b>Transition risks including potentially more stringent regulations and increased expectations from stakeholders.</b></p>	<ul style="list-style-type: none"> <li>Conduct a detailed assessment of the physical risks in the evaluation of any new acquisitions.</li> <li>Incorporate shadow internal carbon price in the evaluation of new investment/capital expenditure decisions. This helps to price in climate-related costs and opportunities, support low-carbon investments, prepare for stringent climate legislation, and avoid stranded assets.</li> <li>Regularly review the Group's mitigation and adaptation efforts, which include:               <ul style="list-style-type: none"> <li>Ensuring our portfolio is designed to withstand evolving climatic conditions from the outset,</li> <li>Enhancing the operational efficiency of our properties and</li> <li>Establishing targets for carbon emissions reduction as well as water, energy and waste efficiency.</li> </ul> </li> <li>Maintain CLI's Environmental Management System that is externally certified to ISO 14001 in 19 countries.</li> <li>Implement measures to drive decarbonisation across the Group's value chain, including actively engaging with suppliers and tenants on enhancing their sustainability performance.</li> <li>For more information, please refer to CLI's Global Sustainability Report (GSR) 2023, to be published by 31 May 2024.</li> </ul>
<p><b>Any forms of fraud, bribery and corruption that could be perpetuated by employees, third parties or collusion between employees and third parties.</b></p>	<ul style="list-style-type: none"> <li>Foster a culture of ethics and integrity in the Group.</li> <li>Adopt a zero-tolerance stance against fraud, bribery and corruption (FBC) across our businesses.</li> <li>Communicate our commitment to integrity from the top through policies and practices, such as the FBC Risk Management Policy, Whistle-blowing Policy, Ethics and Code of Business Conduct Policies and Anti-Money Laundering and Countering the Financing of Terrorism Policy.</li> <li>Implement e-learning modules to enhance awareness among employees and provide training on avoiding or preventing non-compliant behaviour.</li> </ul>
<p><b>Increased expectations from stakeholders for our properties to provide a safe and healthy environment that contributes to their well-being.</b></p>	<ul style="list-style-type: none"> <li>Conduct a detailed assessment of the health and safety-related risks in the evaluation of any new acquisitions.</li> <li>Entrench a sustainable safety culture through deep safety capabilities, disciplined safety practices, and a progressive and pervasive safety mindset that drives key safety performance targets for both CLI and our supply chain.</li> <li>Maintain CLI's Occupational, Health and Safety Management system that is externally certified to ISO 45001 in 19 countries.</li> <li>For more information, please refer to CLI's GSR 2023, to be published by 31 May 2024.</li> </ul>
<p><b>SAFETY, HEALTH AND WELL-BEING</b></p>	

Material Risks	Key Mitigating Actions
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## COMPETITION

**Keen industry competition from established real asset managers who are able to attract and manage more capital by meeting investors' expectations or reacting aptly to market trends.**

- Dedicated focus on driving growth and sustainable returns through four fee income-related verticals of Listed Funds Management, Private Funds Management, Lodging Management and Commercial Management.
- Ensure proactive capital management, focusing on capital recycling, capital efficiency and fundraising to optimise CLI's capacity to capture opportunities.
- Leverage CLI's strong network of investment and asset management professionals with deep knowledge in multi-sector assets to source for opportunities in local markets.
- Rely on deep experience in multi-sector asset classes and portfolios, best-in-class operating platforms and proven track record in growing funds under management.
- Leverage an in-house team of industry analysts to keep the Group on top of the latest market trends.

## CYBERSECURITY AND INFORMATION TECHNOLOGY

**Ongoing business digitalisation exposes the business to IT-related threats, which may result in compromising the confidentiality, integrity and availability of the Group's information assets and/or systems.**

- Execute CLI's Cyber Security Strategy by continuously reviewing against existing or evolving threat landscapes, and institute measures to minimise vulnerability exposure and manage threat vectors.
- Conduct regular mandatory staff IT Security Awareness Training to mitigate human intervention in the information security chain.
- Periodically review and update Group-wide IT Security Policy and Data Protection Framework to ensure relevance.
- Maintain and test IT Security Incident Management Procedure to ensure prompt response and timely remediation of cyber security incidents.
- Conduct third-party vulnerability test and annual Disaster Recovery Plan exercise to assure IT infrastructure/management system security and ensure timely recoverability of business-critical IT systems.
- Put in place enhanced protection controls for systems that hold personal data.
- Board oversight with regular updates to Risk Committee on the state of cybersecurity risk activities and key control improvements.

## ECONOMIC

**Economic instability or changes in macro-economic factors such as inflation or unemployment, which result in challenging business conditions.**

- Diversify our portfolio across asset classes and geographies in accordance with Board-approved country limits.
- Focus on CLI's core markets in Asia where the Group has operational scale and where underlying economic fundamentals are more robust.
- Actively monitor macroeconomic trends, policies and regulatory changes in CLI's key markets.

## FINANCIAL

**Exposure to financial risks involving liquidity, foreign currency and interest rates and their volatility.**

- Measure and evaluate financial risks using multiple risk management models, including the conducting of stress testing.
- Hedge and limit certain financial risk exposures using various forms of financial instruments. For more details, please refer to the Financial Risk Management section on page 238.

Material Risks	Key Mitigating Actions
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## INVESTMENTS AND DIVESTMENTS

**Deployment of capital into loss-making or below-target return investments due to wrong underwriting assumptions or poor execution.**

- The risk management department conducts a comprehensive independent risk evaluation for all projects above a stipulated investment value threshold.
- Review hurdle rates and weighted average cost of capital annually based on relevant risk-adjusted input parameters that serve as investment benchmarks and make necessary adjustments accordingly.
- All investment proposals are subjected to a robust investment approval process and undergo comprehensive due diligence by engaging the support of an inter-disciplinary internal team, and/or local independent consultants to advise on legal, tax, building design, quality, environmental, health and safety, security, and compliance with local laws and regulations.

**Inadequate planning to identify suitable divestment opportunities.**

## GEOPOLITICAL

**Instability or political changes in a country, changes in international policies or relations between countries that could lead to sudden changes in real estate related regulations and sentiment in major economies and key markets where CLI operates.**

- Actively monitor the geopolitical environment, government policies and regulatory changes to anticipate shifts in trade, growth and innovation in our key markets.
- Local management teams establish good working relationships with local authorities to keep abreast of regulatory and policy changes, and lobby or engage with local authorities.

## REGULATORY AND COMPLIANCE

**Non-compliance with applicable laws, regulations and rules, relating to fund management, tax, data protection and privacy, financial crimes and sanctions in the major economies and key markets where CLI operates.**

- Maintain a framework that proactively identifies the applicable laws, regulations and rules, assesses the regulatory and compliance risks, and embeds compliance risk mitigation measures into day-to-day operations.
- Leverage in-house specialised teams such as legal, compliance and tax, and external consultants to provide advisory services and updates on changes to laws, regulations and rules.
- Maintain Group-wide policies and procedures to address the requirements of the applicable laws, regulations and rules such as Personal Data Protection Policy, Anti-Money Laundering and Countering the Financing of Terrorism Policy, Global Sanctions Compliance Policy and Tax Strategy.
- Adopt e-learning modules to raise awareness and train employees on ways to avoid or prevent non-compliant behaviour.

## OUR GOVERNANCE FRAMEWORK

<b>Chairman</b>					
<b>MIGUEL KO</b>					
<b>KEY RESPONSIBILITIES</b>					
Leads the Board and facilitates the conditions for the overall effectiveness of the Board, Board Committees and individual Directors; provides oversight, direction, advice and guidance to the Group CEO					
<b>Board of Directors</b>					
<b>11 DIRECTORS (9 INDEPENDENT DIRECTORS AND 2 NON-INDEPENDENT DIRECTORS)</b>					
<b>KEY RESPONSIBILITIES</b>					
Fosters the success of the Company so as to deliver sustainable value over the long term; engages with stakeholders based on the principles of sustainability and sound governance					
<b>Audit Committee</b>	<b>Executive Committee</b>	<b>Executive Resource and Compensation Committee</b>	<b>Nominating Committee</b>	<b>Risk Committee</b>	<b>Strategy and Sustainability Committee</b>
<b>CHALY MAH CHEE KHEONG</b> (Chairman)	<b>MIGUEL KO</b> (Chairman)	<b>JUDY HSU CHUNG WEI</b> (Chairman)	<b>GABRIEL LIM MENG LIANG</b> (Chairman)	<b>KEE TECK KOON</b> (Chairman)	<b>ANTHONY LIM WENG KIN</b> (Chairman)
4 IDs	2 IDs and 2 Non-IDs	3 IDs and 1 Non-ID	2 IDs and 1 Non-ID	6 IDs	3 IDs and 2 Non-IDs

## INTRODUCTION

CapitaLand Investment Limited (the Company, which together with its subsidiaries are referred to in this Report (as defined below) as the Group) embraces the tenets of sound corporate governance including accountability, transparency and sustainability. It is committed to enhancing value over the long term to its stakeholders with the appropriate people, processes and structure to direct and manage the business and affairs of the Company, achieve operational excellence and deliver the Group's long-term strategic objectives.

The values, ethics and practices of the Group provide the foundation for a trusted and respected business enterprise.

The Board of Directors (Board) is responsible for and plays a key role in setting the Company's corporate governance standards and policies. This sets the tone at the top and underscores its importance to the Group.

This corporate governance report (Report) sets out the corporate governance practices and structures in place for the financial year ended 31 December 2023 (FY 2023), and which are benchmarked against the Code of Corporate Governance 2018 (last amended 11 January 2023) (Code).

The Company's governance framework and processes are in compliance with the Code's principles of corporate governance, and also substantially with the provisions underlying the principles of the Code. Where there are deviations from the provisions of the Code, appropriate explanations are provided in this Report.

## BOARD MATTERS

### PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

#### Board's Duties and Responsibilities

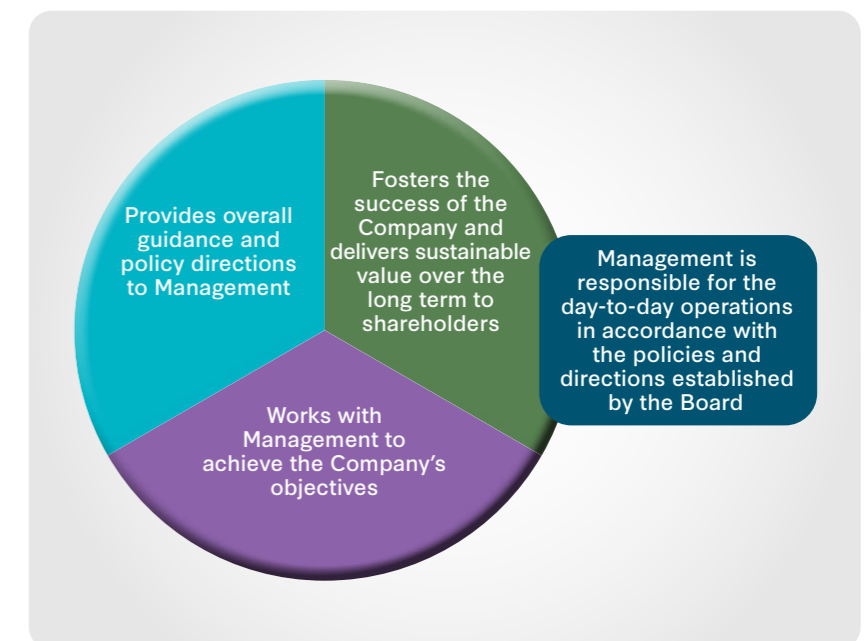
The Board has the primary responsibility to foster the success of the Company so as to deliver sustainable value over the long term, and to engage stakeholders based on the principles of sustainability and sound governance. It oversees the strategic direction, performance and affairs of the Group and provides overall guidance to Management, led by the Group Chief Executive Officer (Group CEO). In this regard, the Board works with Management to achieve the Company's objectives and Management is accountable to the Board for its performance.

The Company has adopted a Board Charter which sets out the Board's role, responsibilities, duties and powers, which include:

- approving the strategies and objectives for the Company, and monitoring the progress in achieving them;
- approving the financial plan (including annual budgets and capital management plans) and monitoring the financial performance of the Company;
- approving share issuances, dividends and other returns to shareholders;
- approving corporate and financial restructuring, mergers, and major acquisitions and divestments;
- approving the risk appetite of the Company, and reviewing the adequacy and effectiveness of the risk management and internal control systems;
- approving the succession plans, the remuneration policy and guidelines, and the general framework of remuneration for Directors, as well as approving the appointment of new Directors;
- approving the succession plans, the overall remuneration policy and compensation framework, and the individual compensation package for the Group CEO and other key management personnel positions, as well as approving the corporate organisational structure and the appointment of the Group CEO and other key management positions; and
- reviewing any matter which involves a conflict of interest for a substantial shareholder or a Director.

The Board has established financial approval limits for capital expenditure, investments, divestments, bank borrowings and issuance of shares as well as debt and equity-linked instruments, and this is communicated to Management in writing. The financial approval limits set out the specific matters which the Board has reserved for its approval, and these include capital expenditure, investments and borrowings exceeding certain threshold limits. Apart from matters that require the Board's approval, the Board delegates authority for transactions below those limits to Board Committees and Management to optimise operational efficiency.

Directors are fiduciaries of the Company, and are collectively and individually obliged at all times to act objectively in the best interests of the Company. Consistent with this principle, the Board is committed to ethics and integrity of action and has adopted a Board Code of Business Conduct & Ethics which provides for every Director to, among other things, adhere to the highest standards of ethical conduct. All Directors are required to comply with the Board Code of Business Conduct & Ethics. This sets the appropriate tone at the top in respect of the desired organisational culture, and ensures proper accountability within the Company. In line with this, the Board has incorporated in the Board Code of Business Conduct & Ethics



a standing policy that each Director must not allow himself/herself to get into a situation where his/her duty to the Company conflicts with his/her own interests. In this regard, a Director is required to disclose to the Board his/her interests in any transaction to which the Company is a party, and any other conflicts (including potential conflicts) of interest. Where a Director has an interest in a transaction (including potential transaction) or a conflict (including potential conflict) of interest in a particular matter, he/she is required to declare his/her interest to the Board, recuse himself/herself from the deliberations and abstain from voting on the transaction or matter. During FY 2023, every Director has complied with this policy and, where relevant, such compliance has been duly recorded in the minutes of meeting or, as the case may be, circular resolution. Consistent with the principle that Directors are fiduciaries of the Company, the Company also has a policy of not providing loans to Directors. Further, Directors are required to act with due diligence in the discharge of their duties and they are responsible for ensuring that they have the relevant knowledge (including understanding the business of the Company and the environment in which it operates) to carry out and discharge their duties as Directors. They are also required to dedicate the necessary effort, commitment and time to their work, and are expected to attend all meetings of the Board, except if unusual circumstances make attendance impractical or if a Director has to recuse himself or herself from the discussion in relation to the sole matter under consideration at the relevant meeting. All Directors on the Board during FY 2023 attained a 100% attendance record for all Board and Board Committee meetings held in FY 2023.

## Sustainability

The Company places sustainability at the core of everything it does. It is committed to growing its business in a responsible manner, delivering long-term economic value, and contributing to the environmental and social well-being of the communities where it operates. In keeping with this commitment, sustainability-related considerations are key aspects of the Board's strategic formulation.

The Board recognises the importance of sustainability as a business imperative. At the Board level, there is a Board Committee, the Strategy and Sustainability Committee, which is responsible for overseeing the development of sustainability strategies and plans, including providing guidance to Management and monitoring progress towards achieving the goals of any sustainability initiatives. This is consistent with the principle that the Board plays an important role in considering and incorporating sustainability considerations as part of its strategy development. This also ensures that Environmental, Social and Governance (ESG) risks and opportunities are holistically integrated into and inform the Company's long-term strategy. In this regard, sustainability is integrated into each phase of the real estate life cycle, with the Group's operations, financing activities, support for the environment, business ethics, corporate governance and care for the people and communities anchored in the Company's ESG approach. The Strategy and Sustainability Committee's oversight of the Company's sustainability strategies and plans also sets the tone at the top to ensure the alignment of the Company's activities with its purpose and stakeholder interests. The Strategy and Sustainability Committee also provides inputs to the Board and other Board Committees on sustainability matters as required.

The Company has in place the CapitalLand Investment 2030 Sustainability Master Plan (SMP) to elevate its commitment to global sustainability in its business. The SMP is a strategic blueprint which outlines the Company's goals and directs sustainability efforts towards a common purpose. The master plan sets out the Group's sustainability targets over the years up to 2030 and the pathways to achieve such targets. It focuses on the three key pillars of ESG to drive the Company's sustainability efforts. As part of its sustainability commitment, the Company embeds ESG considerations into its investment analysis, financing consideration and day-to-day business operations. The SMP is regularly reviewed where necessary to ensure that it remains relevant in terms of complementing the Group's business strategy and alignment with climate science. In FY 2023, the Company refreshed the SMP to elevate its targets in line with a 1.5°C scenario, incorporate its Net Zero commitment for Scope 1 and 2 emissions, and enhance its focus on social indicators.

For more information, please refer to the Sustainability section on pages 76 to 82 of this Annual Report.

## Directors' Development

In view of the increasingly demanding, complex and multi-dimensional role of a Director, the Board recognises the importance of continual training and development for its Directors so as to equip them with the necessary knowledge and skills to discharge the duties and responsibilities of their office as Directors of the Company to the best of their abilities. This is even if the Directors are generally experienced professionals in their own right, and takes into account each Director's specific role(s) on the Board and the specific skills he or she should possess in relation to that role(s). The Company has in place a training framework to guide and support the Company towards meeting the objective of having a Board which comprises individuals who are competent and possess up-to-date knowledge and skills necessary to discharge their duties and responsibilities. The costs of training are borne by the Company.

Each newly appointed Director is provided with a formal letter of appointment setting out the key terms of appointment, the time commitment expected, the Company's guidelines on the tenure of Directors and other relevant matters pertaining to the appointment. He or she also has access to the Director's Manual which includes information on a broad range of matters relating to the role, duties and responsibilities of a Director and the Company's policies relating to disclosure of interests in securities, conflicts of interests and securities trading restrictions. All Directors upon appointment undergo an induction programme which focuses on orientating the Director to the Company's business, operations, strategies, organisation structure, responsibilities of key management personnel, and financial and governance practices. Conducted by the Group CEO and Senior Management, the induction programme also provides opportunities for the new Director to get acquainted with members of Senior Management which facilitates their interaction at Board meetings. Where a newly appointed Director has no prior experience as a director of an issuer listed on the Singapore Exchange Securities Trading Limited (SGX-ST), such Director will undergo training on the roles and responsibilities of a director of a listed issuer, as prescribed by the SGX-ST, unless the Nominating Committee determines that such training is not required because the Director has other relevant experience. As a first-time Director of a SGX-ST listed company, Ms Belita Ong who was appointed on 1 January 2024 will undergo training in the financial year ending 31 December 2024 (FY 2024) on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST.

Following their appointment to the Board, Directors are provided with opportunities for continuing education in areas such as directors' duties and responsibilities, laws and regulations, risk management and accounting standards. Directors can also request for training in any other areas relating to the Company's business and corporate governance. The objective is to enable Directors to be updated on matters that affect or go towards enhancing their performance as a Director or Board Committee member. Directors may also contribute by recommending to the Board specific training and development programmes which he or she believes would benefit Directors or the Board as a whole.

The Company believes in keeping Board members updated and externally focused. Directors are encouraged to attend training and professional development programmes which include forums and dialogues with experts and senior business leaders on issues facing boards and board practices. Sharing and information sessions by guest speakers and Management team members are organised as part of Board events and meetings. Such sessions typically include updates on business strategies and key industry developments and trends. Directors receive regular Board briefings and highlights on areas such as real estate investment management (REIM) business, ESG and risk management. Directors also receive on a regular basis reading materials on topical matters or subjects and their implications for the Group's business. Further, individual sessions on specific topics will be arranged if required to address the needs of particular Board members. These Board and individual sessions facilitate Board-Management interaction and feedback, which in turn enables the Company to better organise programmes and information sessions to suit the needs of the Board and individual Directors.

During the year under review, the members of the Board spent close to 96 hours in aggregate attending various training programmes, forums and workshops. The training programmes attended by the Directors include the SID Directors Conference 2023, the SID Environmental, Social and Governance Essentials (Core) programme, as well as various other webinars and seminars organised by the Singapore Institute of Directors and business partners in relation to board matters, audit committee matters, ESG matters and cybersecurity matters. Being a first-time Director of a SGX-ST listed company when he joined the Board on 1 January 2023, Tan Sri Abdul Farid Alias underwent training during FY 2023 on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST.

# CORPORATE GOVERNANCE

All Directors on the Board as at the end of FY 2023 have attended the sustainability training as prescribed by the Listing Manual of the SGX-ST (Listing Manual). Similar arrangements will be made for Ms Belita Ong, who was appointed as a Director after FY 2023, to attend such mandatory sustainability training in FY 2024.

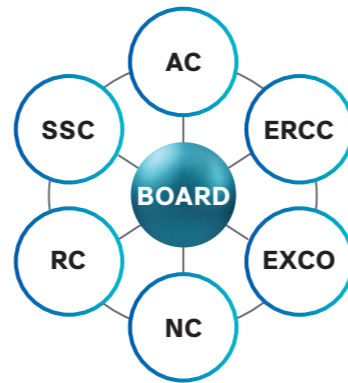
The in-house forums/briefings attended by the Directors during the year under review were conducted by guest speakers and covered the following topics:

- (a) Family Office Developments and Private Banking Trends in Singapore;
- (b) Cybersecurity Updates;
- (c) Global Market Trends;
- (d) Latest Developments affecting REIT Managers; and
- (e) Board & Management Dynamics of Global Companies in Today's Converging World.

In addition to the various training programmes, forums and workshops, various research papers<sup>1</sup> (published by the Company's Group Research team) were also shared with the Directors during the year under review.

## Board Committees

The Board has established various Board Committees to assist it in the discharge of its functions. The Board Committees are the Audit Committee (AC), the Executive Committee (EXCO), the Executive Resource and Compensation Committee (ERCC), the Nominating Committee (NC), the Risk Committee (RC) and the Strategy and Sustainability Committee (SSC). In addition to the Board Committees mandated by the Listing Manual and/or recommended by the Code (namely, the AC, the ERCC, the NC and, where appropriate, the RC), the Board has set up two other Board Committees, namely the EXCO and the SSC.



The EXCO assists the Board primarily in its review of investment, credit and funding proposals. The EXCO carries out its responsibility within the authorities and limits approved by the Board.

The SSC assists the Board in reviewing, including recommending to the Board for approval, the Group's strategic plan and initiatives on matters such as digitalisation and in overseeing the Company's sustainability strategies and plans. The SSC was introduced to the overall Board Committee structure as part of the Company's listing on the Mainboard of the SGX-ST by introduction on 20 September 2021 (Introductory Listing), in recognition of the leading role the Board plays in the process of developing and reviewing the Company's strategy. As the Company establishes itself as a global business focused on fee-related earnings and growth in funds under management, the SSC also oversees and provides guidance to Management in the Company's continuing growth towards becoming a global real assets manager.

The Board adopts a cross-Committee membership approach between the AC and the RC to facilitate more effective communication and sharing of information, and to ensure better coordination of risk oversight which is essential given the interconnectivity of the key risks that a company could be faced with. In this regard, as at 15 March 2024, there are two AC members, namely Ms Helen Wong Siu Ming and Tan Sri Abdul Farid Alias, who are also members of the RC.

Each Board Committee is formed with clear written terms of reference (setting out its composition, authorities and duties, including reporting back to the Board) and operates under delegated authority from the Board with the Board retaining overall oversight. The chairpersons of these Board Committees report on the decisions and significant matters discussed at the respective Board Committee meetings, to the Board on a quarterly basis. The minutes of the Board Committee meetings which record the deliberations and decisions taken during these meetings are also circulated to all Board members for their information. The duties and responsibilities of the various Board Committees are set out in this Report. The Board may form other Board Committees from time to time.

<sup>1</sup> The research papers published in FY 2023 include the following, which may be accessed on the Company's website at the URL <https://www.capitaland.com/en/investment/news-and-events/perspectives.html>

- a) Riding the Growth Impetus – A Focus on India's Office and Business Park Sector (January 2023)
- b) Finding Opportunity in Volatility within Asia Pacific – Reprioritising Fundamentals in Challenging Times (June 2023)
- c) Catalyst for Change – Commercial Real Estate Private Credit in Asia Pacific (August 2023)
- d) The Benefits of Diversity – APAC's Role in Investment Portfolio Growth (September 2023)

The composition of the various Board Committees as at 15 March 2024 is set out in the table below as well as in the Corporate Information section on page 287 of this Annual Report.

## COMPOSITION OF BOARD COMMITTEES AS AT 15 MARCH 2024

Committees	AC	EXCO	ERCC	NC	RC	SSC
<b>Miguel Ko</b> Non-independent Chairman	-	C	M	M	-	M
<b>Lee Chee Koon</b> Group CEO and Non-independent Director	-	M	-	-	-	M
<b>Anthony Lim Weng Kin</b> Lead Independent Director	-	-	M	M	-	C
<b>Chaly Mah Chee Kheong</b> Independent Director	C	M	-	-	-	-
<b>Kee Teck Koon</b> Independent Director	-	M	-	-	C	-
<b>Gabriel Lim Meng Liang</b> Independent Director	-	-	-	C	M	-
<b>Judy Hsu Chung Wei</b> Independent Director	-	-	C	-	M	-
<b>David Su Tuong Sing</b> Independent Director	M	-	-	-	-	M
<b>Helen Wong Siu Ming</b> Independent Director	M	-	-	-	M	M
<b>Tan Sri Abdul Farid Alias</b> Independent Director	M	-	-	-	M	-
<b>Belita Ong</b> Independent Director	-	-	M	-	M	-
<b>Total</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>6</b>	<b>5</b>

Legend:  
 C: Chairman  
 AC: Audit Committee  
 ERCC: Executive Resource and Compensation Committee  
 RC: Risk Committee  
 EXCO: Executive Committee  
 NC: Nominating Committee  
 SSC: Strategy and Sustainability Committee  
 M: Member

The Board regularly reviews the structure and terms of reference of the Board Committees, to ensure that they remain relevant and effective in fulfilling the objectives and responsibilities of the respective Board Committees. Similarly, the respective Board Committees also regularly review their terms of reference and effectiveness and recommend necessary changes to the Board.

Board Committee memberships are also reviewed regularly, and as and when there are changes to the Board composition, changes are made where appropriate. Considerations include the respective Directors' leadership experience and domain or functional expertise, among others, to optimise the overall effectiveness of the Board Committees, continuity of experience in the respective Board Committees and an equitable and balanced distribution of duties among Board members, whilst providing Board members with the opportunity to focus on specific areas and develop expertise over time to benefit the Company. In general, each independent Director serves on at least one Board Committee. This is to foster active participation by every Director and ensure that every Director contributes to Board deliberations in each case, and collectively to overall Board effectiveness.



# CORPORATE GOVERNANCE

In addition, the Board Committees (except the EXCO which is chaired by the Board Chairman) are each chaired by a different independent Director.

In FY 2023, the NC undertook two reviews of the Board Committee memberships; the first review was undertaken as part of the review of the proposed appointment of Ms Belita Ong as a Director, following from which the Board approved her appointment as a Director and as a member of each of the ERCC and the RC with effect from 1 January 2024, and the second review was undertaken as part of the review of the retirement by rotation of Directors, following from which the Board approved the following changes, which will take effect upon the conclusion of the annual general meeting (AGM) of the Company to be held on 25 April 2024 (2024 AGM):

- (a) Mr Kee Teck Koon (who is due to retire by rotation, and is not seeking reelection at the 2024 AGM) will step down as chairman of the RC and as a member of the EXCO;
- (b) Tan Sri Abdul Farid Alias will be appointed as chairman of the RC; and
- (c) Ms Helen Wong Siu Ming will be appointed as a member of the EXCO and step down as a member of the RC.

## Meetings of Board and Board Committees

The Board and the respective Board Committees meet regularly to discuss strategy, financial results as well as operational and governance matters. Board and Board Committee meetings are scheduled prior to the start of each financial year in consultation with the Directors with a view to ensuring that all the Directors would be able to participate in the meetings. The Constitution of the Company (Constitution) also permits Directors to participate via audio or video conference. The Directors participated in the Board and Board Committee meetings held in FY 2023 in person or via audio or video conference.

The Constitution provides for the quorum necessary for the transaction of the business of the Directors at each Board meeting (unless fixed by the Directors at any number) to be two. The quorum for the transaction of the business of each Board Committee, however, is a majority of its members (excluding any member who has a conflict of interest in the subject matter under consideration). Notwithstanding this, there is an expectation for Directors to attend scheduled Board and Board Committee meetings, except if unusual circumstances make attendance impractical or if a Director has to recuse himself or herself from the discussion in relation to the sole matter under consideration at the relevant meeting. All Board and Board Committee meetings held during FY 2023 were attended by Directors, in excess of the aforementioned quorum requirements.

The independent Directors, led by the Lead Independent Director (LID), also set aside time at every Board meeting to meet without the presence of Management and at other times when necessary. Where appropriate, the LID provides feedback to the Board and/or the Chairman after such meetings. The non-executive Chairman also meets with the other non-executive Directors at every Board meeting without the presence of Management.

Prior to the start of each financial year, the Board meetings which are to be held in that year will be scheduled. During the financial year, *ad hoc* Board meetings are convened as and when required (in addition to the scheduled meetings). For FY 2023, the Board scheduled and subsequently held six meetings, including one held offsite to discuss strategy.

Board meetings typically take up a full day. At each Board meeting:

- (a) the chairperson of each Board Committee provides an update on the significant matters discussed at the Board Committee meetings which were held before the quarterly Board meetings;
- (b) the Group CEO provides updates on the Group's business and operations, including the latest market developments and trends, and business initiatives and opportunities; and
- (c) the Group Chief Financial Officer (Group CFO) presents the Group's financial performance and budgetary and capital management related matters.

Presentations and updates given by key executives at the Board meetings allow the Board to develop a good understanding of the progress of the Group's business and the issues and challenges the Group is faced with, as well as promote active engagement between Board members and the key executives. Any risk management

or other major issues, including taxation, that are relevant to the Company's performance or position are also highlighted to the Board. Further, any material variance between any projections in budget or business plans and the actual results from business activities and operations are disclosed and explained to the Board. To keep the Board abreast of investors' concerns, feedback and perceptions, the Board receives regular updates on analysts' estimates and views. This includes updates and analyses of the shareholder register, highlights of key shareholder engagements as well as market feedback.

Through the meetings, the Board reviews, monitors and oversees the implementation of the Group's corporate strategy. The Board also meets with Senior Management at least annually to review and deliberate on strategy and strategic matters, including the Company's capital and debt structure to ensure that it is compatible with its strategic goals and risk appetite. In the lead-up to the Board meeting to discuss strategy in FY 2023, Management met with the SSC several times to seek its guidance in Management's formulation of strategic options for the Company.

The Board adopts and practises the principle of collective decision-making. It is able to achieve consensus on matters requiring its approval after a robust debate on each matter placed before it for approval or guidance. Prior to decision-making, all Directors actively participate in discussions, which includes challenging assumptions, offering alternative scenarios, and testing Management's vision on the relevant matter. The Board is able to achieve this as it benefits from a culture of open, frank, rigorous and constructive discussions and debates at Board and Board Committee meetings conducted on a professional basis. There is mutual trust and respect among the Directors. No individual Director influences or dominates the decision-making process.

The Board is provided with relevant information on a timely basis prior to Board and Board Committee meetings. This enables Directors to make informed decisions to discharge their duties and responsibilities. In addition to receiving complete, adequate and timely information on Board affairs and issues requiring the Board's decision, the Board also receives information on an ongoing basis. Management provides the Board with ongoing reports relating to the operational and financial performance of the Company, as well as updates on market developments and trends.

As a general rule, Board papers are sent to Board or Board Committee members in advance of each Board or Board Committee meeting to allow them to prepare for the meetings and enable them to focus discussions on any questions or issues that they may have or identify. Where appropriate, Management briefs Directors in advance on issues to be discussed before the Board or Board Committee meeting. Agendas for Board and Board Committee meetings are prepared in consultation with and incorporate inputs from Senior Management, the Chairman and the chairpersons of the respective Board Committees. This provides assurance that important topics and issues are covered. Half-year and full-year financial statements are reviewed by the AC prior to the recommendation to the Board for approval.

In line with the Company's ongoing commitment to minimise paper waste and reduce its carbon footprint, the Company does not provide printed copies of Board papers. Instead, Directors are provided with tablet devices to access and review soft copies of the Board and Board Committee papers whether prior to or during meetings. This initiative also enhances information security as the papers are made available through an encrypted channel. Directors are also able to review and approve written resolutions using the tablet devices.

With a view to ensuring that the Board meets frequently enough to review essential matters and make efficient and well-informed decisions on an ongoing basis throughout the year, the Board meets at least on a quarterly basis. This is despite the Company having adopted semi-annual financial results reporting with effect from its Introductory Listing which ordinarily would necessitate that the Board meets at least twice a year.

A record of the Directors' attendance at general meeting(s) of shareholders and Board and Board Committee meetings held in FY 2023 is set out on page 133 of this Annual Report.

The Group CEO, who is also a Director, attends all Board meetings. He also attends all EXCO and SSC meetings as a member and all other Board Committee meetings on an *ex officio* basis. Other senior executives attend Board and Board Committee meetings as required to brief the Board on specific business matters.

# CORPORATE GOVERNANCE

The matters discussed at Board and Board Committee meetings are set out briefly in the table below. The deliberations and decisions taken at Board and Board Committee meetings are recorded in writing in the minutes of meeting.

BOARD OF DIRECTORS							
<ul style="list-style-type: none"> <li>• Strategy</li> <li>• Business and Operations</li> </ul>		<ul style="list-style-type: none"> <li>• Financial Performance</li> <li>• Feedback from Board Committees</li> </ul>		<ul style="list-style-type: none"> <li>• Governance</li> <li>• Directors Training and Development</li> </ul>		<ul style="list-style-type: none"> <li>• Facilitate Business Opportunities and Strategic Relationships</li> </ul>	
AC	EXCO	ERCC	NC	RC	SSC		
<ul style="list-style-type: none"> <li>• Financial Performance</li> <li>• Internal Controls</li> <li>• Internal and External Audit</li> <li>• Whistle-Blowing</li> </ul>	<ul style="list-style-type: none"> <li>• Investments and Divestments</li> <li>• Mergers and Acquisitions</li> <li>• Debt and/or Equity Funding</li> </ul>	<ul style="list-style-type: none"> <li>• Remuneration and Management Development</li> <li>• Succession Planning</li> </ul>	<ul style="list-style-type: none"> <li>• Board Performance</li> <li>• Board Appointments and Succession Planning</li> <li>• Board Governance</li> </ul>	<ul style="list-style-type: none"> <li>• Risk Management (includes Environment, Workplace Safety and Health)</li> <li>• Risk Governance</li> </ul>	<ul style="list-style-type: none"> <li>• Strategy Review and Monitoring</li> <li>• Strategic Planning</li> <li>• Sustainability Strategy Development</li> </ul>		

There is active interaction between Board members and Management during Board and Board Committee meetings, as well as outside of Board and Board Committee meetings, including Board-hosted lunches and dinners. The Board has unfettered access to any Management staff for any information that it may require at all times. Likewise, Management has access to Directors outside of the formal environment of Board and Board Committee meetings for any guidance that it may seek whenever a need arises. The Board and Management share a productive and harmonious relationship which facilitates separate and independent access by Directors to Management executives, which is critical for good governance and organisational effectiveness.

The Board has separate and independent access to the Company Secretaries at all times. They support the Board to ensure its proper functioning, including by attending to corporate secretarial administration matters and providing advice to the Board and Management on corporate matters. The Company Secretaries attend all Board meetings and assist the Board Chairman in ensuring that Board procedures are followed. The Company Secretaries also facilitate orientation and undertake the administration work relating to professional development for the Directors. The Company Secretaries are legally trained and their appointment and removal are subject to the Board's approval.

The Board, whether as individual Directors or as a group, is entitled to access to independent professional advice where required, at the Company's expense.

## PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

### Board Independence

The NC and the Board review from time to time the size and composition of the Board and Board Committees, with a view to ensuring that the size of the Board and Board Committees is appropriate in facilitating effective deliberations and decision-making. The review takes into account the scope and nature of the Group's operations, the evolving external environment and the competition the Group faces. The Board considers the current Board and Board Committees' compositions as reflecting diversity of thought and background.

The Company recognises the importance of maintaining an appropriate level of independence and diversity of thought and background in the Board composition to enable the Board to make decisions in the best interests of the Company. Its Board Charter provides that at least one-third of the Board shall comprise independent Directors. The Board Charter also provides that, in the event that the Chairman is not an independent Director, the Company will appoint a LID and ensure that the Board comprises a majority of independent Directors.

The Company has a significant majority of independent Directors - 9 out of 11 Directors are non-executive independent Directors (including a LID). The non-executive Chairman and the Group CEO are the only non-independent Directors. This exceeds the requirements in the Listing Manual, the Code and the Board Charter.

Other than the Group CEO who is the only executive Director on the Board, non-executive Directors make up the rest of the Board.

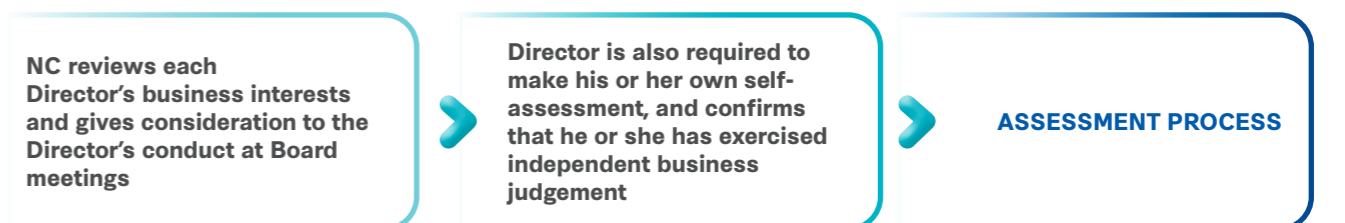
Profiles of the Directors and their respective designations and roles are set out on pages 13 to 19 of this Annual Report. Key information on Directors is also available on the Company's website.

The Board, taking into account the views of the NC, assesses annually (and additionally as and when circumstances require) the independence of each Director, taking into consideration the relevant relationships and circumstances, including those specified in the Listing Manual, the Code and where relevant, the recommendations set out in the Practice Guidance accompanying the Code (Practice Guidance), that are relevant in the determination as to whether a Director is independent. Under the Code, a director is considered independent if he/she is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his/her independent business judgement in the best interests of the company<sup>2</sup>.

The Company follows a rigorous process to evaluate the independence of the Directors whom it considers as independent. As part of the process:

- each such Director provides information of his or her business interests and confirms, on an annual basis, that there are no relationships which interfere with the exercise of his or her independent business judgement with a view to the best interests of the Company; such information is then reviewed by the NC. In this regard, all such Directors have in their respective declarations confirmed that they do not have any relationships with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement with a view to the best interests of the Company; and
- the NC also gives consideration to the respective Directors' conduct and contributions at Board and Board Committee meetings, in particular, whether the relevant Director has exercised independent judgement in discharging his or her duties and responsibilities.

Thereafter, the NC's recommendation is presented to the Board for its determination. Each Director is required to recuse himself or herself from the NC's and the Board's deliberations respectively on his or her own independence. The NC also reviews the independence of Directors as and when there is a change of circumstances involving the Director and makes recommendations to the Board for its consideration and determination. In this regard, Directors are required to report to the Company any change of circumstances which may affect his or her independence.



2 Under the Listing Manual, a director who falls under any of the following circumstances is considered not independent: (i) if he/she is or has been employed by the company or any of its related corporations in the current or any of the past three financial years; (ii) if he/she has an immediate family member who is or has been employed by the company or any of its related corporations in the current or any of the past three financial years, and whose remuneration is or was determined by the remuneration committee of the company; or (iii) if he/she has been a director of the company for an aggregate period of more than 9 years (whether before or after listing) in which case, such director may continue to be considered independent until the conclusion of the next annual general meeting of the company.

# CORPORATE GOVERNANCE

The Board assesses the independence of each Director annually and it last refreshed its assessment in February 2024. The paragraphs below set out the outcome of the assessment.

As part of the review process on the independence of the Directors, the NC took into consideration the relevant relationships and circumstances of each Director, including those specified in the Listing Manual and the Code, that are relevant in its determination as to whether a Director is independent. Such relationships and circumstances include: (a) directorships (if any) in Temasek Holdings (Private) Limited (Temasek), the majority shareholder of the Company through CapitaLand Group Pte. Ltd. (CLG), and in organisations linked to Temasek; (b) appointments (if any) in organisations which have a business relationship with the Group; (c) employment (if any) with the Company or any of its related corporations in the year under review or any of the past three financial years; and (d) whether the aggregate period of service as a Director exceeds nine years<sup>3</sup>.

## ADDITIONAL CONSIDERATIONS

Directorships (if any) in Temasek, the majority shareholder of the Company through CLG, and in organisations linked to Temasek	Appointments (if any) in organisations which have a business relationship with the Group	Employment (if any) with the Company or any of its related corporations in the year under review or any of the past three financial years	Whether the aggregate period of service as a Director exceeds nine years <sup>3</sup>

Based on the outcome of the assessment, other than Mr Lee Chee Koon, Group CEO, and Mr Miguel Ko, non-executive Chairman, both of whom are the only non-independent Directors, all members of the Board are considered to be independent Directors. Further, none of the non-executive Directors has been a company's former CEO in the past two years.

As at 15 March 2024, except for Mr Kee Teck Koon, none of the members on the Board has served for more than nine years as a Director (taking into account the respective Directors' tenure, if any, on the board of the Company's predecessor CapitaLand Limited (CL, now known as CLG)<sup>4</sup>). For more information on the assessment of Mr Kee's independence, please refer to the paragraphs below under "Mr Kee Teck Koon".

### Mr Lee Chee Koon

Mr Lee Chee Koon, who is Group CEO of the Company, is considered non-independent by virtue of his employment with the Company.

### Mr Miguel Ko

Mr Miguel Ko was an executive of CLA Real Estate Holdings Pte. Ltd. (CLA), a related corporation of the Company, until 1 November 2020. Under the Listing Manual, a director who has been employed by a related corporation of the issuer in any of the past three financial years will not be considered independent. However, Mr Ko's past employment with CLA no longer falls within the past three financial years look-back period.

Therefore, in FY 2023, the NC undertook a review of the re-designation of Mr Ko as an independent Director. The NC discussed and the outcome is that the NC concurred that the re-designation of Mr Ko as an independent Director would not be pursued at this juncture.

Although Mr Ko is considered a non-independent Director, he is not accustomed or under the obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of any shareholder in relation to the corporate affairs of the Company. He acts with independent judgement in the discharge of his duties and responsibilities.

<sup>3</sup> This takes into account the respective Directors' tenure, if any, on the board of CL (now known as CLG). As disclosed on page 158 of the Company's Introductory Document dated 17 July 2021, in view that the appointment of the relevant independent directors of CL (now known as CLG) as the Company's independent Directors was a natural transition from such directors' appointments as independent directors of CL, for the purposes of compliance with Rule 210(5)(d)(iii) of the Listing Manual (repealed on 11 January 2023), the period served by such directors as independent directors of CL should be counted towards, and treated as part of, the cumulative period that such directors will serve as the Company's independent Directors.

<sup>4</sup> The Company was listed on the SGX-ST on 20 September 2021 following a strategic restructuring and demerger of the investment management business of CL. Prior to its listing on the SGX-ST, the Company was a wholly owned subsidiary of CL. CL was delisted from the Official List of the SGX-ST on 21 September 2021 and is now known as CLG. Information relating to the strategic restructuring and demerger exercise can be found in the Company's Introductory Document dated 17 July 2021, a copy of which is available on the SGX website [www.sgx.com](http://www.sgx.com).

Mr Ko, also an NC member, had recused himself from the NC's deliberations on the assessment of his independence. The Board was duly informed of the outcome of the discussions.

### Mr Chaly Mah Chee Kheong

Mr Chaly Mah Chee Kheong is a non-executive board member of the Monetary Authority of Singapore (MAS), Singapore's central bank and financial regulatory authority. Certain subsidiaries of the Company undertake the business of fund management and real estate investment trust (REIT) management, which MAS regulates. Mr Mah's role in MAS generally does not generate any conflict of interest issues in respect of his role as a Director of the Company. In the event of any issues arising in relation to the regulatory aspects of the Group's fund and/or REIT management business, Mr Mah will be required to recuse himself from any deliberations on such issues as appropriate or necessary.

Mr Mah is chairman of Surbana Jurong Private Limited (SJ). SJ is a subsidiary of Temasek and therefore also a related corporation of the Company. It is predominantly focused on the provision of building and engineering consultancy services, which the Group may engage for some of its projects. SJ was not engaged to provide any services to the Group in FY 2023. The Company will continue to monitor and track any engagements with regard to SJ and the value of such engagements thereof, for consideration in the review of Mr Mah's independence.

In any event, the Board noted that (i) Mr Mah's appointment in SJ is as non-executive chairman, (ii) SJ, although a wholly owned subsidiary of Temasek, is independently managed under Temasek, (iii) any engagement of SJ for any of the Group's projects will continue to be made by Management on behalf of the Group in the ordinary course of business and on normal commercial terms, based on merit and competitive terms negotiated by Management, and (iv) Mr Mah was not and will continue not to be involved in the process for or approval of the engagement of SJ. In the event of any engagement of SJ requiring the Board's approval, Mr Mah will be required to follow the Company's established process to recuse himself from any deliberations or approvals thereto.

The Board also considered the conduct of Mr Mah in the discharge of his duties and responsibilities as a Director and is of the view that he has acted with independent judgement in the discharge of his duties and responsibilities. Based on the above, the Board arrived at the determination that Mr Mah is an independent Director.

Mr Mah had recused himself from the Board's deliberations on his independence.

### Mr Kee Teck Koon

Save as disclosed below (in regard to the length of his Board service), Mr Kee Teck Koon does not have any relationships and is not faced with any of the circumstances identified in the Listing Manual, the Code or the Practice Guidance, or any other relationships that may affect his independent judgement.

Mr Kee was first appointed to the board of CL (now known as CLG) on 22 September 2014 and subsequently appointed to the Board of the Company on 25 June 2021. He has served an aggregate of more than nine years as a Director (taking into account his tenure on the board of CL (now known as CLG)) as at 22 September 2023. Based on the transitional arrangements for the application of new Rule 210(5)(d)(iv) of the Listing Manual as set out in Transitional Practice Note 4 of the Listing Manual, during the transitional period (between 11 January 2023 and the date of the 2024 AGM), directors who have served for an aggregate period of more than nine years can continue to be regarded as independent for so long as they continue to fulfil the independence requirements under Rule 210(5)(d)(i) and Rule 210(5)(d)(ii) of the Listing Manual. The Board considered that Mr Kee continues to fulfil the independence requirements under Rule 210(5)(d)(i) and Rule 210(5)(d)(ii) of the Listing Manual.

The Board also considered the conduct of Mr Kee in the discharge of his duties and responsibilities as a Director, and is of the view that he has exercised independent judgement in the discharge of his duties and responsibilities.

Based on the above, the Board arrived at the determination that Mr Kee is an independent Director and may continue to be considered as an independent Director until the conclusion of the 2024 AGM.

As part of the Board renewal process, Mr Kee will be stepping down from the Board upon the conclusion of the upcoming 2024 AGM.

Mr Kee had recused himself from the Board's deliberations on his independence.

## Mr Anthony Lim Weng Kin

Mr Anthony Lim Weng Kin is a non-executive director of DBS Group Holdings Ltd (DBS), a financial services group headquartered in Singapore with multinational operations across the Asia-Pacific region. DBS is one of the banks the Group works with for its financing requirements. The magnitude of the fees and payments made to DBS in FY 2023 exceeded the threshold amount of S\$200,000 (which is provided as a general guide in the Practice Guidance). However, Mr Lim's role in DBS is non-executive in nature and he is not involved in the business operations of DBS. The decision to engage DBS was made by Management in the ordinary course of business and on normal commercial terms, based on merit and competitive terms negotiated by Management. Mr Lim was not involved in the process of obtaining approval for the engagement of DBS. In the event of any engagement of DBS requiring the Board's approval, Mr Lim will have to recuse himself under the Company's standing policy, which requires each Director to declare and recuse themselves from any situation(s) where there may be conflicts of interest between his/her duty to the Company and his/her other interest(s).

The Board also considered the conduct of Mr Lim in the discharge of his duties and responsibilities as a Director, and is of the view that the relationship set out above did not impair his ability to act with independent judgement in the discharge of his duties and responsibilities as a Director. The Board is therefore of the view that Mr Lim has exercised independent judgement in the discharge of his duties and responsibilities. Based on the above, the Board arrived at the determination that Mr Lim is an independent Director.

Mr Lim, also an NC member, had recused himself from the NC's as well as the Board's deliberations, respectively, on the assessment of his independence.

## Mr Gabriel Lim Meng Liang

Mr Gabriel Lim Meng Liang does not have any relationships and is not faced with any of the circumstances identified in the Listing Manual, the Code or the Practice Guidance, or any other relationships that may affect his independent judgement. Mr Lim is presently Permanent Secretary of the Ministry of Trade and Industry. The Board noted that Mr Lim's public office duties neither require him to take, nor subject him to any obligation to follow, any instructions from any government authorities in relation to the corporate affairs of the Company. This role also does not generate conflict of interest issues in respect of his role as a Director of the Company.

The Board also considered the conduct of Mr Lim in the discharge of his duties and responsibilities as a Director, and is of the view that he has acted with independent judgement in the discharge of his duties and responsibilities. Based on the above, the Board arrived at the determination that Mr Lim is an independent Director.

Mr Lim, also an NC member, had recused himself from the NC's as well as the Board's deliberations, respectively, on the assessment of his independence.

## Ms Judy Hsu Chung Wei

Ms Judy Hsu Chung Wei is CEO of Consumer, Private and Business Banking of Standard Chartered Bank (Singapore) Limited (StanChart). She is in charge of StanChart's consumer, private and business banking business. StanChart is currently not a principal banker of the Group. In any event, should the relationship between StanChart and the Group develop, Ms Hsu will recuse herself from any engagement involving StanChart.

The Board also considered the conduct of Ms Hsu in the discharge of her duties and responsibilities as a Director, and is of the view that the relationships set out above did not impair her ability to act with independent judgement in the discharge of her duties and responsibilities as a Director. The Board is of the view that Ms Hsu has exercised independent judgement in the discharge of her duties and responsibilities. Based on the above, the Board arrived at the determination that Ms Hsu is an independent Director.

Ms Hsu had recused herself from the Board's deliberations on her independence.

## Mr David Su Tuong Sing

Mr David Su Tuong Sing does not have any relationships and is not faced with any of the circumstances identified in the Listing Manual, the Code or the Practice Guidance, or any other relationships that may affect his independent judgement.

The Board considered the conduct of Mr Su in the discharge of his duties and responsibilities as a Director, and is of the view that Mr Su has exercised independent judgement in the discharge of his duties and responsibilities. Based on the above, the Board arrived at the determination that Mr Su is an independent Director.

Mr Su had recused himself from the Board's deliberations on his independence.

## Ms Helen Wong Siu Ming

Ms Helen Wong Siu Ming does not have any relationships and is not faced with any of the circumstances identified in the Listing Manual, the Code or the Practice Guidance, or any other relationships that may affect her independent judgement.

The Board considered the conduct of Ms Wong in the discharge of her duties and responsibilities as a Director, and is of the view that Ms Wong has exercised independent judgement in the discharge of her duties and responsibilities. Based on the above, the Board arrived at the determination that Ms Wong is an independent Director.

Ms Wong had recused herself from the Board's deliberations on her independence.

## Tan Sri Abdul Farid Alias

Tan Sri Abdul Farid Alias does not have any relationships and is not faced with any of the circumstances identified in the Listing Manual, the Code or the Practice Guidance, or any other relationships that may affect his independent judgement.

The Board considered the conduct of Tan Sri Abdul Farid in the discharge of his duties and responsibilities as a Director, and is of the view that Tan Sri Abdul Farid has exercised independent judgement in the discharge of his duties and responsibilities. Based on the above, the Board arrived at the determination that Tan Sri Abdul Farid is an independent Director.

Tan Sri Abdul Farid had recused himself from the Board's deliberations on his independence.

## Ms Belita Ong

Ms Belita Ong is a new member of the Board (appointed on 1 January 2024). A review was conducted for the purpose of her appointment as a Director of the Company. The outcome of the review was that she did not have any relationships and was not affected by any circumstances that might interfere with the exercise of her independent business judgement. The NC recommended and the Board approved her appointment as an independent Director on that basis.

The Board is not aware of any changes in circumstances since the abovementioned review, which may affect Ms Ong's independence. The Board has had the opportunity of working with Ms Ong since she came on board on 1 January 2024, and is of the view that she has exercised independent judgement in the discharge of her duties and responsibilities. Based on the above, the Board arrived at the determination that Ms Ong is an independent Director.

Ms Ong had recused herself from the Board's deliberations on her independence.

## Board Diversity

The Company embraces diversity and has in place a Board Diversity Policy which provides for the Board to comprise talented and dedicated Directors with a wide mix of expertise (including industry, domain and functional expertise), skills, experience (including international experience) and perspectives, with due consideration to diversity in gender, age, tenure, ethnicity and culture, and geographical background including nationality, as well as any other relevant aspects of diversity.

The Company values the benefits that diversity can bring to the Board in its deliberations by avoiding groupthink and fostering constructive debate. Diversity enhances the Board's decision-making capability and ensures that the Company has the opportunity to benefit from all available talent and perspectives, which is essential to effective business governance and for ensuring long-term sustainable growth.

The Company's Board diversity targets, plans and timelines for achieving the targets and progress towards achieving the targets are described below. Further information on the progress achieved during FY 2023 can be found in the "Board Composition and Renewal" section under Principle 4 of this Report.

Diversity Targets, Plans and Timelines	Targets Achieved/Progress Towards Achieving Targets
<b>Gender</b>	
<p>To have at least 2 female Directors on the Board during the period leading up to 2025.</p> <p>The Company believes in achieving an optimum mix of men and women on the Board to provide different approaches and perspectives.</p>	<p><b>Achieved</b> – As at the end of FY 2023, there were 2 female Directors (out of 10 Directors) on the Board. This represents 20% of the Board.</p> <p>The proportion of female Directors on the Board increased to 27% (or 3 female Directors out of a total of 11 Directors) with the appointment of Ms Belita Ong on 1 January 2024.</p>
<b>Age</b>	
<p>To ensure that the Board comprises Directors across the following age groups:</p> <p>(a) 50 and below; (b) 51 to 60; and (c) 61 and above,</p> <p>and to maintain such level of age diversity during the period leading up to 2025.</p> <p>The Company believes that age diversity would provide a broad spectrum of thoughts and views in Board and Board Committee deliberations.</p>	<p><b>Achieved</b> – As at the end of FY 2023, the Board comprised Directors across all 3 age groups, as follows:</p> <p>(a) 2 Directors aged 50 and below; (b) 3 Directors aged between 51 to 60; and (c) 5 Directors aged 61 and above.</p> <p>Ms Belita Ong, who was appointed as Director on 1 January 2024, is 66 years old as at 15 March 2024.</p>

Diversity Targets, Plans and Timelines	Targets Achieved/Progress Towards Achieving Targets
<b>Tenure</b>	
<p>To ensure that the Board comprises Directors across the following tenure groups:</p> <p>(a) less than 3 years; (b) 3 to 6 years; and (c) more than 6 years,</p> <p>and to maintain such level of tenure diversity during the period leading up to 2025.</p> <p>The Company believes that tenure diversity would facilitate Board renewal progressively and in an orderly manner, whilst ensuring knowledge continuity about the Company and its business operations and sustainability of corporate performance.</p>	<p><b>Achieved</b> – As at the end of FY 2023, the Board comprises Directors across all 3 tenure groups, as follows:</p> <p>(a) 4 Directors' tenure being less than 3 years; (b) 2 Directors' tenure being between 3 to 6 years; and (c) 4 Directors' tenure being more than 6 years.<sup>^</sup></p> <p><sup>^</sup> See footnote 3 on page 98 of this Annual Report.</p>
<b>Skills &amp; Experience</b>	
<p>To ensure that the Directors, as a group, possess:</p> <p>(a) a variety of skill sets, including in core competencies, domain knowledge and other fields of expertise, such as finance, banking, real estate, fund and investment management and technology; and (b) a mix of industry experience, management experience, business acumen and listed company board experience, in particular on organisational development and ESG matters,</p> <p>by 2025, or (if applicable) to maintain such level of diversity in skill sets and experience during the period leading up to 2025.</p> <p>The Company believes that diversity in skill sets would support the work of the Board and Board Committees and needs of the Company, and that an optimal mix of experience would help shape the Company's strategic objectives and provide effective guidance and oversight of Management and the Company's operations.</p> <p>The Company continually endeavours to deepen the bench strength of the Board with complementary and relevant expertise, including in the areas of fund and investment management, organisational development and ESG matters.</p>	<p><b>In Progress</b> – As at the end of FY 2023, the Board comprises Directors who, as a group, possess a significant majority of the identified core skills and experience.</p> <p>In terms of skill sets, the Board comprises Directors with a variety of skills and expertise in areas including finance, banking, real estate, fund management, international capital markets and technology.</p> <p>In terms of experience, the Board comprises Directors who are corporate and business leaders and who collectively have experience in general business management, have served on public listed company boards and have international or regional experience.</p> <p>In terms of industry experience, the Directors collectively have exposure in various sectors and markets, including the venture capital industry and the international capital markets networks.</p> <p>The Board's collective skill sets were further strengthened (in fund and investment management) with the appointment of Ms Belita Ong on 1 January 2024.</p> <p>Efforts to identify new Board members continue. The NC also continues to look for opportunities to strengthen the collective skillsets of the Board.</p>

The Company remains committed to enhancing Board diversity and any further progress made towards attaining the targets set will be disclosed in future Corporate Governance Reports as appropriate.

The NC, in carrying out its duties of determining the optimal composition of the Board in its Board renewal process and addressing Board vacancies, considers candidates that bring a diversity of background and opinion with the appropriate training and industry or related expertise and experience. In identifying possible candidates and making recommendations of Board appointments to the Board, the NC's considerations include achieving an appropriate level of diversity in the Board composition having regard to diversity factors such as skills, experience, gender, age, tenure, ethnicity, culture, geographical background and nationality, as well as educational, business and professional background of its members. In its annual review of the Board's composition, the NC expressly considers and includes a commentary to the Board on the subject of diversity, including gender diversity, in the composition of the Board. In this regard, the Board, taking into account the views of the NC, is of the opinion that the Board's current size is appropriate with an appropriate balance and diversity of skills, experience, gender, age, tenure, ethnicity, culture, and geographical background including nationality, taking into account the Company's diversity targets, plans and timelines and objectives of the Board Diversity Policy and the Group's business needs and plans, for effective decision-making, quality discussions and constructive debate.

In line with the Board Diversity Policy, the Board comprises Directors who are corporate and business leaders, or professionals with varied backgrounds, expertise and experience in areas including finance, banking, real estate, fund management, general management and technology, who bring with them the combination of skills, talents, experience and diversity required to serve the needs of and achieve the plans for the Group.

For further information on the NC's work in this regard, please refer to "Board Membership" under Principle 4 of this Report.

### PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles and responsibilities of the Chairman and Group CEO are held by separate individuals, in keeping with the principles that there be a clear division of responsibilities between the leadership of the Board and that of Management, and that no one individual has unfettered powers of decision-making. The Chairman of the Board is elected by the Board, and it is a non-executive appointment held by Mr Miguel Ko. The Group CEO is Mr Lee Chee Koon. They do not share any family ties. The Chairman and Group CEO enjoy a positive and constructive working relationship, and support each other in their respective leadership roles.

The Chairman leads and oversees the performance of the Board and plays a pivotal role in creating the conditions necessary for overall Board and individual director effectiveness. This includes setting the agenda of Board meetings in collaboration with the Group CEO, ensuring that the agenda takes full account of the important issues facing the Company and that there is sufficient information and time at meetings to address all agenda items, as well as promoting open and constructive engagement and dialogue among the Directors as well as between the Board and Group CEO at meetings. The Chairman also guides the Board through its decision-making process and ensures that the Board operates effectively as a team.

The Chairman devotes considerable time to keep himself updated on the Company's business, including the issues and the competition the Company faces. He plays a significant and active leadership role by providing clear oversight, direction, advice and guidance to the Group CEO. He also maintains open lines of communication and engages with other members of the senior leadership regularly, and acts as a sounding board for the Group CEO and the other members of the senior leadership team on strategic and significant operational matters.

Aside from chairing Board meetings, the Chairman also presides at AGMs and other general meetings where he plays a crucial role in fostering constructive dialogue between shareholders, the Board and Management.

The Group CEO has full executive responsibilities to manage the Group's business and to develop and implement Board approved policies.

The separation of the roles and responsibilities of the Chairman and the Group CEO, which is set out in writing, and the resulting clarity of roles provide a healthy professional relationship between the Board and Management, facilitate robust deliberations on the Group's business activities and the exchange of ideas and views to help shape the strategic process, and ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

As the Chairman is non-independent, the Board has appointed Mr Anthony Lim Weng Kin as the LID. As LID, Mr Lim's main duties are to facilitate the functioning of, and provide leadership to, the Board if circumstances arise in which the Chairman may be (or is perceived to be) in conflict, to support effective Board objectivity in business judgement and oversight, and to serve as an independent leadership contact for shareholders, Directors and Management especially where contact through the normal channels of communication with the Chairman or Management (as the case may be) is inappropriate or inadequate.

### PRINCIPLE 4: BOARD MEMBERSHIP

The Board has a formal and transparent process for the appointment and re-appointment of Directors. It has established the NC, which makes recommendations to the Board on all appointments to the Board and Board Committees. All Board appointments are made based on merit and approved by the Board.

NOMINATING COMMITTEE		
<b>MR GABRIEL LIM MENG LIANG</b> Committee Chairman & Non-Executive Independent Director	<b>MR MIGUEL KO</b> Non-Executive Non-Independent Director	<b>MR ANTHONY LIM WENG KIN</b> Lead Independent Director & Non-Executive Independent Director

A majority of the NC members, including the chairman of the NC, are non-executive independent Directors. In FY 2023, the NC met thrice. The NC also reviewed and approved various matters within its remit via circulating papers.

Under its terms of reference, the NC's scope of duties and responsibilities is as follows:

- review and make recommendations to the Board on the size and composition of the Board, the succession plans for Directors, and the structure and membership of the Board Committees;
- review and recommend an objective process and criteria for the evaluation of the performance of the Board, Board Committees and Directors;
- ensure continual training and professional development programmes are put in place for the Directors, including ensuring that new Directors are trained to understand their duties and obligations;
- consider annually, and as and when circumstances require, if a Director is independent and provide its views to the Board for consideration; and
- review whether a Director has been adequately carrying out his or her duties as a Director.

### Board Composition and Renewal

The Board, through the NC, strives to ensure that the Board has an optimal and diverse blend of backgrounds, experience and knowledge in business and general management, expertise relevant to the Group's business and operations, and that each Director can bring to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made in the interests of the Group.

There is a structured process for determining Board composition and for selecting candidates for appointment as Directors. In undertaking its duty of reviewing and making Board appointment recommendations to the Board, the NC evaluates the Board's competencies on a long-term basis and identifies competencies which may be further strengthened in the mid-to long-term. The review includes planning ahead to fill one or more vacancies which may arise in the future. Board succession planning takes into account the need to maintain flexibility to effectively address succession planning and to ensure that the Company continues to attract and retain highly qualified individuals to serve on the Board. The process ensures that the Board composition is such that it has capabilities and experience which are aligned with the Company's strategy and the environment it operates in, and that there are non-executive Directors who have prior working experience in the major sector(s) that the Company is operating in.

# CORPORATE GOVERNANCE

The Board supports the principle that Board renewal is a necessary and continual process for good governance and ensuring that the Board has the skills, expertise, diversity and experience which are relevant to the evolving needs of the Group's business.

Board succession planning is carried out through the annual review by the NC of the Board composition as well as when a Director gives notice of his or her intention to retire or resign. The annual review takes into account, among other things, the requirements in the Listing Manual and the Code, feedback from any individual Board member as well as the diversity targets and factors in the Board Diversity Policy. The outcome of that review is reported to the Board. The Board seeks to refresh its membership progressively and in an orderly manner, whilst ensuring continuity and sustainability of corporate performance. The Board also has in place guidelines on the tenure of Directors. The guidelines provide that a Director is appointed for two terms of a total of approximately six years and any extension of tenure beyond six years will be rigorously considered by NC in arriving at a recommendation to the Board.

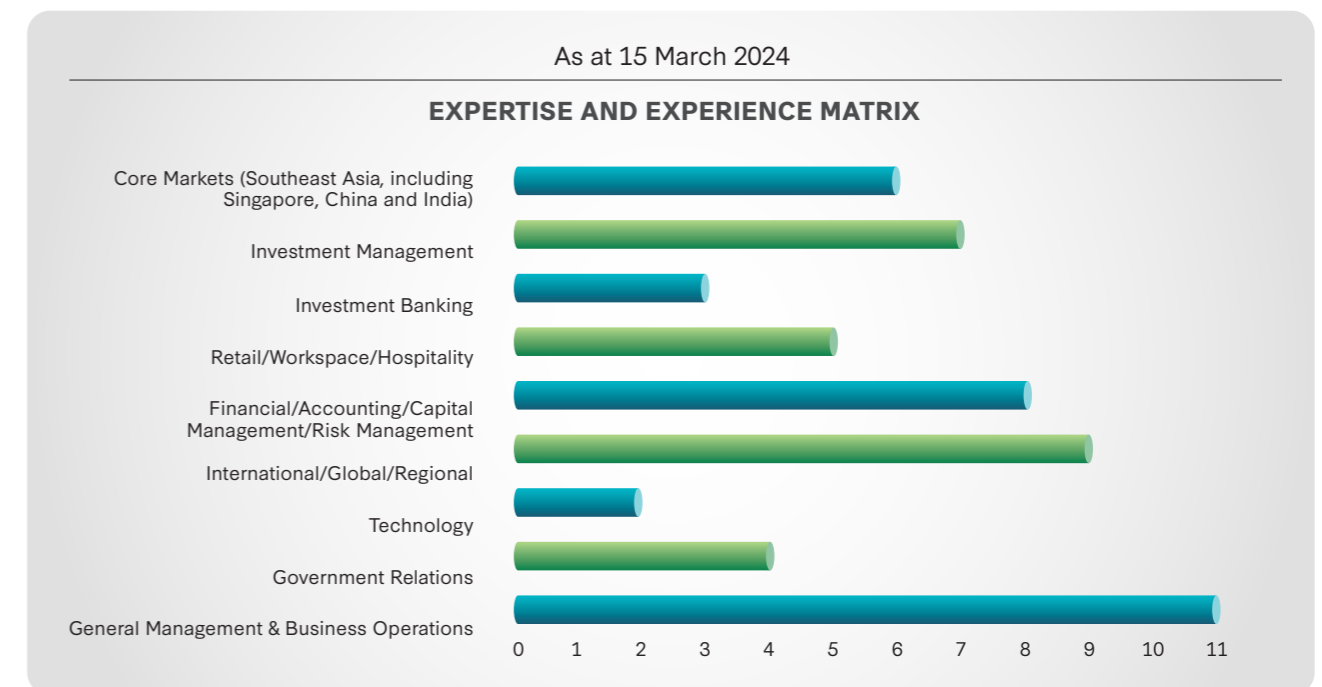
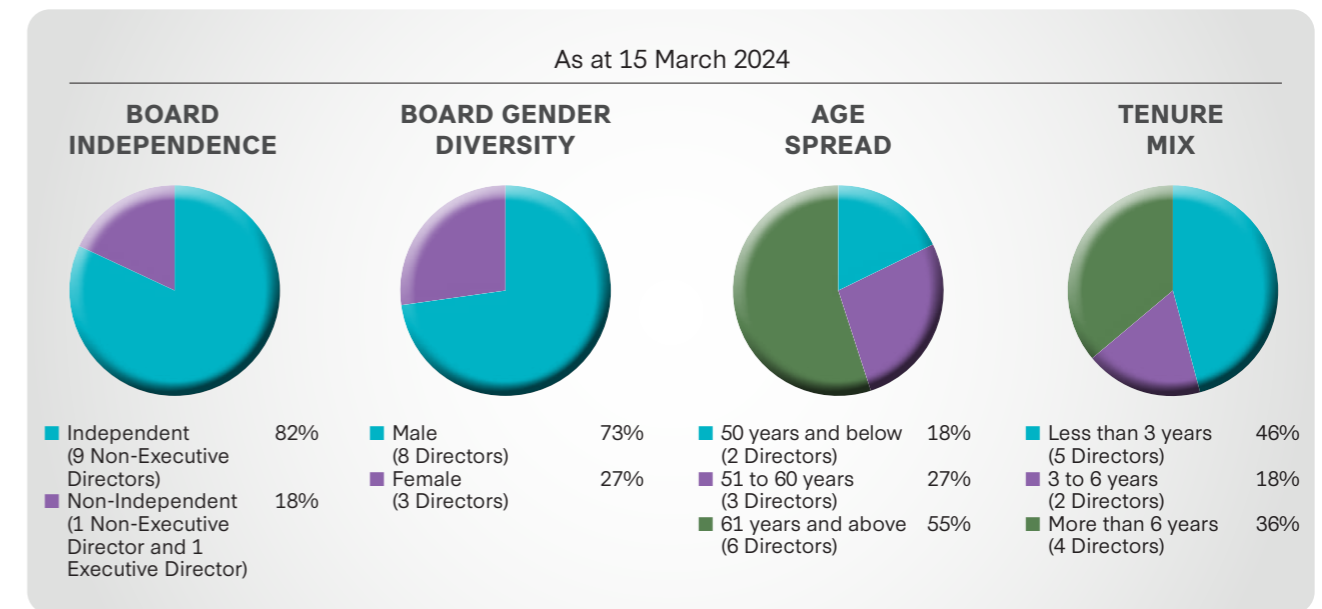
The NC identifies suitable candidates for appointment to the Board. In this regard, external consultants are retained from time to time to assist the NC in identifying candidates, to ensure that a diverse slate of candidates is presented for the NC's and the Board's consideration.

Candidates are identified based on the needs of the Company, taking into account the strategic priorities of the Company and the relevant skills required. Those considered will be assessed against a range of criteria including the candidates' demonstrated business sense and judgement, skills and expertise, and market and industry knowledge (and may include elements such as financial, sustainability or other specific competency, geographical representation and business background) with due consideration to diversity, including but not limited to, diversity in business or professional experience, age and gender, ethnicity and culture, and geographical background (including nationality). The NC also considers the qualities of the candidate(s), in particular whether they are aligned with the strategic directions and values of the Company, while also assessing his or her ability to commit time to the affairs of the Company, taking into consideration the candidate(s)' other current appointments or commitments. The NC uses a skills matrix to determine the skills gaps of the Board and to assess if the expertise and experience of a candidate would complement those of the existing Board members.

Whilst the Board believes that it has an optimal blend of backgrounds, experience, knowledge in business and general management, and expertise relevant to help the Company deliver on its ambition and strategic priorities, it believes in planning for orderly succession as well as contingencies and is continually looking out for opportunities to fill future gaps in competencies and to renew the Board in a progressive manner. In FY 2023, Tan Sri Abdul Farid Alias joined the Board. On 1 January 2024, Ms Belita Ong joined the Board. These appointments augmented various aspects of Board diversity in terms of professional qualifications, ethnicity, industry and market knowledge, age and skills and experience. Tan Sri Abdul Farid Alias brings considerable expertise and networks in the financial and banking sector and the ASEAN markets while Ms Belita Ong brings significant in-country experience and networks in the investment management sector and the United States of America (US) market, both of which increases the diversity of skill sets of the Board. The appointment of Ms Ong has also increased the proportion of female Directors on the Board, contributing to gender diversity on the Board. In particular, these appointments enable the Board to achieve or, as the case may be, make significant progress towards achieving the following targets set for the Board:

- improve gender diversity;
- maintain current level of age, ethnicity and tenure diversity; and
- enhance skill sets in fund and investment management and increase number of Directors with international or regional experience.

The NC remains focused on Board renewal and continues to identify opportunities for Board enhancement. In FY 2023, the NC also considered several other candidates (aside from Ms Belita Ong), both male and female, but the process did not result eventually in appointments due to various reasons. The NC continues its efforts to search for and build its pipeline of possible Board candidates who are proven business leaders with complementary and relevant expertise. The need for ethnic and/or gender diversity, experience in overseeing ESG matters and/or an appreciation of the investment management business are some of the considerations. The NC also takes into consideration any qualitative feedback received from Directors and Management during its annual Board evaluation exercise.



In this regard, the Board acknowledges that it may not be possible to find all the desired credentials and qualities in a single candidate and, therefore, it would be necessary to prioritise some of them, taking into consideration the current collective skill sets of the Board.

### Shareholders' Approval at AGM

Election of Board members is the prerogative and right of shareholders. The Constitution requires one-third of the Company's Directors to retire, prioritised by the length of service since the previous reelection or appointment and who are not otherwise required to retire, and subject themselves to reelection by shareholders at every AGM (one-third rotation rule). Effectively, this results in all Directors having to retire and stand for reelection at least once every three years or earlier.

The Group CEO, as a Board member, is also subject to the one-third rotation rule. His role as the Group CEO is separate from his position as a Board member and does not affect the ability of shareholders to exercise their right to select Board members.

# CORPORATE GOVERNANCE

In addition, any Director who is newly appointed by the Board (whether as an additional Director or to fill a vacancy) will submit himself or herself for reelection at the AGM immediately following his or her appointment. Thereafter, he or she is subject to the one-third rotation rule.

In this regard, Mr Anthony Lim Weng Kin, Mr Lee Chee Koon and Ms Judy Hsu Chung Wei, all of whom are retiring by rotation at the upcoming 2024 AGM, will be standing for reelection by shareholders. Mr Kee Teck Koon is also due to retire by rotation at the upcoming 2024 AGM, and has given notice to the Company that he will not be seeking reelection at the upcoming 2024 AGM. Ms Belita Ong, who was newly appointed by the Board in January 2024, will be submitting herself for reelection at the upcoming 2024 AGM.

With regard to the reelection of existing Directors each year, the NC advises the Board of those Directors who are retiring or due for consideration to retire in accordance with the articles of the Constitution. The NC makes recommendations to the Board as to whether the Board should support the reelection of a Director who is retiring. For that purpose, it undertakes a review of the retiring Director's contributions to the Board's deliberations, taking into consideration also the collective skill sets of the Directors at that juncture and the near term targets and plans relating to Board renewal. The NC also considers the relevant Directors' attendance record and preparedness for and level of engagement at Board meetings, as well as their other appointments and commitments. Each member of the NC is required to recuse himself from deliberations on his own reelection. In this regard, the NC has carried out the requisite review and recommendation work in respect of the proposed reelection by shareholders of Mr Anthony Lim Weng Kin, Mr Lee Chee Koon and Ms Judy Hsu Chung Wei as Directors at the upcoming 2024 AGM. After taking into account their respective tenures on the board of CL (now known as CLG), Mr Lim would have served as a Director for more than six years as at the date of the 2024 AGM. The Board has adopted the guidelines that a Director be appointed for two terms for a total of approximately six years and any extension of tenure beyond six years be rigorously considered by the NC before arriving at a recommendation to the Board. Therefore, for the review and recommendation relating to the proposed reelection of Mr Lim, the NC undertook a rigorous review. Noting the respective contributions of Mr Lim, Mr Lee and Ms Hsu, including as chairman of the relevant Board Committees, the NC recommended to the Board to support their reelection at the upcoming 2024 AGM. The Board, after considering the NC's recommendation, has duly provided its support for their respective reelections. Ms Belita Ong, who was newly appointed by the Board after the 2023 AGM, will also seek reelection at the upcoming 2024 AGM, and the Board has also duly provided its support for her reelection. Each Director seeking reelection at the upcoming 2024 AGM has recused himself or herself from the Board's and, where applicable, the NC's deliberations on his or her reelection.

Shareholders elect the Directors or candidates put up for election and reelection at AGMs individually. Key information on the Directors or candidates who are seeking election or reelection at AGMs, including date of first appointment, age, professional qualifications, working experience and other principal commitments (including directorships), is provided in the Annual Report.

## Review of Directors' Ability to Commit Time

In view of the responsibilities of a Director, Directors need to be able to devote sufficient time and attention to adequately perform their duties and responsibilities. The NC reviews the other appointments and commitments of each Director on an annual basis and as and when there is a change of circumstances involving a Director which may affect his or her ability to commit time to the Company. In this regard, Directors are required to report to the Company any changes in their other appointments or commitments.

In reviewing whether a Director has adequately discharged his or her duties to the Company and a Director's ability to commit time to the affairs of the Company, the NC and the Board consider if the Director's total number of listed company board appointments is within the guidelines of major proxy advisor firms. In respect of the Directors' other appointments and commitments, the Board takes the view that the limit on the number of directorships and principal commitments that an individual may hold should be considered on a case-by-case basis, as a person's available time and attention may be affected by many different factors, such as his or her capacity, whether he or she is in full-time employment, the nature of his or her other responsibilities and near-term plan regarding some of the other appointments. A Director with multiple directorships is nonetheless expected to ensure that he or she can devote sufficient time and attention to the affairs of the Company. Directors are also required to consult the Chairman before accepting any invitation for appointment as a director of another entity or offer of a full-time executive appointment. Such a consultation will enable any concerns relating to the Director's ability to commit time to the affairs of the Company, as well as any potential conflicts of interests, to be shared and addressed. The Chairman will make the requisite assessment and consult with the NC as necessary.

There is no alternate director to any of the Directors. In keeping with the principle that a Director must be able to commit time to the affairs of the Company, the NC has adopted the principle that it will generally not approve the appointment of alternate directors to Directors.

Each of the Directors is required to make his or her self-assessment and confirm that he or she is able to devote sufficient time and attention to the affairs of the Company. For FY 2023, all Directors had undergone the self-assessment and provided the confirmation.

On an annual basis and, where appropriate, when there is a change of circumstances involving a Director, the NC assesses each Director's ability to commit time to the affairs of the Company. In the assessment, the NC takes into consideration each Director's confirmation, his or her other appointments and commitments, attendance record at meetings of the Board and Board Committees, as well as conduct (including preparedness, participation and level of engagement) and the value and quality of their contributions at Board and Board Committee meetings.

NC reviews each Director's other appointments and commitments, attendance record, as well as conduct and contributions at Board and Board Committee meetings

Director is also required to make his or her self-assessment, and confirmation that he or she is able to devote sufficient time and attention to the affairs of the Company

ASSESSMENT PROCESS

The Directors' listed company directorships and other principal commitments are disclosed on pages 14 to 19 of this Annual Report.

None of the Directors currently holds more than three listed company board appointments, which number is within the guidelines of major proxy advisor firms. The Group CEO, who is the sole executive Director, does not serve on any listed company board outside of the Group.

The Directors' attendance record for FY 2023 is set out on page 133 of this Annual Report. Directors are informed of the expectation to attend scheduled meetings, unless unusual circumstances make attendance impractical or if a Director has to recuse himself or herself from the discussion in relation to the sole matter under consideration at the relevant meeting. In this regard, the Directors on the Board during FY 2023 achieved full attendance rate for Board and Board Committee meetings held in FY 2023. They have also contributed positively to discussions at Board and Board Committee meetings. In respect of any meetings for which any Director is unable to attend, arrangements will be made for such Director to provide his or her comments on the relevant matters to be discussed at such meetings to the Chairman or the relevant Board Committee chair prior to the relevant meetings. A separate briefing may be arranged to facilitate this if necessary. The Directors are also generally accessible to Management outside the formal environment of Board and/or Board Committee meetings.

Based on the foregoing, the NC (with each member recused from the deliberations in respect of himself) has determined that each Director has been adequately carrying out his or her duties as a Director of the Company. The Board, taking into consideration the NC's assessment, has noted that each Director has met with the requirements under the NC's guidelines and has been adequately carrying out his or her duties and responsibilities as a Director of the Company.

## PRINCIPLE 5: BOARD PERFORMANCE

The Company believes that oversight from a strong and effective Board goes a long way in guiding the Company's success. Whilst Board performance is ultimately reflected in the long-term performance of the Group, the Board believes that engaging in a regular process of self-assessment and evaluation of Board performance provides an opportunity for the Board to reflect on its effectiveness including the quality of its decisions, as well as to clarify the individual and collective roles and responsibilities of the Directors and the Board to give the Directors better knowledge of expectations to help them become more effective. It also enables the Board to identify key strengths and gaps in its composition as well as areas for improvement which are essential to effective stewardship and attaining success for the Company, in addition to improving working relationships with Management.



# CORPORATE GOVERNANCE

Led by the NC chairman, findings and practical suggestions were reviewed, considered and discussed by the NC, and subsequently by the Board, to formulate appropriate follow-up actions where necessary, as part of the FY 2023 Board evaluation process. The Board evaluation process helps to identify where the Board has met its objectives, and indicate where it needs improvements.

## Board and Board Committees

The NC undertakes a tailored process to evaluate the effectiveness of the Board as a whole and the Board Committees every year. For an objective and independent evaluation, an external consultant is engaged to facilitate the evaluation process. The consultant engaged for the review for FY 2023, Aon, is independent of and is not related to the Company or any of its Directors.

As part of the process, questionnaires are sent by the consultant to the Directors and interviews are conducted where necessary. In addition to numerically scored multiple-choice items, the questionnaires use a mix of open-ended questions to solicit qualitative or strategic, big picture comments including suggestions for improvement, with a view to engendering constructive dialogues and gaining insights. Where necessary, one-to-one interviews may be conducted with certain Board members, to seek clarifications on the feedback obtained from the responses in the questionnaires, during which broader questions might also be raised to help validate certain survey findings. The findings are then evaluated by the consultant and reported, together with the recommendations of the consultant, to the NC and thereafter the Board. The evaluation categories covered in the questionnaire for FY 2023 included Board Composition, Information Management, Board Processes, Representation of ESG, Managing Company's Performance, Human Capital Management, Director Development and Management, Risk Management and Board Committee Effectiveness.



Given that the Board works closely with Management to oversee and provide guidance on the business affairs of the Group, as an integral part of the evaluation process, the Senior Management team also provides feedback on areas including Board Composition, Information Management, Developing Strategy, Monitoring the Strategy, Working with Management and Managing Risks.

The findings and recommendations of the consultant which include benchmarking information and best practices of other boards, are considered by the Board and follow-up action is taken, where necessary.

The FY 2023 Board and Board Committee evaluation yielded a set of overall credible evaluation results, including when compared to market peers. The evaluation process found that the Board has been functioning well as a team with each of the Board members contributing to Board deliberations. In general, there was acknowledgement that the level of engagement amongst Board members was satisfactory and there was openness and rigour in

Board discussions. There is a positive and healthy professional relationship and alignment between the Board and Management. The different members and committees of the Board work well together, and Board members and Management are respectful of each other and able to reach consensus amicably. Board Committees were also assessed to work well with thorough robust debate, a good understanding of the issues and functional knowledge. There are no concerns or issues affecting any Board or Board Committee requiring attention or follow-up work.

KEY FINDINGS FOR FY 2023 BOARD AND BOARD COMMITTEE EVALUATION				
Functioning well as a team	Openness and rigour in Board discussions	Positive and healthy professional relationship and alignment between the Board and Management	Board members work well together, and Board members and Management are able to reach consensus amicably	Good understanding of the issues and functional knowledge

## Individual Directors

In respect of individual Directors, a formal evaluation is also carried out on an annual basis. For FY 2023, the Board Chairman and NC Chairman jointly evaluated each individual Director using an agreed evaluation framework as a guide. The evaluation criteria include Director's duties, contributions and conduct. Feedback from selected Senior Management members was also sought as part of the process. The NC Chairman also held one-to-one conversations with each of the Directors to discuss strengths and opportunities, which sessions were received positively by the Directors.

The outcome of the FY 2023 individual Director evaluation is that every Director contributes to Board deliberations. Each one of them participates actively and is fully engaged in Board deliberations. Additionally, Directors work well with one another, and with Management, contributing to the overall smooth functioning of the Board. Whilst collegial, deliberations at meetings were open, constructive and robust, and conducted on a professional and respectful basis. Management has also provided positive feedback on the performance and contributions of the individual Directors, noting that the relationship between the Board and Management is healthy and good. Directors are also generally accessible to Management outside the formal environment of Board and/or Board Committee meetings. As with the outcome of the Board and Board Committee evaluations, there are no concerns or issues affecting any Director requiring attention or follow-up work.

KEY FINDINGS FOR FY 2023 INDIVIDUAL DIRECTOR EVALUATIONS			
Contributes to Board deliberations	Participates actively and is fully engaged in Board deliberations	Works well with one another, and with Management	Generally accessible to Management

Formal evaluation is also carried out by the NC as and when a Director is due for retirement by rotation and is seeking reelection. The NC also considers the contributions and performance of individual Directors when it reviews Board composition.

The Board also recognises that contributions by an individual Board member can take different forms including providing objective perspectives on issues, facilitating business opportunities and strategic relationships, and accessibility to Management outside of the formal environment of Board and/or Board Committee meetings.

## Board Evaluation as an Ongoing Process

The Board believes that performance evaluation should be an ongoing process and the Board achieves this by seeking feedback on a regular basis. The regular interactions among Board members, and between Board members and Management, also contribute to this ongoing process. Through this process of engaging its members, the Board also benefits from an understanding of shared norms between Board members which in turn contributes to a positive Board culture. The collective Board performance and the contributions of individual Board members are also reflected in, and evidenced by, the synergistic performance of the Board in discharging its responsibilities as a whole by providing proper guidance, diligent oversight and able leadership, and lending support to Management in steering the Company in the appropriate direction, as well as the long-term performance of the Company whether under favourable or challenging market conditions.

REMUNERATION MATTERS

**PRINCIPLES 6, 7 AND 8: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES, LEVEL AND MIX OF REMUNERATION AND DISCLOSURE ON REMUNERATION**

The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, recommending individual Directors' remuneration packages for shareholders' approval and determining the remuneration of key management personnel.

It has established the ERCC to recommend to the Board for approval a general framework of remuneration for the non-executive Directors and key management personnel of the Group, and the specific remuneration package for each key management personnel. The ERCC also recommends to the Board for endorsement of the specific remuneration package for each Director.

EXECUTIVE RESOURCE AND COMPENSATION COMMITTEE			
<b>MS JUDY HSU CHUNG WEI</b> Committee Chairman & Non-Executive Independent Director	<b>MR MIGUEL KO</b> Non-Executive Non-Independent Director	<b>MR ANTHONY LIM WENG KIN</b> Lead Independent Director & Non-Executive Independent Director	<b>MS BELITA ONG</b> Non-Executive Independent Director

A majority of ERCC members, including the chairman of the ERCC, are non-executive independent Directors. All ERCC members are non-executive Directors. Ms Belita Ong was appointed as a member of the ERCC with effect from 1 January 2024. In FY 2023, the ERCC met four times.

The ERCC is guided by its terms of reference. The ERCC oversees leadership and succession planning for key management personnel. This includes overseeing the process that supports the Board in making decisions regarding the appointment of the Group CEO and his terms of appointment and remuneration package, and approving the appointment and remuneration of other key management personnel. In carrying out its role, the ERCC also aims to build capable and committed management teams through market competitive compensation and progressive policies which are aligned with the long-term interests and risk policies of the Group. The ERCC thus plays a crucial role in helping to ensure that the Company is able to attract, motivate and retain the best talents to drive the Group's business forward and deliver sustainable returns to shareholders.

The ERCC also conducts, on an annual basis, the evaluation of the Group CEO's performance and a succession planning review of the Group CEO and key management positions in the Group and presents its findings and recommendations to the Board. Potential candidates for leadership succession are reviewed for their readiness in the immediate, medium and long term.

The Company is committed to developing a strong talent pipeline to sustain its business growth. It has an established process to identify different talent segments to enable leaders of the Company to plan for the succession of key roles. The success of its approach to talent development and succession planning is evidenced by many examples of internal promotions into key leadership roles throughout the Group over the years (including those years when the Company was a subsidiary of the then-listed CL (now known as CLG)), even at the most senior levels of the organisation.

The Company also believes that learning is a continuous journey and is committed to developing employees to their fullest potential by equipping them with the right tools and knowledge to stay relevant and ahead of the competition. The Company provides learning opportunities to employees so that they will consistently deliver high standards of performance and be able to perform their job roles competently.

**Remuneration Policy for Key Management Personnel**

The remuneration framework and policy are designed to support the implementation of the Group's strategy and deliver sustainable returns to shareholders. The policy's principles governing the remuneration of the Company's key management personnel are as follows:

BUSINESS ALIGNMENT	FAIR & APPROPRIATE
<ul style="list-style-type: none"> <li>Create sustainable value and drive dollar returns above the risk-adjusted cost of capital to align with the long-term interests of its stakeholders</li> <li>Provide sound and structured funding to ensure affordability and cost-effectiveness in line with performance goals</li> <li>Enhance retention of key talents to build strong organisational capabilities</li> <li>Strengthen alignment to ESG practices</li> </ul>	<ul style="list-style-type: none"> <li>Ensure competitive remuneration relative to the appropriate external talent markets</li> <li>Manage internal equity such that remuneration is viewed as fair across the Group</li> <li>Significant and appropriate portion of pay-at-risk, taking into account risk policies of the Group, symmetric with risk outcomes and sensitive to risk time horizon</li> </ul>
MOTIVATE RIGHT BEHAVIOUR	EFFECTIVE IMPLEMENTATION
<ul style="list-style-type: none"> <li>Pay for performance – align, differentiate and balance rewards according to multiple dimensions of performance</li> <li>Strengthen line-of-sight linking rewards and performance</li> <li>Foster Group-wide interests to recognise the interdependence of the various businesses of the Group and drive superior outcomes</li> </ul>	<ul style="list-style-type: none"> <li>Maintain rigorous corporate governance standards</li> <li>Exercise appropriate flexibility to meet strategic business needs and practical implementation considerations</li> <li>Facilitate employee understanding to maximise the value of the remuneration programmes</li> </ul>

The Board sets the remuneration policies in line with the Company's business strategy and approves the executive compensation framework based on the key principle of linking pay to performance. Pay-for-performance is emphasised by linking total remuneration to the achievement of business and individual goals and objectives. In its deliberations, the ERCC also takes into consideration industry practices and norms in compensation to ensure market competitiveness. The ERCC considers all aspects of remuneration, including termination terms, to ensure they are fair.

The Board has access to independent remuneration consultants to advise on remuneration matters as required.

The ERCC appointed an independent remuneration consultant, Willis Towers Watson, to provide professional advice on Board and executive remuneration in FY 2023. Willis Towers Watson is a global advisory, broking and solutions company with over 45,000 employees serving more than 140 countries and markets. The remuneration consultant is not related to the Company or any of its Directors and does not otherwise have any relationships with the Company that could affect its independence and objectivity.

**Remuneration of Key Management Personnel**

The remuneration of key management personnel comprises fixed components, variable cash components, share-based components and employee benefits. A significant proportion of key management personnel's remuneration is in the form of variable compensation, awarded in a combination of short-term, deferred and long-term incentives, in keeping with the principles that the interests of the Group CEO and key management personnel should be aligned with those of the Company's shareholders and other stakeholders and that the remuneration framework should link rewards to corporate and individual performance.

**A. Fixed Components:**

The fixed components comprise the base salary, fixed allowances and compulsory employer contribution to an employee’s Central Provident Fund (CPF).

**B. Variable Cash Components:**

The variable cash components comprise the Performance Bonus Plan (PBP) and the Economic Value-Added (EVA)-based Incentive Plan (EBIP).

**Performance Bonus Plan**

The PBP is linked to the achievement of annual performance targets for each key management personnel as agreed at the beginning of the financial year with the Board and/or the Group CEO, as the case may be.

Using the Balanced Scorecard framework, the Group’s strategy and goals are translated to performance outcomes comprising both quantitative and qualitative targets in the dimensions of Financial & Execution, Future Growth, People, Sustainability and Digitalisation & Innovation; these are cascaded down throughout the organisation, thereby creating alignment across the Group. The overall dimensions, performance measures and their relative weights are reviewed annually to reflect the Group’s business priorities and focus for the relevant year.

Balanced Scorecard Dimension	Financial & Execution	Future Growth	People	Sustainability	Digitalisation & Innovation
<b>Key Objectives</b>	<ul style="list-style-type: none"> <li>Driving sustainable growth by:                             <ul style="list-style-type: none"> <li>Growing recurring cash PATMI</li> <li>Improving Return on Equity</li> <li>Effective capital recycling</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Growing assets/funds under management</li> <li>Growing fee-related income</li> <li>Growing the lodging platform</li> </ul>	<ul style="list-style-type: none"> <li>Motivating and retaining talents</li> <li>Engaging employees for commitment, productivity and performance</li> </ul>	<ul style="list-style-type: none"> <li>Driving carbon emissions intensity reduction in line with our 2050 Net Zero commitment for Scope 1 and 2 emissions</li> <li>Benchmarking against global sustainability indices</li> <li>Ensuring workplace safety</li> </ul>	<ul style="list-style-type: none"> <li>Driving operational efficiency</li> <li>Improving customer experience</li> </ul>
<b>Weightage</b>	← 60% →		← 40% →		

After the close of each year, the ERCC reviews the Group’s achievements against the targets set in the Balanced Scorecard, determines the overall performance taking into consideration qualitative factors such as the quality of earnings, operating environment, regulatory landscape, industry trends and affordability to the Company, and approves a bonus pool that is commensurate with the performance achieved. For FY 2023, the bonus pool was smaller as compared to the bonus pool for the financial year ended 31 December 2022 (FY 2022), due to the targets set having only been partially achieved by the Group.

In determining the payout quantum for each key management personnel under the PBP, the ERCC considers the overall performance of the Group, the performance of the business(es) specific to each key management personnel, as well as quantitative and qualitative aspects of individual performance, including but not limited to leadership behaviours and demonstration of the Group’s core values.

The PBP is delivered in a combination of cash and deferred shares with employees in senior management grades receiving a greater proportion of their PBP payout in deferred shares. These time-based shares are awarded pursuant to the CapitaLand Investment Restricted Share Plan 2021 (RSP) and will vest in three equal annual tranches without further performance conditions. Recipients will receive fully paid shares, their equivalent cash value or combinations thereof, at no cost. The share awards ensure ongoing alignment between remuneration and sustainable business performance.

**Economic Value-Added-based Incentive Plan**

The EBIP is based on sharing with employees a portion of the EVA achieved, which varies according to the actual achievement of residual economic profit.

The EBIP rewards sustainable value creation over the medium term achieved by growing profits, deploying capital efficiently and managing the risk profile and risk time horizon of the business.

Under this plan, the bonus declared to each EBIP participant for the current year is added to the participant’s balance carried forward from the previous year, upon which one-third of the resulting total amount is paid out in cash, with the remaining two-thirds to be carried forward to the following year. The balance in each participant’s EBIP account is at risk because a significant reduction in EVA in any year may result in retraction (performance clawback) of the EBIP bonus declared in preceding years. The EBIP encourages key management personnel to work for sustained EVA generation and to take actions that are aligned with the long-term interests of the Company’s stakeholders.

In determining the EBIP bonus declared to each participant, the ERCC considers the overall business performance, individual job responsibilities, performance and contribution, as well as the relevant market remuneration benchmarks. In respect of FY 2023, no EBIP bonus was paid as the Group’s EVA was negative.

**C. Share-based Components:**

The Company adopted the CapitaLand Investment Performance Share Plan 2021 (PSP) and the RSP (together, the Share Plans) on 17 July 2021 in connection with the Company’s Introductory Listing in 2021. Share awards were granted in FY 2023 pursuant to both the PSP and RSP. The total number of shares comprised in the awards granted under the Share Plans during FY 2023 did not exceed 1% of the total number of issued shares (excluding treasury shares) of the Company.

To foster a “founders’ mindset” in driving the transformation of the Group into a REIM company, a one-time special contingent award (Special PSP Award) was granted pursuant to the PSP to selected key new-hire executives of the Group during the financial year ended 31 December 2021 (FY 2021) and into FY 2022. This long-term share-based award with a five-year performance period will vest at the end of the third year and/or fifth year, subject to the achievement of pre-determined targets approved by the ERCC. No Special PSP Award was made in FY 2023. Further details on the Special PSP Award can be found in the Company’s corporate governance report for FY 2021 (FY 2021 Report).

As previously disclosed in the FY 2021 Report, awards were granted under the PSP to certain employees of the Group and certain employees of CL, its holding company and their subsidiaries (other than the Group) during FY 2021 (Replacement Awards) to replace awards previously granted to such employees pursuant to the performance share plans of CL. Further details on the Replacement Awards can be found in the FY 2021 Report.

The obligation to deliver shares pursuant to awards granted under the Share Plans is intended to be satisfied primarily out of treasury shares.

To promote the alignment of Management’s interests with that of the Company’s stakeholders, the ERCC has approved share ownership guidelines for Senior Management to instill stronger identification by senior executives with the long-term performance and growth of the Group. Under these guidelines, key management personnel are required to build up over time and hold shares with an aggregate value of at least the equivalent to, one, two or three times their annual base salary (depending on their seniority level).

In alignment with the Practice Guidance, shares awarded pursuant to the Share Plans may be clawed back in circumstances of misstatement of financial results, misconduct resulting in financial or other losses to the Company, or other misdemeanours.

Details of the Share Plans as well as awards granted under the Share Plans are given in the Share Plans section of the Directors' Statement on pages 139 to 142 of this Annual Report and the Equity Compensation Benefits section of the Notes to the FY 2023 Financial Statements on pages 208 to 213 of this Annual Report.

#### CapitalLand Investment Performance Share Plan 2021

The awards granted under the PSP in FY 2023 are conditional on targets set for a three-year performance period. A specified number of shares will only be released to recipients at the end of the qualifying performance period if the threshold targets are minimally achieved.

Under the PSP (excluding Replacement Awards and the Special PSP Award), an initial number of shares (baseline award) is allocated according to the following performance conditions approved by the ERCC:

- (a) Absolute Total Shareholder Return (TSR) of the Group measured as a multiple of Cost of Equity;
- (b) Relative TSR of the Group measured by the percentile ranking of the Group's TSR relative to the constituents of a peer group comprising public-listed companies and REIM firms of comparable scale, scope and/or business mix in Singapore and other countries;
- (c) ROE of the Group; and
- (d) Carbon emissions intensity reduction of the Group.

The above performance measures have been selected as key measurements of wealth creation for shareholders and longer-term ESG performance. The final number of shares to be released will depend on the achievement of pre-determined targets over the three-year qualifying performance period. No share will be released if the threshold targets are not met at the end of the qualifying performance period. On the other hand, if superior targets are met or exceeded, more shares than the baseline award can be delivered up to a maximum of 200% of the baseline award for the FY 2022 award and up to a maximum of 300% of the baseline award for the FY 2023 award. The ERCC has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors. Recipients will receive fully paid shares, their equivalent cash value or combinations thereof, at no cost.

In respect of the share awards granted pursuant to the PSP during FY 2023, the qualifying performance periods have not ended as at the date of this Report.

#### CapitalLand Investment Restricted Share Plan 2021

Under the RSP, the ERCC may grant awards which are conditional on targets set for a one-year performance period. A specified number of shares will only be released to recipients at the end of the qualifying performance period if the threshold targets are minimally achieved.

Under the RSP, an initial number of shares (baseline award) is allocated according to the following performance conditions approved by the ERCC:

- (a) Operating Earnings Before Interest and Taxes of the Group; and
- (b) Operating ROE of the Group.

The above performance measures have been selected as they are the key drivers of operating business performance. The final number of shares to be released will depend on the achievement of pre-determined targets at the end of the one-year qualifying performance period. The shares will then be released in equal annual tranches over a vesting period of three years. No share will be released if the threshold targets are not met at the end of the qualifying performance period. On the other hand,

if superior targets are met, more shares than the baseline award can be delivered up to a maximum of 150% 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. Recipients will receive fully paid shares, their equivalent cash value or combinations thereof, at no cost.

There were no performance-based awards granted under the RSP in FY 2023. In its place, time-vested shares were awarded in FY 2024 pursuant to the RSP as part of the FY 2023 PBP, which will vest in three equal annual tranches without further performance conditions, with the first tranche delivered in FY 2024.

Time-vested restricted awards may also be granted, for example, as a retention tool for critical talents, or as a recruitment tool to compensate new senior executive hires for the share-based incentives that they may have had to forego when they leave their previous employer to join the Group.

The time-vested restricted awards can vest progressively over periods of up to three years, provided recipients of the awards remain under employment.

#### D. Employee Benefits:

The benefits provided are comparable with local market practices.

Each year, the ERCC evaluates the extent to which the Group CEO and each of the key management personnel have delivered on the corporate and individual goals and objectives, and based on the outcome of the evaluation, approves the compensation for the key management personnel, and recommends the compensation for the Group CEO for the Board's approval. The appointed independent remuneration consultant advises the Board and the ERCC on the compensation of the Group CEO and key management personnel including, but not limited to, the reasonableness of compensation levels in relation to the performance achieved, the competitiveness of compensation levels against relevant industry peers, and compensation trends and practices around the world. The Group CEO who attends meetings of the ERCC on an *ex officio* basis does not participate in discussions relating to his performance and remuneration.

The details of the remuneration for the Group CEO in respect of FY 2023 are provided in the Directors' and Group CEO's Remuneration for FY 2023 section on page 134 of this Annual Report.

While the disclosure of, among others, the names, amounts and breakdown of remuneration of at least the top five key management personnel (who are not Directors or the Group CEO) in bands no wider than S\$250,000 and the aggregate of the total remuneration paid to these key management personnel, would be required for full compliance with Provision 8.1 of the Code, the Board has considered carefully and decided that such disclosure would not be in the interests of the Company and its shareholders due to the following reasons:

- (a) in light of the intense competition for talents in the REIM industry, the Board is of the view that it is in the interests of the Company and its shareholders to not make such disclosures so as to minimise potential staff movement and undue disruption to its key management team;
- (b) taking into account the need to balance the confidential and commercial sensitivities associated with remuneration matters, the Board is of the view that such disclosures could be prejudicial to the interests of the Company and its shareholders; and
- (c) in view of the importance of retaining competent and experienced staff to ensure the Company's stability and continuity of business operations, the Board is of the view that such disclosures may subject the Company to undue risks, including, unnecessary key management turnover.

The Board is of the view that despite the abovementioned deviation from Provision 8.1 of the Code, the disclosures on the remuneration of key management personnel in this Report (including the detailed disclosures on the remuneration policy for key management personnel and the breakdown of the various components of the remuneration for key management personnel) are consistent with the intent of Principle 8 of the Code and would provide sufficient information and transparency to shareholders on the Company's remuneration policies, the level and mix of remuneration accorded to the key management personnel and the procedure for setting remuneration. These disclosures would enable shareholders to understand the relationship between the Company's performance, value creation and the remuneration of the key management personnel. The Board is of the view that there is no misalignment between the remuneration of the key management personnel and the interests of shareholders, and the interests of shareholders are not prejudiced by the abovementioned deviation from Provision 8.1 of the Code.

The ERCC seeks to ensure that the remuneration paid to the Group CEO and key management personnel is strongly linked to achieving business and individual performance targets. The performance targets endorsed by the ERCC and approved by the Board are set at realistic yet stretched levels each year to motivate a high degree of business performance with emphasis on short, medium and long-term quantifiable objectives. A pay-for-performance alignment study was conducted by the appointed independent remuneration consultant and reviewed by the ERCC, and the findings indicate that there has been effective pay-for-performance alignment for the Group in both absolute and relative terms against a peer group of listed companies and REIM firms in Singapore and other countries over a multi-year period.

In FY 2023, there were no termination, retirement or post-employment benefits granted to Directors, the Group CEO and key management personnel. There was also no special retirement plan, 'golden parachute' or special severance package for any key management personnel.

There are no employees of the Group who are substantial shareholders of the Company or immediate family members of such a substantial shareholder, a Director or the Group CEO. "Immediate family member" refers to the spouse, child, adopted child, step-child, sibling or parent of the individual.

#### Non-Executive Director Remuneration

The compensation policy for non-executive Directors (except the Chairman) is based on a scale of fees divided into basic retainer fees for serving as Director and additional fees for serving on Board Committees. The Chairman receives an all-inclusive fee (i.e., without any additional fee for serving on Board Committees). Directors' fees are paid to non-executive Directors on a current year basis, subject to shareholders' approval at the AGM.

The Directors' fees are market-benchmarked on an annual basis, taking into account the effort, time spent and demanding responsibilities on the part of the Directors in light of the scale, complexity and international nature of the business. The remuneration of Directors is reviewed to ensure that it is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company. The remuneration of non-executive Directors does not include any performance-related elements, and no performance conditions are attached to the share awards granted under the RSP to non-executive Directors as part of their remuneration in lieu of cash.

The Group CEO, who is also a Director, is remunerated as part of the key management personnel and therefore does not receive any Director's fees.

No individual Director by himself or herself can decide his or her own remuneration. Directors' fees are reviewed and recommended by the ERCC to the Board for endorsement before the Directors' remuneration for the relevant financial year is put forward for shareholders' approval at the AGM. The Directors' remuneration is paid only following upon receipt of shareholders' approval at the AGM. These measures serve to assure that the independence of the non-executive Directors is not compromised by their compensation.

The fee structure for non-executive Directors for FY 2023 remained substantially similar to that for the preceding financial year except that the basic retainer fee and committee fee payable to non-executive Directors were increased to bring these fees in line with market norms. With the revision to the basic fees, no attendance fees were payable save for in-person participation by Directors at Board and Board Committee meetings that require Directors to travel overseas. The fee structure for FY 2023 (which will remain unchanged for FY 2024) is as follows:

Basic retainer fee		S\$
Board Chairman		750,000 <sup>1</sup>
Lead Independent Director		149,000
Director		114,000
Fee for appointment to Audit Committee and Executive Committee		
Committee Chairman		71,000
Committee member		51,000
Fee for appointment to other Board Committees		
Committee Chairman		52,000
Committee member		32,000
Attendance fee for Board/Board Committee meetings (per trip)		
Overseas meeting(s) (in region <sup>2</sup> )		3,000
Overseas meeting(s) (out of region <sup>3</sup> )		10,000

- The fee is all-inclusive and there will be no separate Board retainer fee, Board Committee fee or attendance fee for the Board Chairman.
- Up to 15 hours travel time (both ways) for travel within the region.
- More than 15 hours travel time (both ways) for travel beyond the region.

For FY 2023, to facilitate the payment of Directors' remuneration to all non-executive Directors on a current year basis, the Company obtained shareholders' approval at the 2023 AGM for an amount of up to S\$2,900,000 which was calculated based on the fee structure for non-executive Directors for FY 2023 taking into account, among others, the anticipated number of Board and Board Committee meetings for FY 2023 assuming full attendance by all of the non-executive Directors and the number of non-executive Directors expected to hold office in FY 2023, as well as complimentary accommodation which may be provided to the non-executive Directors during the year. The amount also included a buffer to cater for contingencies such as, but are not limited to, the appointment of additional Directors during the year and/or the formation of additional Board Committees.

The Directors' fees of the non-executive Directors for FY 2023, as approved by shareholders at the 2023 AGM, were paid in a combination of cash and equity, in the proportions of about 70% in cash and about 30% in the form of share awards under the RSP, save in the case of Mr Gabriel Lim Meng Liang whose fees was paid fully in cash to a government agency, the Directorship & Consultancy Appointments Council (DCAC). Mr Lim had requested, and the DCAC had concurred, that the Directors' fees for his services be donated by the Company in its entirety to a charitable organisation, the CapitalLand Hope Foundation.

The share awards under the RSP consist of the grant of fully paid shares, with no performance conditions attached and no vesting periods imposed. In order to encourage the alignment of the interests of the non-executive Directors with the interests of shareholders, a non-executive Director is required to hold shares in the Company worth at least one year of the basic retainer fee for a Director or the total number of shares awarded under the above policy, whichever is lower, at all times during his or her Board tenure. For the Chairman, the shares are required to be held for at least two years from the date of award, and the two-year moratorium shall continue to apply in the event of retirement. Other than this, the non-executive Directors do not receive any other share incentives under any of the Company's share plans.

The cash component of Directors' fees for FY 2023 was paid half-yearly in arrears. The share component of the fees for FY 2023 was paid as soon as practicable after 1 January 2024.

Details of the Directors' remuneration are provided in the Directors' and Group CEO's Remuneration for FY 2023 section on page 134 of this Annual Report.

Shareholders of the Company have the opportunity to approve the remuneration and any increases in remuneration for the non-executive Directors. The Company will be seeking shareholders' approval at the upcoming 2024 AGM for the remuneration to be paid to the non-executive Directors in respect of the Directors' fees for FY 2024. Further information on this proposal is provided in the Notice of AGM dated 3 April 2024.

## Compensation Risk Assessment

Under the Practice Guidance, the compensation system shall take into account the risk policies of the Group, be symmetric with risk outcomes and sensitive to the time horizon of risks. The ERCC has conducted a Compensation Risk Assessment to review the various compensation risks that may arise as well as the mitigating policies to better manage risk exposures identified. The ERCC is satisfied that there are adequate risk mitigation features in the Group's compensation system, such as the use of malus, deferral and clawback features in the Share Plans and EBIP. The ERCC will continue to undertake periodic reviews of compensation-related risks.

## ACCOUNTABILITY AND AUDIT

### PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

The Company maintains adequate and effective systems of risk management and internal controls (including financial, operational, compliance and information technology (IT) controls) to safeguard stakeholders' interests and the Group's assets.

The Board has overall responsibility for the governance of risk, including determining the risk strategy, risk appetite and risk limits, as well as the risk policies. The Board has established the RC to assist it in carrying out the Board's responsibility of overseeing the Company's risk management framework and policies for the Group, determining the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation and ensuring that Management maintains a sound system of risk management and internal controls.

Under its terms of reference, the RC's scope of duties and responsibilities is as follows:

- make recommendations to the Board on risk strategy, risk appetite and risk limits;
- review the risk management framework, including the processes and resources to identify, assess and manage material and emerging risks;
- oversee the design, implementation and monitoring of the risk management and internal controls systems;
- review the key risks facing the Group (including investment and divestment, competition, regulatory and compliance and IT-related risks as well as workplace safety and health risks) and the management of risks thereof;
- review the adequacy and effectiveness of the risk management and internal controls systems covering material risks and the assurance given by Management, as well as the disclosures in the Annual Report; and
- consider and advise on risk matters referred to it by the Board or Management.

RISK COMMITTEE					
<b>MR KEE TECK KOON</b> Committee Chairman & Non-Executive Independent Director	<b>MR GABRIEL LIM MENG LIANG</b> Non-Executive Independent Director	<b>MS JUDY HSU CHUNG WEI</b> Non-Executive Independent Director	<b>MS HELEN WONG SIU MING</b> Non-Executive Independent Director	<b>TAN SRI ABDUL FARID ALIAS</b> Non-Executive Independent Director	<b>MS BELITA ONG</b> Non-Executive Independent Director

All RC members, including the chairman of the RC, are non-executive independent Directors. In FY 2023, the RC met twice. Ms Belita Ong was appointed as a member of the RC with effect from 1 January 2024.

The Company recognises that it is a good risk governance structure to ensure awareness among the members of the AC and RC of the respective risk-related activities of both committees, given the interconnectivity of risks. In this regard, the Company has put in place the following arrangements to facilitate sharing of information and knowledge, and to foster a common understanding of the risk management and internal controls systems, between the AC and the RC:

- an annual joint meeting between the RC and the AC;
- updates to be provided by the AC chairman and the RC chairman at the beginning of each Board meeting to allow the AC and the RC to provide context for their respective reporting to the Board; and
- common membership between the AC and the RC - for FY 2023, two members of the RC (namely Ms Helen Wong Siu Ming and Tan Sri Abdul Farid Alias) also served as members of the AC.

The Group adopts an Enterprise Risk Management (ERM) framework which sets out the required environmental and organisational components for managing risks in an integrated, systematic and consistent manner. The ERM framework and related policies are reviewed annually. A team comprising the Group CEO and other key management personnel is responsible for directing and monitoring the development, implementation and practice of ERM across the Group.

As part of the ERM framework, Management, among other things, undertakes and performs a Group-wide Risk and Control Self-Assessment annually to identify material risks along with their mitigating measures.

The adequacy and effectiveness of the systems of risk management and internal controls are reviewed at least annually by Management, the RC, the AC and the Board, taking into account the Listing Manual and the best practices and guidance in the Risk Governance Guidance for Listed Boards issued by the Corporate Governance Council.

The Group's Risk Appetite Statement (RAS), which incorporates the Group's risk limits, addresses the management of material risks faced by the Group. Alignment of the Group's risk profile to the RAS is achieved through various communication and monitoring mechanisms (including key performance indicators set for Management) put in place across the Group.

More information on the Group's ERM framework, including the material risks identified, can be found in the Risk Management section on pages 83 to 87 of this Annual Report.

The internal and external auditors conduct reviews of the adequacy and effectiveness of the material internal controls (including financial, operational, compliance (including with sanctions-related laws and regulations) and IT controls) and risk management systems. This includes testing, where practicable, material internal controls in areas managed by external service providers. Any material non-compliance or lapses in internal controls together with corrective measures recommended by the internal and external auditors are reported to and reviewed by the AC. The AC also reviews the adequacy and effectiveness of the measures taken by Management on the recommendations made by the internal and external auditors in this respect.

The Board has received assurance from the Group CEO and the Group CFO that the financial records of the Group have been properly maintained and the financial statements for FY 2023 give a true and fair view of the Group's operations and finances. It has also received assurance from the Group CEO and the relevant key management personnel who have responsibility regarding various aspects of risk management and internal controls that the systems of risk management and internal controls within the Group are adequate and effective in addressing the risks (including financial, operational, compliance (including sanctions-related risks) and IT risks) which the Company considers relevant and material to its current business environment.

The Group CEO, the Group CFO and the other key management personnel have obtained similar assurances from the respective business and corporate executive heads in the Group.

In addition, for FY 2023, the Board received the relevant certification by Management on the integrity of financial reporting and the Board provided a negative assurance confirmation to shareholders as required by the Listing Manual.

# CORPORATE GOVERNANCE

Based on the ERM framework established and the reviews conducted by Management and both the internal and external auditors, as well as the assurance from the Group CEO, the Group CFO and the relevant key management personnel, the Board is of the opinion that the systems of risk management and internal controls within the Group are adequate and effective to address the risks (including financial, operational, compliance (including sanctions-related risks) and IT risks) which the Company considers relevant and material to its current business environment as at 31 December 2023. The AC and the RC concur with the Board in its opinion. No material weaknesses in the systems of risk management and internal controls were identified by the Board, the AC or the RC in the review for FY 2023.

The Board notes that the systems of risk management and internal controls established by Management provide reasonable assurance that the Group, as it strives to achieve its business objectives, will not be significantly affected by any event that can be reasonably foreseen or anticipated. However, the Board also notes that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision-making, human error, losses, fraud or other irregularities.

## PRINCIPLE 10: AUDIT COMMITTEE

AUDIT COMMITTEE			
<b>MR CHALY MAH CHEE KHEONG</b> Committee Chairman & Non-Executive Independent Director	<b>MR DAVID SU TUONG SING</b> Non-Executive Independent Director	<b>MS HELEN WONG SIU MING</b> Non-Executive Independent Director	<b>TAN SRI ABDUL FARID ALIAS</b> Non-Executive Independent Director

All members of the AC, including the chairman of the AC, are non-executive independent Directors. The chairman of the AC is not the Chairman of the Board. The members of the AC bring invaluable recent and relevant managerial and professional expertise in accounting and related financial management domains. In particular, they have professional qualifications relating substantially to accounting or finance, experience in working within the areas of corporate finance, financial reporting or accounting, and/or experience gained through executive responsibilities for a sizeable business including having or having had responsibility for the finance function.

For FY 2023, the AC met five times. The Board calendar provides for the AC to meet at least four times a year, with two meetings to coincide with the half-year and full-year financial reporting cycles and the other two to coincide with the release of the Company's quarterly business updates.

The AC does not comprise members who were partners or directors of the incumbent external auditors, KPMG LLP, within the period of two years commencing on the date of their ceasing to be a partner or director of KPMG LLP. The AC also does not comprise any member who has any financial interest in KPMG LLP.

The AC has explicit authority to investigate any matter within its terms of reference. Management gives the fullest cooperation in providing information and resources to the AC, and in implementing or carrying out all requests made by the AC. The AC has direct access to the internal and external auditors and full discretion to invite any Director or executive officer to attend its meetings. Similarly, internal and external auditors have unrestricted access to the AC.

Under its terms of reference, the AC's scope of duties and responsibilities is as follows:

- review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- review and report to the Board at least annually the adequacy and effectiveness of the Company's internal controls, and together with the RC, the risk management systems including financial, operational, compliance and IT controls;
- review the assurances from the Group CEO and the Group CFO on the financial records and financial statements of the Company;
- review the scope and results of the internal audit, and the adequacy, effectiveness and independence of the Company's internal audit function;

- review the scope and results of the external audit, and the adequacy, effectiveness and independence of the external auditors;
- review the whistle-blowing reports and the policy and processes for the detection, independent investigation and follow-up action relating to possible improprieties in financial reporting or other matters; and
- make recommendations to the Board on the proposals to the shareholders on the appointment, reappointment and removal of the external auditors, and the remuneration and terms of engagement of the external auditors.

The AC also reviews and approves processes to regulate interested person transactions (as the term is defined in the Listing Manual) (IPT) to comply with the applicable regulations, including the Listing Manual.

The AC assesses the adequacy, effectiveness and independence of the external auditors. To assist the AC in carrying out this duty, in particular, to balance the independence and objectivity of the external auditors, the Company has developed policies regarding the types of non-audit services that the external auditors can provide to the Group and the related approval processes. The AC has reviewed the nature and extent of non-audit services provided by the external auditors in FY 2023 and the fees paid for such services. The AC is satisfied that the independence of the external auditors is not impaired by the provision of those services. The external auditors have also provided confirmation of their independence to the AC.

The total audit and non-audit fees paid to the external auditors for FY 2023 were as follows:

External Auditor Fees for FY 2023	S\$ Million	As a Percentage to Total Fees Paid
Total Audit Fees	8.3	91%
Total Non-Audit Fees	0.8	9%
<b>Total Fees Paid</b>	<b>9.1</b>	<b>100%</b>

At all pre-scheduled quarterly meetings of the AC in FY 2023, the Group CEO and all key management personnel were in attendance. The Company adopts the practice of announcing its financial statements on a half-yearly basis and provides quarterly business updates in between such announcements or as and when necessary. Accordingly, during the AC meetings scheduled for February and August each year, among other things, the AC reviews the half-yearly financial statements, including the relevance and consistency of the accounting principles adopted and any significant financial reporting issues and judgements, and recommends the half-yearly financial statements and corresponding announcements to the Board for approval. During the AC meetings scheduled for May and October/November each year, the AC reviews, among other things, the quarterly business updates prepared by Management, which will then be presented to the Board for approval.

In FY 2023, the AC also, together with the RC, reviewed and assessed the adequacy and effectiveness of the Company's internal controls and risk management systems to address the material risks faced by the Company, taking into consideration the outcome of reviews conducted by Management and both the internal and external auditors, as well as the assurance from the Group CEO and the Group CFO.

In FY 2023, the AC also met with the internal and external auditors, separately and without Management's presence, to discuss the reasonableness of the financial reporting process, the internal controls and risk management systems, and the significant comments and recommendations by the auditors. The AC meets with the internal and external auditors, separately and without Management's presence, at least once a year.

Where relevant, the AC makes reference to the best practices and guidance for audit committees in Singapore, including practice directions issued from time to time in relation to the Financial Reporting Surveillance Programme administered by the Accounting and Corporate Regulatory Authority of Singapore (ACRA).

In its review of the financial statements of the Group and the Company for FY 2023, the AC had discussed with Management the accounting principles that were applied and their judgement of items that could affect the integrity of the financial statements. The AC also considered the clarity of key disclosures in the financial statements. The AC reviewed, among other matters, the following key audit matters as reported by the external auditors for FY 2023.

**KEY AUDIT MATTER**

- Valuation of investment properties

**HOW THIS ISSUE WAS ADDRESSED BY THE AC**

- The AC reviewed the outcomes of the annual valuation process and discussed the details of the valuation with Management, focusing on properties which registered significant fair value gains or losses during FY 2023 and the key drivers for the changes.
- The AC considered the findings of the external auditors, including their assessment of the appropriateness of valuation methodologies and the underlying key assumptions applied by the valuer in the valuation of investment properties.
- The AC was satisfied with the valuation process, the methodologies used and the valuation for investment properties as adopted and disclosed in the financial statements.

Changes to the accounting standards and accounting issues which have a direct impact on the financial statements are reported to and discussed with the AC at its meetings. Directors are also invited to attend relevant seminars on changes to accounting standards and issues by leading accounting firms.

The Company confirms that it complies with Rules 712, 715 and 716 of the Listing Manual in relation to the appointment of its external auditors.

KPMG LLP have served as external auditors of the Company and its predecessor CL (now known as CLG) for 23 years, since 2000. As part of the Company’s ongoing good corporate governance initiatives, the Directors are of the view that it would be timely to review the external audit services engagement. The last review was undertaken in 2015. Thus, in FY 2023, the Company conducted a Request for Proposal for the appointment of external auditors for FY 2024, whereby the AC invited and evaluated competitive proposals from various audit firms. The AC reviewed and deliberated on the proposals received from each of the audit firms, taking into consideration the audit quality indicators listed in the Audit Quality Indicators Disclosure Framework introduced by ACRA and the criteria for the evaluation and selection of external auditors contained in the Guidebook for Audit Committees in Singapore, including factors such as the adequacy of the resources and experience of the audit firm to be selected and the audit engagement partner to be assigned to the audit, the audit firm’s other engagements, the size and complexity of the Company and its subsidiaries and the number and experience of supervisory and professional staff to be assigned. After evaluation, the AC recommended that Deloitte & Touche LLP be selected for the proposed appointment as external auditors of the Company in place of KPMG LLP, which will be retiring at the upcoming 2024 AGM. The Board has accepted the AC’s recommendation and the Company proposes to seek shareholders’ approval for the change of external auditors, details of which are set out in the Letter to Shareholders dated 3 April 2024.

**Internal Audit**

The Company has an Internal Audit Department (IA). IA is independent of the activities it audits. The primary reporting line of IA is to the AC, which also decides on the appointment, termination and remuneration of the head of IA. IA has unfettered access to the Group’s documents, records, properties and employees, including access to the AC, and has appropriate standing within the Company.

The AC monitors and assesses the role and effectiveness of IA through the review of IA’s processes from time to time, and the AC may make recommendations to the Board for any changes to IA’s processes. The AC also reviews to ensure that IA is adequately resourced and skilled in line with the nature, size and complexity of the Company’s business, and that an adequate budget is allocated to IA to ensure its proper functioning as internal auditors of the Company. The AC reviewed the internal audit function in respect of FY 2023, and is satisfied that the internal audit function performed by IA is adequately resourced, effective and independent.

IA formulates its internal audit plan in consultation with, but independently of, Management and its audit plan is submitted to the AC for approval prior to the beginning of each year. IA adopts a risk-based approach in formulating the audit plan that aligns its activities to the key strategies and risks across the Group’s business. The reviews performed by IA are focused on assisting the Board in promoting sound risk management, robust internal controls and good corporate governance, through assessing the design and effectiveness of operating

controls that govern key business processes and risks identified in the overall risk framework of the Group. IA also reviews compliance with the Group’s policies, procedures and regulatory responsibilities, performed in the context of financial and operational and information system reviews.

For FY 2023, the AC reviewed the results of audits performed by IA based on the approved audit plan. All findings are reported to Senior Management and the AC with emphasis on the significant findings. IA also reviews the status of implementation of the audit recommendations and whether there are any past due items, and reports the same to Senior Management and the AC.

The AC also reviewed reports on whistle-blower complaints reviewed by IA to ensure independent and thorough investigation and adequate follow-up.

The AC also received reports on IPTs reviewed by IA, noting that the transactions were on normal commercial terms and were not prejudicial to the interests of the Company and its minority shareholders. A policy and appropriate procedures are in place to comply with the Listing Manual requirements relating to IPTs. All IPTs are reported to and monitored by the Finance department which also keeps tabs on the aggregate value of such IPTs (as necessary for the Company’s compliance with the Listing Manual), prior to the review by IA. Legal advice is sought, if required, in respect of any issues relating to any specific IPT. In the year under review, there were no significant IPTs involving controlling shareholders or Directors requiring approval of the shareholders.

As required by the Listing Manual, details of IPTs entered by the Company in FY 2023 are disclosed in this Annual Report at page 273.

The AC also meets with IA at least once a year without the presence of Management.

IA is adequately resourced and staffed with persons having the relevant qualifications and experience. IA is a corporate member of the Institute of Internal Auditors Inc. Singapore (IIAS), an affiliate of the Institute of Internal Auditors Inc. headquartered in the US. IA subscribes to, and is guided by, the International Standards for the Professional Practice of Internal Auditing (Standards) developed by the IIAS, and has incorporated these Standards into its audit practices.

To ensure that internal audits are performed effectively, IA recruits and employs suitably qualified professional staff with the requisite skill sets and experience. This includes IA staff involved in IT audits who possess the relevant professional IT certifications. The IT auditors are also members of the ISACA Singapore Chapter, a professional body administering information systems audit and information security certifications that is headquartered in the US. The ISACA Information Systems Auditing Standards provide guidance on the standards and procedures to be applied in IT audits. IA identifies and provides training and development opportunities for its staff to ensure their technical knowledge and skill sets remain current and relevant.

**SHAREHOLDER RIGHTS AND ENGAGEMENT**

**PRINCIPLES 11 AND 12: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS AND ENGAGEMENT WITH SHAREHOLDERS**

The Company is committed to treating all its shareholders fairly and equitably. All shareholders enjoy specific rights under the Constitution and the relevant laws and regulations. These rights include, among other things, the right to participate in profit distributions (including dividends) and, to approve any proposed amendments to the Constitution, the payment of Directors’ remuneration, the transfer of all or substantially all assets of the Company, and the issue of new shares of the Company. Further, under the Companies Act 1967 (the Companies Act), (a) two or more members holding not less than 10% of the total number of issued shares of the Company (excluding treasury shares) may call a meeting of the Company; (b) members holding not less than 10% of the total number of paid-up shares (excluding treasury shares) may requisition the Directors to convene an extraordinary general meeting of the Company; or (c) members representing not less than 5% of the total voting rights of all the members, or not less than 100 members holding shares in the Company on which there has been paid up an average sum per member, of not less than S\$500, may together requisition a resolution to be put up at the AGM.



## General Meetings

The Company encourages and facilitates shareholder participation and voting at general meetings. Annual Reports of the Company are provided to shareholders within four months from the end of the Company's financial year and prior to the AGM. Shareholders may download Annual Reports (printed copies are available upon request) and notices of general meetings from the Company's website at [www.capitalandinvest.com](http://www.capitalandinvest.com). These documents are also available on the SGXNet. Shareholders are provided with at least 21 days' notice for general meetings, which is longer than the legally required notice period of 14 days where all the resolutions (for which shareholders' approval are sought at the general meeting) are ordinary resolutions. Where a special resolution is proposed for shareholders' approval, at least 21 days' notice must be given. The Company's notices of general meetings are also published in the Business Times pursuant to the Company's Constitution, except when overridden by applicable laws or regulations.

The rationale and explanation for each agenda item requiring shareholders' approval are provided in the notice of general meeting so as to enable shareholders to exercise their voting rights on an informed basis. To safeguard shareholder interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings, unless the issues are interdependent and linked so as to form one significant proposal. Where resolutions are bundled, the reasons and material implications are explained in the notice of general meeting to enable shareholders to make an informed decision. There was no bundling of resolutions at the Company's 2023 AGM and there will also not be any bundling of resolutions at the upcoming 2024 AGM. Further, if the resolution is in respect of an IPT (as defined in the Listing Manual), the interested person(s) (as defined in the Listing Manual) will be required to abstain from voting on such resolution.

During the financial year under review, the Company's 2023 AGM was held in a wholly physical format pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and the checklist jointly issued by ACRA, MAS and Singapore Exchange Regulation, which gave guidance to listed and non-listed entities on the conduct of general meetings amid the evolving COVID-19 situation. Shareholders submitted questions to the Chairman of the Meeting, in advance of, or at the 2023 AGM, and the Company addressed all substantial and relevant questions received from shareholders by the submission deadline by publishing the Company's responses to such questions on the Company's website and on the SGXNet, prior to the 2023 AGM. Shareholders voted at the AGM themselves or through duly appointed proxy(ies). Shareholders who did not wish or were unable to attend the 2023 AGM in person but who wished to only watch the AGM proceedings were allowed to do so remotely by accessing the Company's live webcast of the 2023 AGM after registering to do so. Further information on the arrangements relating to the conduct of the 2023 AGM was provided in the Notice of AGM dated 3 April 2023.

Pursuant to recent legislative amendments (with effect from 1 July 2023) to the Companies Act, as read with Rule 730A of the Listing Manual and Practice Note 7.5 of the Listing Manual on the conduct of general meetings (amended with effect from 1 July 2023), listed companies are required to hold all their general meetings either at a physical place in Singapore, or at a place in Singapore and using virtual meeting technology. Listed companies are guided to have regard to the size and needs of their shareholder base and to facilitate shareholder engagement. In this regard, the Company's upcoming 2024 AGM will be held in a hybrid format. Shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives may attend the AGM in person or by using virtual meeting technology (i.e., via live-audio visual webcast or live audio-only stream), and submit substantial and relevant questions pertaining to the resolutions to be proposed for shareholders' approval at the AGM, to the Chairman of the Meeting in advance of, or live at, the AGM. Shareholders may also vote at the AGM (a) themselves or through duly appointed proxy(ies) or representative(s) (other than the Chairman of the Meeting) or (b) by appointing the Chairman of the Meeting as proxy to vote on their behalf at the AGM. Further information on the arrangements relating to the conduct of the 2024 AGM is provided in the Notice of AGM dated 3 April 2024.

Shareholders are entitled to attend general meetings and are accorded the opportunity to participate effectively and vote at general meetings (including through the appointment of up to two proxies, if they are unable to attend in person or, in the case of a corporate shareholder, through its appointed representative). Shareholders such as nominee companies which provide custodial services for securities are not constrained by the two proxy limitation, and are able to appoint more than two proxies to attend, speak and vote at general meetings of the Company.

At general meetings, the Group CEO presents and updates shareholders on the Company's performance, position and prospects. The presentation materials are available to shareholders on the Company's website and the SGXNet. Shareholders are given the opportunity to communicate their views, raise questions and discuss with the Board and Management on matters affecting the Company. All Directors (including the chairpersons of the respective Board Committees), Management and external auditors, attend and are present for the entire duration of general meetings to address any queries that the shareholders may have, including queries about the conduct of the Company's audit, and preparation and contents of the auditors' report.

To ensure transparency in the voting process and better reflect shareholders' shareholding interests, the Company conducts electronic poll voting for all the resolutions proposed at general meetings. The Company has only one class of shares, i.e., ordinary shares. One ordinary share is entitled to one vote. Voting procedures and rules governing general meetings are explained and vote tabulations are disclosed at the general meetings. An independent scrutineer is also appointed to validate the vote tabulation procedures. Votes cast for or against each resolution, and the respective percentages, are tallied and displayed live on-screen to shareholders immediately at the general meetings. The total number of votes cast for or against the resolutions and the respective percentages are also announced on the SGXNet after trading hours on the date of the general meeting.

Provision 11.4 of the Code requires an issuer's Constitution to allow for absentia voting at general meetings of shareholders. The Company's Constitution currently does not permit shareholders to vote at general meetings in absentia (such as via mail or email). The Company will consider implementing the relevant amendments to the Constitution to permit absentia voting after it has carried out careful study and is satisfied that the integrity of information and authentication of the identity of shareholders will not be compromised through web transmission, and legislative changes to the Companies Act are effected to formally recognise absentia voting. The Company is of the view that despite its deviation from Provision 11.4 of the Code, shareholders nevertheless have opportunities to communicate their views on matters affecting the Company even when they are not in attendance at general meetings. For example, shareholders may appoint proxies to attend, speak and vote, on their behalf, at any general meeting.

Minutes of the general meetings, recording the substantial and relevant comments made, questions raised and answers provided, are prepared and available to shareholders for their inspection upon request. Minutes of general meetings are also uploaded to the Company's website at [www.capitalandinvest.com](http://www.capitalandinvest.com) and, where required, on the SGXNet.

## Engagement with Shareholders

The Company actively engages with its shareholders to ensure that they have the information needed to make informed judgements about the Company, and to solicit and understand their perspectives.

The Company's institutional shareholder base is well diversified across geographies. To maintain transparency and keep shareholders abreast of the Company's progress, the Company regularly participates in investor conferences and conducts non-deal roadshows globally. In addition to virtual engagements, physical visits are also undertaken to key financial hubs, including Beijing, Shanghai, Hong Kong, Kuala Lumpur, Miami and London, to connect with both new and existing investors. On a regular basis, the Company organises group meetings of various sizes and formats, along with one-on-one sessions, to update investors on crucial matters related to business and financial performance, sustainability, and governance.

Live webcast briefings are conducted for key calendar events, such as the Company's half-year and full-year financial results release, as well as important announcements including those relating to or impacting its investments and strategic developments. Three such briefings were conducted from 1 January 2023, up to the date of this Annual Report. These sessions included real-time Q&A sessions with sell-side research analysts and members of the media to enhance viewer engagement.

The Company regularly hosts dialogue sessions for its retail shareholders, frequently collaborating with organisations such as the Securities Investors Association (Singapore) as well as the SGX Academy, both of which boast a substantial retail investor base. These sessions typically feature the Company's Group CEO, Group CFO and other senior management who address questions from the audience. Additionally, the Company takes a proactive approach to keeping retail investors well-informed through various channels, including business media, website updates, and other social media and publicity outlets.

Materials disseminated to institutional investors are also disseminated via the SGXNet for access by retail shareholders.

The Company has an Investor Relations department that facilitates effective communication with the Company's shareholders and the general investor community including sell-side analysts, fund managers and retail investors. The Company maintains a website which contains information on the Company, including but not limited to announcements and news releases, financial statements (current and past), investor presentations, Annual Reports (current and past years), the Constitution and key events.

The Company has in place an Investor Relations Policy (IR Policy) to promote regular, effective and fair communications with its shareholders. The IR Policy, which sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions, is available on the Company's website at [www.capitalandinvest.com](http://www.capitalandinvest.com). Shareholders are encouraged to engage with the Company beyond general meetings and they may do so by contacting the Investor Relations department, the details of which may be found on the Company's website.

The Company also has a Group Communications department which works closely with the media and oversees the Company's external communications efforts.

More information on the Company's investor and media relations efforts can be found on pages 66 to 68 of this Annual Report.

## Dividends Policy

The Company has a policy on paying dividends to shareholders in an equitable and timely manner. Barring unforeseen circumstances, the Company's policy is to declare a dividend of at least 30% of the annual cash profit after tax and minority interests (PATMI), defined as the sum of operating PATMI, portfolio gains/losses and realised valuation gains/losses, after considering a number of factors, including the Company's level of cash and reserves, results of operations, business prospects, capital requirements and surplus, general financial condition, contractual restrictions, the absence of any circumstances which might reduce the amount of reserves available to pay dividends, and other factors considered relevant by the Board, including the Company's expected financial performance. Upon approval by shareholders at the general meeting, dividends are generally paid to all shareholders within 15 market days after the record date.

## Timely Disclosure of Information

The Company is committed to ensuring that its shareholders, other stakeholders, analysts and the media have access to accurate information vis-à-vis the Company on a timely basis. This is achieved through posting announcements and news releases on the SGXNet on a timely and consistent basis. These announcements and news releases are also posted on the Company's website.

The Company provides shareholders with its half-year and full-year financial statements within the relevant periods prescribed by the Listing Manual. Such half-year and full-year financial statements are reviewed and approved by the Board prior to release to shareholders via an announcement on the SGXNet. The releases of the half-year and full-year financial statements are accompanied by news releases issued to the media, which are also posted on the SGXNet. In presenting the half-year and full-year financial statements to shareholders, the Board seeks to provide shareholders with a balanced, clear and understandable assessment of the Company and the Group's performance, position and prospects. In order to achieve this, Management provides the Board with management accounts on a monthly basis and such explanation and information as any Director may require, to enable the Directors to keep abreast, and make a balanced and informed assessment, of the Group's financial performance, position and prospects.

In FY 2023, the Company provided shareholders with the full-year financial statements for FY 2022 and the half-year financial statements for FY 2023 within the relevant periods prescribed by the Listing Manual. In keeping with the Company's commitment to providing its shareholders with information promptly, the Company provides shareholders, on a voluntary basis, with quarterly business updates between the announcement of its half-year and full-year financial statements. Such business updates contain, among other things, information on the Group's key operating and financial metrics.

In addition to financial statements, the Company also keeps its shareholders, stakeholders and analysts informed of the performance and changes in the Group or its business which are materially price-sensitive or trade-sensitive, so as to assist shareholders and investors in their investment decision-making.

The Group has a formal policy on corporate disclosure controls and procedures to ensure that the Company complies with its disclosure obligations under the Listing Manual. These controls and procedures incorporate decision-making processes and an obligation on internal reporting of decisions made.

The Company believes in conducting itself in ways that seek to deliver maximum sustainable value to its stakeholders. Best practices are promoted as a means to build an excellent business for its stakeholders. Prompt fulfilment of statutory reporting requirements is but one way to maintain stakeholders' confidence and trust in the capability and integrity of the Company.

## MANAGING STAKEHOLDER RELATIONSHIPS

### PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

With the Company placing sustainability at the core of everything it does, the Board's role includes considering sustainability as part of its strategy formulation. The Company engages with its stakeholders based on the principles of sustainability and sound governance, in keeping with its commitment to sustainability with a view to enabling the Company to generate sustainable returns over time.

The Company adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders. Reflecting the Company's commitment to sustainability, the SMP was refreshed in 2023 following a review by the Board and Management.

The master plan articulates the Group's sustainability targets over the next decade and five pathways to achieve them. As part of its sustainability commitment, the Company embeds ESG considerations into its investment analysis, financing consideration and day-to-day business operations. The master plan is reviewed every two years. The Company has arrangements in place to identify and engage with its material stakeholder groups and, through such arrangements, engages with these stakeholder groups from time to time to gather feedback on the sustainability issues most important to such groups and to manage its relationships with such groups. Such arrangements include maintaining and updating the Company's website at [www.capitalandinvest.com](http://www.capitalandinvest.com) with current information on its sustainability strategy and stakeholder engagements, so as to facilitate communication and engagement with the Company's stakeholders.

In 2023, the Company conducted a sustainability-focused roadshow to provide the institutional investor community with updates on its progress in this area. More than 50 participants attended the roadshow. The recording and materials from the roadshow were subsequently published on the SGXNet, ensuring accessibility for all stakeholders. Further information on the SMP and stakeholder engagement can be found on pages 76 to 82 of this Annual Report.

The Company has received recognition for its efforts on sustainability. It is listed on the Dow Jones Sustainability World Index and Asia-Pacific Index, GRESB (Global Sector Leader - Listed (Diversified)) with the highest 5-star rating, FTSE4Good Index Series, MSCI Global Sustainability Indexes and The Sustainability Yearbook. More information on the Company's efforts in sustainability management can be found on pages 76 to 82 of this Annual Report and in the CapitalLand Investment Global Sustainability Report 2023, which will be published on (and, in any case, no later than) 31 May 2024.

In addition, the rights of the Company's creditors, which comprises lending banks, are protected with well-spread debt maturity and a healthy interest coverage ratio. Regular internal reviews are also conducted to ensure that various capital management metrics remain compliant with loan covenants.

## ADDITIONAL INFORMATION

### Dealings in Securities

The Company has adopted a securities trading policy for the Group's officers and employees which applies the best practice recommendations in the Listing Manual. Under the policy, Directors and employees in the Group are required to refrain from dealing in the Company's securities (a) while in possession of material unpublished price-sensitive or trade-sensitive information, and (b) during the one-month period immediately preceding, and up to the time of the announcement of the Company's half-year and full-year financial statements. Prior to the commencement of each relevant blackout period, an email would be sent out to all Directors and employees of the Group to inform and/or remind them of the duration of the relevant blackout period.

In addition, Directors and certain employees identified as "Key Insiders" are prohibited from dealing in the securities of the Company, except during the open trading window (being the one calendar month period commencing from the relevant date of announcement of the Company's half-year and full-year results), provided that they are not in possession of undisclosed material price-sensitive or trade-sensitive information. If a Key Insider intends to trade outside the open trading window, he or she is required to obtain the approval of, in the case of a Director, the Board, or in the case of an employee, the Group CEO. In addition, Key Insiders are required to notify the Group CEO of any intended trade prior to any trade of the Company's securities during the open trading window.

The policy also provides for the Company to maintain a list(s) of persons who are privy to price-sensitive or trade-sensitive information relating to the Group as and when circumstances require such a list to be maintained.

Directors and employees of the Group are also required to refrain from dealing in securities of the Company and/or other relevant listed entities in the Group if they are in possession of unpublished price-sensitive or trade-sensitive information of the Company and/or these other listed entities arising from their appointment as Directors and/or in the course of performing their duties. As and when appropriate, they would be issued an advisory to refrain from dealing in the relevant securities.

Under the policy, Directors and employees are also discouraged from trading on short-term or speculative considerations. They are also prohibited from using any information with respect to other companies or entities obtained in the course of their employment in connection with securities transactions of such companies or entities.

A Director is required to notify the Company of his or her interest in the Company's securities within two business days after (i) the date on which he or she becomes a Director; or (ii) the date on which he or she acquires an interest in the Company's securities. A Director is also required to notify the Company of any change in his or her interests in the Company's securities within two business days after he or she becomes aware of such a change. Any dealings by the Directors (including the Group CEO who is also a Director) in securities of the Company are disclosed, in accordance with the requirements of the Securities and Futures Act 2001. The Directors', including the Group CEO's, interests in shares or debentures of the Company, or of its related corporations, are disclosed in the Directors' Statement on pages 136 to 139 of this Annual Report.

During FY 2023, there were no dealings by the Directors in the securities of the Company (other than the award of shares to them under the RSP in part payment of their Directors' fees for FY 2022 (comprising the share component of their Directors' fees), and, in the case of Mr Lee Chee Koon, the contingent awards of shares to him as an employee pursuant to the Share Plans).

### Ethics And Code Of Business Conduct

The Company adheres to an ethics and code of business conduct policy that deals with issues such as business ethics, confidentiality, conflict of interest, conduct and work discipline.

Integrity is a core value of the Company. The Company is committed to doing business with integrity and has adopted a zero-tolerance stance against fraud, bribery and corruption. Consistent with this commitment, the Company has in place a Fraud, Bribery and Corruption Risk Management Policy (FBC Risk Management Policy). The FBC Risk Management Policy reiterates the Company's strong stance against fraud, bribery and corruption, and sets the overarching approach and standards for managing fraud, bribery and corruption risks in an integrated, systematic and consistent manner. The FBC Risk Management Policy works with various other policies and guidelines to guide all employees to maintain the highest standards of integrity in their work and business dealings. This includes guidelines and procedures for the giving and receipt of corporate gifts and concessionary offers. The Company's zero tolerance policy on bribery and corruption extends to its business dealings with third parties. The Company's stance against bribery and corruption is also reiterated by Management during its regular staff communication sessions. In addition, on an annual basis, all employees of the Group are required to pledge that they will uphold the Company's core values and not engage in any corrupt or unethical practices.

In addition to the FBC Risk Management Policy and related policies, various other policies and guidelines are in place to guide employees' behaviour.

Together, these policies aim to help detect and prevent fraud in mainly three ways. First, the Company offers fair compensation packages, based on practices of pay-for-performance and promotion of employees based on merit. The Company also provides various healthcare subsidies and financial assistance schemes to alleviate the common financial pressures its employees may face. Second, clearly documented policies and work procedures incorporate internal controls which ensure that adequate checks and balances are in place. Periodic audits are also conducted to evaluate the effectiveness of these internal controls. Finally, the Company seeks to build and maintain the right organisational culture through its core values and instilling in its employees good business conduct and ethical values.

A written communications protocol has also been established to implement a control process within the Group for the management of communications with various internal and external stakeholders. The protocol identifies the spokespersons who are authorised to provide information about the Group to the relevant stakeholders. As part of the employee onboarding process, all employees are informed that they are required to comply with the obligation of maintaining the confidentiality of information relating to the Group and are prohibited from disclosing or communicating such information or discussing internal corporate matters or developments with anyone except where necessary and in the performance of regular corporate duties. On an annual basis, they also declare that, among other things, they are aware of and will comply with their obligations to keep confidential information which they receive during their employment.

These policies and guidelines are published on the Company's intranet, which can be easily accessed by all employees. As part of their onboarding, employees are provided with training on the abovementioned policies and guidelines. On an annual basis, employees sign an acknowledgement of awareness of and compliance with these policies and guidelines.

### Interested Person Transactions

The Company has established processes and procedures to comply with the applicable regulations governing IPTs including the Listing Manual. This includes subjecting all IPTs (excluding those having a transaction value of less than S\$100,000) to IA's review on a regular basis. IA then reports to the AC on its opinion on whether the procedures carried out by Management are in line with the Company's approved processes and procedures to ensure that the transactions are on arm's length and normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. Each review includes an examination of the nature of the transaction and its supporting documents or such other information considered necessary by IA and/or the AC. If a member of the AC has an interest in any IPT which is subject to the AC's approval, he or she is required to abstain from voting and recuse himself or herself from the deliberations relating to the IPT. Similarly, shareholders interested in an IPT which is subject to shareholders' approval are not permitted to exercise their voting rights in respect of the IPT.

# CORPORATE GOVERNANCE

The aggregate value of IPTs entered into in FY 2023 (excluding those having a transaction value of less than S\$100,000) are disclosed in this Annual Report on page 273. The Company entered into various IPTs with Temasek and its associates on an arm's length basis for the purpose of its business operations. In FY 2023, IPTs with Temasek amounted to an aggregate of S\$81 million, which is approximately 0.5% of the Group's audited net tangible assets at the end of FY 2023.

## Whistle-Blowing Policy

Consistent with its commitment to maintaining a high standard of integrity in its business conduct, the Company has put in place a whistle-blowing policy. The policy and the related procedures provide the Group's employees and parties who have dealings with the Group with well-defined, accessible and trusted channels to report to the Company any suspected fraud, corruption, dishonest practices, misconduct, wrongdoing and/or other improprieties relating to the Company and its officers, and provide for the independent investigation of any reported incidents and appropriate follow-up actions. The objective of the policy is to encourage the reporting of such matters – by ensuring that employees or external parties making any reports in good faith will be able to do so with the confidence that they will be treated fairly and, to the extent possible, be protected from reprisal and detrimental or unfair treatment. The policy provides that the identity of the whistle-blower will be kept confidential, and that an independent investigating committee will be formed for the purpose of investigating any reports made in good faith. It further provides that the Company will not tolerate the harassment or victimisation of anyone reporting a genuine concern and that it will ensure the protection of whistle-blowers against reprisal and detrimental or unfair treatment, even if they turn out to be mistaken.

The AC is responsible for overseeing and monitoring whistle-blowing. Whistle-blowing reports can be made to the chairman of the AC and the Company has designated an independent function to investigate whistle-blowing reports made in good faith. IA provides the staff function for the AC and reports directly to the AC on all reported cases. The AC reviews all whistle-blowing complaints at its quarterly meetings. Independent, thorough investigation and appropriate follow-up actions are taken. The outcome of each investigation is reported to the AC.

The whistle-blowing policy is publicly disclosed on the Company's website and it is also made available to all employees on the Company's intranet. Further, as part of the Group's efforts to promote strong ethical values and fraud and control awareness, the whistle-blowing policy, including the procedures for raising concerns, is covered and explained in detail during periodic communications to all staff.

## Anti-Money Laundering and Counter-Financing of Terrorism Measures

The Company is committed to complying fully with all applicable anti-money laundering and counter-financing of terrorism laws and regulations. Singapore is a member of the Financial Action Task Force (FATF) and is obliged to implement FATF's recommendations on measures to combat money laundering, terrorist financing and other related threats to the integrity of the international financial systems (FATF Recommendations). Following from which, the Company has in place a policy on the prevention of money laundering and terrorism financing. Enhanced due diligence checks are performed on counterparties when suspicions of money laundering or terrorism financing arise. Suspicious transactions are also reported to the Suspicious Transaction Reporting Office of the Commercial Affairs Department. To the extent applicable to the Group's businesses, the policy takes into account the FATF Recommendations relating to the financial sector and designated non-financial businesses and professions. In addition, certain entities within the Group are required to comply with specific requirements under anti-money laundering laws applicable to their respective businesses and/or the countries in which they operate. Relevant employees undergo periodic training to stay updated on applicable regulations, prevailing trends, techniques and measures adopted to combat money laundering and terrorism financing.

## Global Sanctions Compliance

The Company is committed to carrying on business in accordance with the highest ethical standards. This includes complying with applicable sanctions laws and regulations of Singapore and the United Nations. Due to the global nature of the Group's business and the cross-border applicability of sanctions, the transactions the Group engages in may be subject to unilateral sanctions imposed by multiple government authorities.

To help ensure that the Company and its Directors, employees and officers, as well as third parties acting on behalf of the Company or any entity within the Group, fully comply with all sanctions applicable to the Group's business activities, the Company has adopted a policy to comply with the applicable sanctions laws and regulations. The policy sets out the Company's sanctions risk appetite and a risk management framework to help Directors, employees and third parties identify the areas where breaches of applicable sanctions laws and regulations may arise and to support them in making the right decisions in line with the corporate position as stated in the policy and, in the process, establishing a consistent approach for the organisation's response to sanctions laws and regulations.

## Business Continuity Management

The Company has implemented a Business Continuity Management programme that puts in place the prevention, detection, response and business recovery and resumption measures to minimise the impact of adverse business interruptions or unforeseen events on the Company's operations under a Business Continuity Plan (BCP) put in place by Management. Management has identified the critical business functions, processes and resources, and has a pool of employees trained under a Business Psychological Resilience Programme to provide peer support to colleagues following the occurrence of adverse events. As part of the BCP, periodic desktop exercises and drills, simulating different scenarios, are carried out to stress-test the effectiveness of the processes, procedures and escalation protocols. For instance, during FY 2023, simulated hacker attacks were conducted as part of cybersecurity vulnerability analysis. This holistic approach under the BCP serves to ensure organisational and staff preparedness and readiness to deal with adverse business disruptions such as acts of terrorism, cyber-attacks, data breaches and epidemics. This approach aims to minimise financial loss, allows the Company to continue to function and mitigates any negative effects that disruptions could have on the Company's reputation, operations and ability to remain in compliance with the relevant laws and regulations.

### ATTENDANCE RECORD OF MEETINGS OF SHAREHOLDERS, BOARD AND BOARD COMMITTEES IN FY 2023<sup>1</sup>

	Board <sup>3</sup>	Audit Committee (AC)	Executive Committee (EXCO)	Executive Resource and Compensation Committee (ERCC)	Nominating Committee (NC)	Risk Committee (RC)	Strategy and Sustainability Committee (SSC)	General Meeting(s)
<b>No. of Meetings Held</b>	<b>6</b>	<b>5</b>	<b>8</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>1</b>
<b>Board Members</b>								
Miguel Ko	100%	-	100% <sup>4</sup>	100%	100%	-	100%	100%
Lee Chee Koon <sup>2</sup>	100%	-	100%	-	-	-	100%	100%
Anthony Lim Weng Kin	100%	-	-	100%	100%	-	100%	100%
Chaly Mah Chee Kheong	100%	100%	100%	-	-	-	-	100%
Kee Teck Koon	100%	-	100%	-	-	100%	-	100%
Gabriel Lim Meng Liang	100%	-	-	-	100%	100%	-	100%
Judy Hsu Chung Wei	100%	-	-	100%	-	100%	-	100%
David Su Tuong Sing	100%	100%	-	-	-	-	100%	100%
Helen Wong Siu Ming	100%	100%	-	-	-	100%	100%	100%
Tan Sri Abdul Farid Alias	100%	100%	-	-	-	100%	-	100%

- 1 All Directors are required to attend shareholders, Board and/or Board Committee meetings called, in person or via audio or video conference, unless required to recuse. Attendance is marked against the shareholders, Board and Board Committee meetings each Director is required to attend, and the percentage is computed accordingly.
- 2 Attended all Board Committee meetings on an *ex officio* basis.
- 3 Includes a Board Strategy Meeting held over two days.
- 4 Recused from one EXCO meeting due to conflict of interest.

**DIRECTORS' AND GROUP CEO'S REMUNERATION FOR FY 2023**

Directors and Group of the Company	Salary inclusive of employer's CPF S\$	Bonus and other benefits inclusive of employer's CPF S\$	Deferred Compensation Awards <sup>1</sup> S\$	Directors' fees		Benefits S\$	Total remuneration S\$
				Cash component S\$	Share component S\$		
<b>Director and Group CEO</b>							
Lee Chee Koon	1,130,844	1,723,805	2,295,397	-	-	-	5,150,046 <sup>2</sup>
<b>Sub-Total</b>	<b>1,130,844</b>	<b>1,723,805</b>	<b>2,295,397</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,150,046</b>
<b>Non-Executive Directors</b>							
Miguel Ko	-	-	-	525,000	225,000	-	750,000
Anthony Lim Weng Kin	-	-	-	185,500	79,500	393	265,393
Chaly Mah Chee Kheong	-	-	-	165,200	70,800	1,462	237,462
Kee Teck Koon	-	-	-	151,900	65,100	556	217,556
Gabriel Lim Meng Liang <sup>3</sup>	-	-	-	198,000	-	932	198,932
Judy Hsu Chung Wei	-	-	-	138,600	59,400	2,808	200,808
David Su Tuong Sing	-	-	-	148,400	63,600	1,964	213,964
Helen Wong Siu Ming	-	-	-	170,800	73,200	-	244,000
Tan Sri Abdul Farid Alias	-	-	-	150,500	64,500	-	215,000
<b>Sub-Total</b>				<b>1,833,900</b>	<b>701,100</b>	<b>8,115</b>	<b>2,543,115<sup>4</sup></b>
<b>Total for Directors and Group CEO of the Company</b>	<b>1,130,844</b>	<b>1,723,805</b>	<b>2,295,397</b>	<b>2,535,000</b>	<b>8,115</b>	<b>8,115</b>	<b>7,693,161</b>

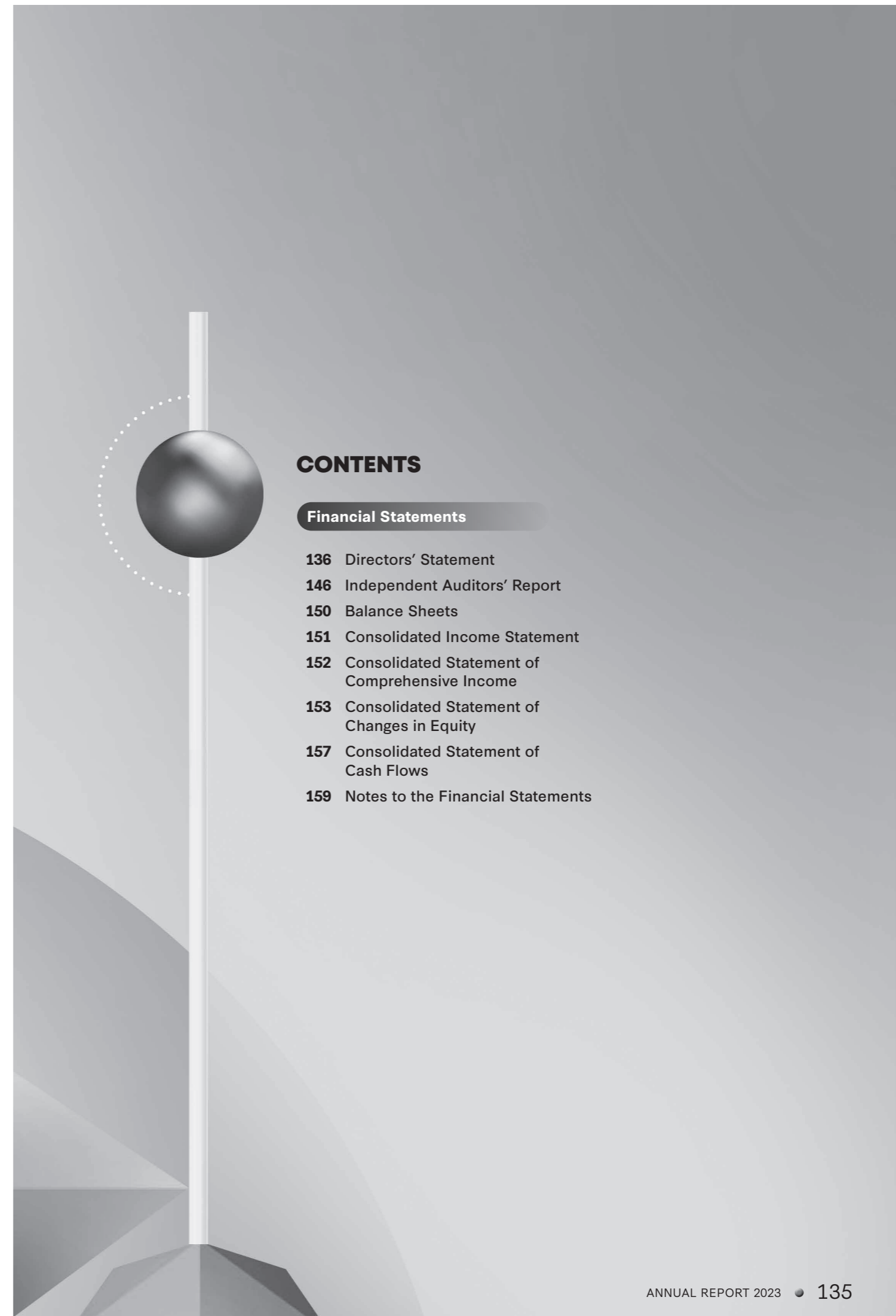
- Includes contingent performance shares awarded during the year pursuant to the PSP which are subject to the achievement of pre-determined performance conditions over a three-year vesting period; deferred shares to be awarded in FY 2024 as part of the FY 2023 PBP, pursuant to the RSP, which are time-vested over three equal annual tranches without further performance conditions; and 10% of the PBP award which is deferred and set aside for future long-term co-investment in CLI private funds.
- The FY 2023 total remuneration of S\$5,150,046 for Mr Lee Chee Koon represents a decrease of about 14% when compared to Mr Lee's FY 2022 total remuneration of S\$6,006,434.
- The fees payable to Mr Gabriel Lim Meng Liang was paid fully in cash to a government agency, DCAC. Mr Lim had requested and the DCAC had concurred, that the fees for his services, as approved by shareholders at the 2023 AGM, be donated by the Company in its entirety to a charitable organisation, the CapitaLand Hope Foundation.
- At the 2023 AGM, shareholders approved the payment of Directors' remuneration by the Company to the non-executive Directors of up to S\$2,900,000 in aggregate for FY 2023.

**GROUP CEO'S REMUNERATION FOR FY 2023**

The remuneration of the Group CEO for FY 2023 is set out in the table below:

	Salary inclusive of employer's CPF	Bonus and other benefits inclusive of employer's CPF <sup>1</sup>	Deferred Compensation Awards <sup>2</sup>	Total
Lee Chee Koon	S\$1,130,844 22%	S\$1,723,805 33%	S\$2,295,397 45%	S\$5,150,046 <sup>3</sup> 100%

- Includes the cash bonus earned under the PBP which accrued in FY 2023. No bonus under the EBIP was declared or paid during FY 2023.
- Includes contingent performance shares awarded during the year pursuant to the PSP which are subject to the achievement of pre-determined performance conditions over a three-year vesting period; deferred shares to be awarded in FY 2024 as part of the FY 2023 PBP, pursuant to the RSP, which are time-vested over three equal annual tranches without further performance conditions; and 10% of the PBP award which is deferred and set aside for future long-term co-investment in CLI private funds.
- The FY 2023 total remuneration of S\$5,150,046 for Mr Lee Chee Koon represents a decrease of about 14% when compared to Mr Lee's FY 2022 total remuneration of S\$6,006,434.



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## DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of the Company, together with the audited financial statements for the financial year ended 31 December 2023.

In our opinion:

- (a) the financial statements set out on pages 150 to 262 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967, Singapore Financial Reporting Standards (International) and International Financial Reporting Standards (IFRS); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

### DIRECTORS

The directors in office at the date of this statement are as follows:

Miguel Ko  
 Lee Chee Koon  
 Anthony Lim Weng Kin  
 Chaly Mah Chee Kheong  
 Kee Teck Koon  
 Gabriel Lim Meng Liang  
 Judy Hsu Chung Wei  
 David Su Tuong Sing  
 Helen Wong Siu Ming  
 Tan Sri Abdul Farid bin Alias  
 Belita Ong (Appointed on 1 January 2024)

### DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, particulars of interests of directors who held office at the end of the financial year (including those held by spouses and infant children) in shares or debentures of the Company, or of its related corporations, are as follows:

## DIRECTORS' STATEMENT

### DIRECTORS' INTEREST IN SHARES OR DEBENTURES (continued)

	Holdings in the name of the director, spouse and/or infant children	
	At beginning of the year	At end of the year
<b>CapitaLand Investment Limited (CLI)</b>		
<b>Ordinary shares</b>		
Miguel Ko	1,337,793	1,399,699
Lee Chee Koon	2,470,572	3,268,553
Anthony Lim Weng Kin	62,155	89,081
Kee Teck Koon	108,163	127,065
Chaly Mah Chee Kheong	130,367	151,547
Judy Hsu Chung Wei	6,882	23,401
David Su Tuong Sing	-	14,197
Helen Wong Siu Ming	-	19,298
<b>Award of CLI Performance shares<sup>1,3</sup> to be delivered after 2022<sup>¶</sup></b>		
Lee Chee Koon	941,254	-
<sup>¶</sup> During the year, 941,254 shares were released, of which 235,314 shares were settled in cash.		
<b>Award of CLI Performance shares<sup>1,3</sup> to be delivered after 2023</b>		
Lee Chee Koon	1,116,813	1,116,813
<b>Contingent award of CLI Performance shares<sup>1,4</sup> to be delivered after 2024</b>		
Lee Chee Koon (368,166 shares)	0 to 736,332	0 to 736,332
<b>Contingent award of CLI Performance shares<sup>1,5</sup> to be delivered after 2025</b>		
Lee Chee Koon (340,933 shares)	-	0 to 1,022,799
<b>Contingent award of CLI Performance shares<sup>1,6</sup> under Special Founders Performance share award to be delivered after 2025</b>		
Lee Chee Koon (921,006 shares)	0 to 2,763,018	0 to 2,763,018
<b>Award of CLI Restricted shares<sup>2</sup> to be delivered after 2022</b>		
Lee Chee Koon	0 to 552,249 <sup>7</sup>	184,083 <sup>8</sup>
<b>Award of CLI Restricted shares<sup>2,9</sup> to be delivered after 2023</b>		
Lee Chee Koon	-	54,549
<b>Related Corporations</b>		
<b>CLI Treasury Limited</b>		
<b>S\$400 million 3.33% Fixed Rate Senior Notes due 2027</b>		
Miguel Ko	S\$500,000	S\$500,000
Lee Chee Koon	S\$500,000	S\$500,000
Kee Teck Koon	S\$250,000	S\$500,000
<b>CapitaLand Treasury Limited</b>		
<b>S\$800 million 2.90% Fixed Rate Senior Notes due 2032</b>		
Kee Teck Koon	S\$250,000	S\$250,000

# DIRECTORS' STATEMENT

## DIRECTORS' INTEREST IN SHARES OR DEBENTURES (continued)

	Holdings in the name of the director, spouse and/or infant children	
	At beginning of the year	At end of the year
<b>Related Corporations (continued)</b>		
<b>Mapletree Treasury Services Limited</b>		
<b><i>S\$300 million 3.4% Notes due 2026</i></b> Miguel Ko	\$500,000	\$500,000
<b><i>S\$700 million 3.95% Subordinated Perpetual Securities</i></b> Judy Hsu Chung Wei	\$500,000	\$500,000
<b>Seatrium Limited (formerly known as Sembcorp Marine Ltd)</b>		
<b><i>Ordinary shares</i></b> Kee Teck Koon	58,932	10
<b>SIA Engineering Company Limited</b>		
<b><i>Ordinary shares</i></b> Kee Teck Koon	5,000	5,000
<b>Singapore Airlines Limited</b>		
<b><i>Ordinary shares</i></b> Miguel Ko	117,500	80,000
<b><i>S\$600 million 3.16% Fixed Rate Notes due 2023</i></b> Miguel Ko	\$500,000	-
<b><i>S\$750 million 3.03% Bond due 2024</i></b> Miguel Ko	\$250,000	\$250,000
<b><i>S\$700 million 3.035% Fixed Rate Notes due 2025</i></b> Miguel Ko	\$250,000	\$250,000
<b><i>S\$630 million 3.13% Bond due 2026</i></b> Miguel Ko	\$250,000	-
<b>Singapore Technologies Engineering Ltd</b>		
<b><i>Ordinary shares</i></b> Miguel Ko	70,500	70,500
<b>Singapore Telecommunications Limited</b>		
<b><i>Ordinary shares</i></b> Miguel Ko	34,715	34,715
Kee Teck Koon	10,490	10,490
Anthony Lim Weng Kin	940	940
Tan Sri Abdul Farid bin Alias	40,000	40,000
<b>StarHub Ltd</b>		
<b><i>Ordinary shares</i></b> Miguel Ko	66,600	66,600

# DIRECTORS' STATEMENT

## DIRECTORS' INTEREST IN SHARES OR DEBENTURES (continued)

### Footnotes:

- Awards made pursuant to the CapitaLand Investment Performance Share Plan 2021 (CLI PSP 2021).
- Awards made pursuant to the CapitaLand Investment Restricted Share Plan 2021 (CLI RSP 2021).
- Following the completion of the strategic restructuring of the investment management business of CapitaLand Limited (CL) and as further described in the Company's introductory document dated 17 July 2021, the awards granted under CL's CapitaLand Performance Share Plan 2010 and CapitaLand Performance Share Plan 2020 (collectively, the CL PSP Awards) to certain employees of CLI and CL group companies have been replaced with shares under the CLI PSP 2021, which will vest progressively over three years in accordance with the original vesting schedule of the CL PSP Awards. The release will be made partly in the form of shares and partly in the form of cash.
- 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 200% of the baseline award. The Executive Resource and Compensation Committee (ERCC) of the Company has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors. The release will be made partly in the form of shares and partly in the form of cash.
- 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 of the Company has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors. The release will be made partly in the form of shares and partly in the form of cash.
- This is a long-term share-based award which will vest after the end of a five-year performance period, subject to the achievement of the targets approved by the ERCC. The number of shares to be released as soon as practicable upon vesting will be determined based on, inter alia, the award multiplied by an achievement factor. If the minimum performance level is achieved, the achievement factor will be 0.2. If the performance level exceeds minimum but is 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. Conversely, if the performance level is below minimum, the achievement factor will be zero and no share will be released. In the event of early achievement of the targets within the first three years of the performance period, a maximum of 20% to 50% of the baseline award can be released after the third year, with any balance in excess of 50% of the baseline award to be released only after the fifth year. The ERCC has the absolute discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors.
- The final number of shares to be released will depend on the achievement of pre-determined targets at the end of a one-year performance period and the release will be over a vesting period of three years. Depending on the extent of the achievement of the pre-determined targets at the end of the performance period, the ERCC has the discretion to release the final number of shares ranging from between 0% to 150% of the baseline award. On the final vesting, an additional number of shares of a total value equal to the value of the accumulated dividends which are declared during each of the vesting periods and deemed foregone due to the vesting mechanism of the restricted share plan will also be released.
- Being the unvested two-thirds of the award. On the final vesting, an additional number of shares of a total value equal to the value of the accumulated dividends which are declared during each of the vesting periods and deemed foregone due to the vesting mechanism of the restricted share plan will also be released.
- Two different vesting periods: (1) time-based awards with 100% vesting on 1 March 2024 for selected senior management as part of their remuneration package; and (2) time-based awards which will vest equally over three years starting from 1 March 2024 for selected senior management new hires.
- Ceased to be a related corporation of the Company with effect from 28 February 2023.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures or options of the Company or of related corporations either at the beginning or at the end of the financial year.

There was no change in any of the above-mentioned directors' interests in the Company between the end of the financial year and 21 January 2024.

## ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as disclosed under the Directors' Interests in Shares or Debentures and Share Plans sections of this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## SHARE PLANS - PERFORMANCE SHARE PLANS AND RESTRICTED SHARE PLANS

### Share Plans of the CapitaLand Group Pte. Ltd.

The Group's employees participate in the share-based incentive plans of the Company's immediate holding company, CapitaLand Group Pte. Ltd. (formerly known as CapitaLand Limited) which comprise the Performance Share Plan (CL PSP) and Restricted Share Plan (CL RSP).

Pursuant to the strategic restructuring in 2021, the Executive Resource and Compensation Committee (ERCC) of CapitaLand Group Pte. Ltd. had approved the following in relation to the unvested share award payout of CL Share Plans as at 17 September 2021.

## DIRECTORS' STATEMENT

### SHARE PLANS - PERFORMANCE SHARE PLANS AND RESTRICTED SHARE PLANS (continued)

#### Share Plans of the CapitaLand Group Pte. Ltd. (continued)

- (a) 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.
- (b) The outstanding CL RSP awards were converted to cash-settled based awards with an implied value of S\$4.102 per CL share. 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 awards.

#### Share Plans of the Company

The ERCC of the Company has been designated as the Committee responsible for the administration of the Share Plans. The ERCC members at the date of this statement are Ms Judy Hsu Chung Wei (Chairman), Mr Miguel Ko, Mr Anthony Lim Weng Kin and Ms Belita Ong.

The CLI Performance Share Plan 2021 (CLI PSP 2021) and CLI Restricted Share Plan 2021 (CLI RSP 2021) were approved by CapitaLand Group Pte. Ltd. on 17 July 2021. The duration of each share plan is ten years commencing on 1 September 2021.

The ERCC of the Company has instituted a set of share ownership guidelines for members of senior management who receive shares under the CLI Restricted Share Plans and CLI Performance Share Plans. Under these guidelines, members of senior management are required to retain a portion of the total number of CLI shares received under the aforementioned share-based plans, which will vary according to their respective job grade and salary.

The total number of new shares which may be allotted, issued and/or delivered pursuant to awards granted under the share plans on any date, when aggregated with existing shares (including treasury shares and cash equivalents) delivered and/or to be delivered, pursuant to the CLI Share Plans and all shares, options or awards granted under any other share schemes of the Company then in force, shall not exceed 8% of the total number of issued shares (excluding treasury shares) from time to time.

Details of awards granted under each CLI Share Plan are provided in the following sections:

#### (a) Awards under the CLI Performance Share Plan (CLI PSP)

Under the CLI PSP, the awards granted are conditional on performance targets set based on medium-term corporate objectives. Awards represent the right of a participant to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, upon the Company achieving prescribed performance target(s).

The ERCC grants an initial number of shares (baseline award) which are conditional on targets set for a performance period, currently prescribed to be a three-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 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 can 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. Recipients can receive fully paid shares delivered in a combination of 75% in ordinary shares and 25% in their equivalent cash value, at no cost.

## DIRECTORS' STATEMENT

### SHARE PLANS - PERFORMANCE SHARE PLANS AND RESTRICTED SHARE PLANS (continued)

#### Share Plans of the Company (continued)

#### (a) Awards under the CLI Performance Share Plan (CLI PSP) (continued)

Performance conditions	Final number of shares to be released
1. Group's absolute total shareholder return measured as a multiple of cost of equity	0% to 300% of baseline award
2. Group's relative total shareholder return ranking against a peer group of selected companies	
3. Group's return on equity	
4. Group's carbon emissions intensity reduction performance	

Details of the movement in the awards of the Company during the year were as follows:

Year of award	← Movements during the year →					Balance as at	
	Balance as at 1 January 2023		Granted	Released	Lapsed/Cancelled	Balance as at 31 December 2023	
	No. of holders	No. of shares	No. of shares	No. of shares	No. of shares	No. of holders	No. of shares
2021	59	17,589,005	-	(7,667,275)*	(949,287)	52	8,972,443
2022	62	3,304,723	-	-	(132,538)	56	3,172,185
2023	-	-	3,713,431	-	(65,013)	76	3,648,418
		<u>20,893,728</u>	<u>3,713,431</u>	<u>(7,667,275)</u>	<u>(1,146,838)</u>		<u>15,793,046<sup>^</sup></u>

\* The number of shares released comprised shares under CL PSP awards, which were converted to CLI shares under CLI PSP in October 2021.

<sup>^</sup> The number of shares comprised in awards granted under the CLI PSP comprised 13,829,649 (2022: 16,645,394) shares granted to employees of the Group and 1,963,397 (2022: 4,248,334) shares granted to employees of related corporations.

#### (b) Special CLI Founders Performance Share Plan Award (Special PSP)

Pursuant to the CLI PSP, the Special PSP award granted to selected key executives of the Company and/or its group companies is conditional on a performance target based on longer term wealth creation objectives. Participants will receive a specified number of performance shares after the end of the performance period conditional on achievement of performance conditions.

The ERCC grants an initial number of shares (baseline award) which are conditional on the target of the Company's share price expressed as a multiple of the Group's net asset value per share (Price/NAV) set for 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 pre-specified minimum target is achieved. No share will be released if the minimum target is not met at the end of the performance period. On the other hand, if the superior target is met, more shares than the baseline award can be delivered up to a maximum of 300% of the baseline award. In the event of early achievement of the targets within the first three years of the performance period, a maximum of 20% to 50% of the baseline award can be released after the third year, with any balance in excess of 50% of the baseline award to be released only after the fifth year. The ERCC has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors. Recipients can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost.

As a hiring strategy, such one-time special contingent award may (at the discretion of the ERCC) also be extended to key executives joining the Company and/or its group companies on a date after 1 October 2021 but not later than 19 September 2022.



## DIRECTORS' STATEMENT

### SHARE PLANS - PERFORMANCE SHARE PLANS AND RESTRICTED SHARE PLANS (continued)

#### Share Plans of the Company (continued)

##### (b) Special CLI Founders Performance Share Plan Award (Special PSP) (continued)

Details of the movement in the awards of the Company during the year were as follows:

Year of award	Balance as at 1 January 2023		Movements during the year		Balance as at 31 December 2023	
	No. of holders	No. of shares	Lapsed/ Cancelled No. of shares		No. of holders	No. of shares
2021	109	14,251,125	(1,126,430)		102	13,124,695
2022	4	407,366	-		4	407,366
		<u>14,658,491</u>	<u>(1,126,430)</u>			<u>13,532,061<sup>^</sup></u>

<sup>^</sup> The number of shares comprised in contingent awards granted under the Special PSP award comprised 11,771,509 (2022: 12,391,413) shares granted to employees of the Group and 1,760,552 (2022: 2,267,078) shares granted to employees of related corporations.

##### (c) Awards under the CLI Restricted Share Plans (CLI RSP)

Under the CLI 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 plans also enable 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.

Time-based RSP awards were granted in 2023 to selected senior management as part of their remuneration package. The shares were granted pursuant to the CLI RSP and shall vest over one, two or three years, subject to service conditions. Participants will receive fully paid shares, their equivalent cash value or combinations thereof, at no cost.

There is no grant of performance-based RSP awards in 2023 to employees. Instead, the awards have been incorporated into the annual performance bonus where a part of the bonus declared is delivered in the form of deferred shares. Such deferred shares will be granted to eligible employees after the end of the financial year under review pursuant to the CLI RSP. One-third of the award will vest immediately and the remaining two-thirds of the award will vest over the following two years in equal annual tranches, subject to service conditions. Participants can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost.

Details of the movement in the awards of the Company during the year were as follows:

Year of award	Balance as at 1 January 2023		Movements during the year			Balance as at 31 December 2023	
	No. of holders	No. of shares	Granted No. of shares	Released <sup>+</sup> No. of shares	Lapsed/ Cancelled No. of shares	No. of holders	No. of shares
2022	1,110	8,615,632	-	(2,128,322)	(2,481,855)	1,010	4,005,455
2023	-	-	810,086	(178,928)	-	5	631,158
		<u>8,615,632</u>	<u>810,086<sup>^</sup></u>	<u>(2,307,250)</u>	<u>(2,481,855)</u>		<u>4,636,613<sup>#</sup></u>

<sup>+</sup> The number of shares released during the year was 2,307,250, of which 408,004 were cash-settled.

<sup>^</sup> Comprised 631,158 (2022: 8,969,551) shares granted to employees of the Group, nil (2022: 10,896) shares granted to employees of related corporations and 178,928 (2022: 68,235) shares granted to non-executive directors.

<sup>#</sup> The number of shares comprised in contingent awards granted under CLI RSP comprised 3,875,101 (2022: 6,950,531) shares to be equity-settled and 761,512 (2022: 1,665,101) shares to be cash-settled.

## DIRECTORS' STATEMENT

### SHARE OPTIONS

During the financial year, there were:

- no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and
- no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under options.

### AUDIT COMMITTEE

The Audit Committee members at the date of this statement are Mr Chaly Mah Chee Kheong (Chairman), Mr David Su Tuong Sing, Ms Helen Wong Siu Ming and Tan Sri Abdul Farid bin Alias.

The Audit Committee shall discharge its duties in accordance with the Companies Act 1967 and the Listing Manual of the SGX-ST. The Audit Committee shall also be guided by the Code of Corporate Governance and the Guidebook for Audit Committee in Singapore, and any such codes or regulations as may be applicable from time to time.

The principal responsibility of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities. Areas of review by the Audit Committee include:

- the reliability and integrity of the financial statements;
- the impact of new, revised or proposed changes in accounting standards and policies or regulatory requirements on the financial statements;
- the compliance with laws and regulations, particularly those of the Act and the Listing Manual of the SGX-ST;
- the appropriateness of half-yearly and full year announcements and reports;
- in conjunction with the assessment by the Risk Committee, assesses the adequacy and effectiveness of the internal control (including financial, operational, compliance and information technology controls) and risk management systems established by management to manage risks;
- the adequacy and effectiveness of internal and external audits;
- the appointment and re-appointment of external auditors and the level of auditors' remuneration;
- the nature and extent of non-audit services and their impact on independence and objectivity of the external auditors;
- interested person transactions;
- review the whistle-blowing reports and the policy and processes for the detection, independent investigation and follow-up action relating to possible improprieties in financial reporting or other matters, if any;
- the processes put in place to manage any material conflicts of interest within the Group; and
- all conflicts of interest matters referred to it.

## DIRECTORS' STATEMENT

### AUDIT COMMITTEE (continued)

The Audit Committee also reviews the policy and arrangements by which employees of the Company and any other persons may, in confidence, report suspected fraud or irregularity or suspected infringement of any laws or regulations or rules or, raise concerns about possible improprieties in matters of financial reporting or other matters, with a view to ensuring that arrangements are in place for such concerns to be raised and independently investigated and for appropriate follow-up action to be taken. Where the Audit Committee becomes aware of any improprieties, the Audit Committee shall discuss such matter with the external auditors and, at an appropriate time, report the matter to the Board. Where appropriate, the Audit Committee shall also commission internal investigations into such matters. Pursuant to this, the Audit Committee has introduced a whistle blowing policy where employees or any person may raise improprieties to the Audit Committee Chairman in good faith, with the confidence that employees or any person making such reports will be treated fairly and be protected from reprisal.

The Audit Committee met five times in 2023. Specific functions performed during the year included reviewing the scope of work and strategies of both the internal and external auditors, and the results arising therefrom, including their evaluation of the system of internal controls. The Audit Committee also reviewed the assistance given by the Company's officers to the auditors. The financial statements of the Group and the Company were reviewed by the Audit Committee prior to the submission to the Board of Directors of the Company for adoption. The Audit Committee also met with the internal and external auditors, without the presence of management, to discuss any issues of concern with them.

The Audit Committee has, in accordance with Chapter 9 of the Listing Manual of the SGX-ST, reviewed the requirements for approval and disclosure of interested person transactions, reviewed the procedures set by the Group and the Company to identify and report and where necessary, seek approval for interested person transactions and, with the assistance of the internal auditors, reviewed interested person transactions.

The Audit Committee also undertook half-yearly reviews of all non-audit services provided by KPMG LLP and its member firms and was satisfied that they did not affect their independence as external auditors of the Company.

As part of ongoing good corporate governance, the Company conducted a Request for Proposal for the appointment of external auditors for the financial year ending 31 December 2024 (FY 2024), whereby the Audit Committee evaluated competitive proposals from several reputable audit firms. After due evaluation, the Audit Committee recommended to the Board of Directors that Deloitte & Touche LLP be appointed as auditors of the Company for FY 2024 in place of the retiring auditors, KPMG LLP. The Board of Directors approved the recommendation and will be proposing the appointment of Deloitte & Touche LLP as auditors of the Company at the forthcoming Annual General Meeting.

## DIRECTORS' STATEMENT

### AUDITORS

The retiring auditors, KPMG LLP, will not be seeking re-appointment at the forthcoming Annual General Meeting. Deloitte & Touche LLP has expressed its willingness to accept appointment as the auditors.

On behalf of the board of directors:

**Miguel Ko**  
Director

**Lee Chee Koon**  
Director

15 March 2024

# INDEPENDENT AUDITORS' REPORT

To the Members of CapitaLand Investment Limited

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of CapitaLand Investment Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 2023, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information, as set out on pages 150 to 262.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967, (the Act), Singapore Financial Reporting Standards (International) (SFRS(I)) and International Financial Reporting Standards (IFRS) so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

### Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Valuation of investment properties

(Refer to Notes 5 and 31 to the financial statements)

### Risk:

The Group owns a portfolio of investment properties comprising serviced residences, shopping malls, offices, integrated development projects and business parks, industrial and logistics properties, located primarily in Singapore, China and Europe. Investment properties represent the single largest category of assets on the consolidated balance sheet at \$13.6 billion (2022: \$14.7 billion) as at 31 December 2023.

These investment properties are stated at their fair values based on independent external valuations.

The valuation process involves significant judgement in determining the appropriate valuation methodologies to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied and a small change in the assumptions can have a significant impact to the valuation.

# INDEPENDENT AUDITORS' REPORT

To the Members of CapitaLand Investment Limited

## Our response:

We assessed the Group's processes for the selection of the external valuers, the determination of the scope of work of the valuers, and the review and acceptance of the valuations reported by the external valuers.

We evaluated the qualifications and competence of the external valuers. We also read the terms of engagement of the valuers with the Group to determine whether there were any matters that might have affected their objectivity or limited the scope of their work.

We considered the valuation methodologies used against those applied by other valuers for similar property types. We also considered other alternative valuation methods. We tested the integrity of inputs of the projected cash flows used in the valuations to supporting leases and other documents. We challenged the key assumptions used in the valuations, which included capitalisation, discount and terminal yield rates by comparing them against available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuers.

We also considered the adequacy of the disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates. This includes the relationships between the key unobservable inputs and fair values, in conveying the uncertainties.

### Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I)s and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

# INDEPENDENT AUDITORS' REPORT

To the Members of CapitaLand Investment Limited

## *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# INDEPENDENT AUDITORS' REPORT

To the Members of CapitaLand Investment Limited

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Lim Pang Yew, Victor.

### **KPMG LLP**

*Public Accountants and  
Chartered Accountants*

### **Singapore**

15 March 2024

## BALANCE SHEETS

As at 31 December 2023

	Note	The Group		The Company	
		31 Dec 2023 \$'M	31 Dec 2022 \$'M	31 Dec 2023 \$'M	31 Dec 2022 \$'M
<b>Non-current assets</b>					
Property, plant and equipment	3	1,312	1,225	129	13
Intangible assets	4	1,177	1,142	*	*
Investment properties	5	13,572	14,706	-	-
Subsidiaries	6	-	-	10,946	11,168
Associates	7	10,231	10,417	-	-
Joint ventures	8	2,812	2,735	-	-
Deferred tax assets	9	72	63	*	-
Other non-current assets	10	510	401	-	-
		29,686	30,689	11,075	11,181
<b>Current assets</b>					
Development properties for sale	11	197	243	-	-
Trade and other receivables	12	939	1,025	819	700
Other current assets	10	39	70	-	-
Assets held for sale	13	812	415	-	-
Cash and cash equivalents	14	2,460	2,668	19	22
		4,447	4,421	838	722
<b>Less: current liabilities</b>					
Trade and other payables	15	1,455	2,093	124	221
Short term borrowings	16	1,014	1,208	9	12
Current portion of debt securities	17	238	160	-	-
Current tax payable		583	583	*	2
Liabilities held for sale	13	254	118	-	-
		3,544	4,162	133	235
<b>Net current assets</b>		903	259	705	487
<b>Less: non-current liabilities</b>					
Long term borrowings	16	9,514	9,880	89	1
Debt securities	17	1,824	1,342	-	-
Deferred tax liabilities	9	508	543	-	-
Other non-current liabilities	18	506	254	812	812
		12,352	12,019	901	813
<b>Net assets</b>		18,237	18,929	10,879	10,855
Representing:					
Share capital	20	10,760	10,760	10,760	10,760
Revenue reserve		9,420	10,267	445	385
Other reserves	21	(6,219)	(5,894)	(326)	(290)
<b>Equity attributable to owners of the Company</b>		13,961	15,133	10,879	10,855
Perpetual securities	22	396	396	-	-
Non-controlling interests	6	3,880	3,400	-	-
<b>Total equity</b>		18,237	18,929	10,879	10,855

\* Less than \$1 million

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

## CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2023

	Note	The Group	
		2023 \$'M	2022 \$'M
<b>Revenue</b>	24	2,784	2,876
Cost of sales		(1,524)	(1,586)
<b>Gross profit</b>		1,260	1,290
Other operating income	25(a)	219	665
Administrative expenses		(498)	(490)
Other operating expenses		(292)	(176)
<b>Profit from operations</b>		689	1,289
Finance costs	25(d)	(488)	(432)
<b>Share of results (net of tax) of:</b>			
- associates		206	425
- joint ventures		67	106
		273	531
<b>Profit before tax</b>	25	474	1,388
Tax expense	26	(141)	(318)
<b>Profit for the year</b>		333	1,070
<b>Attributable to:</b>			
Owners of the Company		181	861
Non-controlling interests		152	209
<b>Profit for the year</b>		333	1,070
<b>Basic earnings per share (cents)</b>	27(a)	3.5	16.8
<b>Diluted earnings per share (cents)</b>	27(b)	3.5	16.5

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

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2023

	Note	The Group	
		2023 \$'M	2022 \$'M
Profit for the year		333	1,070
<b>Other comprehensive income:</b>			
<b>Items that are/may be reclassified subsequently to profit or loss</b>			
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations		(243)	(721)
Recognition of foreign exchange differences on disposal or liquidation of foreign operations in profit or loss		40	(6)
Effective portion of change in fair value of cash flow hedges		(66)	166
Recognition of hedging reserve in profit or loss		(18)	(33)
Share of other comprehensive income of associates and joint ventures		(167)	(544)
		(454)	(1,138)
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Change in fair value of equity investments at fair value through other comprehensive income		(7)	(6)
Share of other comprehensive income of associates and joint ventures		(7)	(3)
Total other comprehensive income	23	(468)	(1,147)
Total comprehensive income		(135)	(77)
<b>Attributable to:</b>			
Owners of the Company		(256)	(64)
Non-controlling interests		121	(13)
Total comprehensive income		(135)	(77)

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 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	Perpetual securities \$'M	Non-controlling interests \$'M	Total equity \$'M
<b>At 1 January 2023</b>	10,760	10,267	(315)	(4,759)	127	27	6	(980)	15,133	3,400	18,929
<b>Total comprehensive income</b>	-	181	-	-	-	-	-	-	181	152	333
Profit for the year											
<b>Other comprehensive income</b>											
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations								(208)	(208)	(35)	(243)
Recognition of foreign exchange differences on disposal or liquidation of foreign operations in profit or loss								26	26	14	40
Effective portion of change in fair value of cash flow hedges					(70)			-	(70)	4	(66)
Share of other comprehensive income of associates and joint ventures					(5)			-	(5)	(13)	(18)
Change in fair value of equity investment at fair value through other comprehensive income					(30)	(7)		(136)	(173)	(1)	(174)
<b>Total other comprehensive income, net of tax</b>					(105)	(14)		(318)	(437)	(31)	(468)
<b>Total comprehensive income</b>		181			(105)	(14)		(318)	(256)	121	(135)

\* Includes equity compensation reserve and other capital reserves.

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

	Share capital \$'M	Revenue reserve \$'M	Reserve for own shares \$'M	Capital reserve <sup>#</sup> \$'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
<b>Transactions with owners, recorded directly in equity</b>												
<b>Contributions by and distributions to owners</b>												
Issue of new shares	-	-	27	(21)	-	-	-	-	6	-	-	6
Purchase of treasury shares	-	-	(64)	-	-	-	-	-	(64)	-	-	(64)
Contributions from non-controlling interests (net)	-	-	-	-	-	-	-	-	-	-	334	334
Dividends paid/payable	-	(927)	-	-	-	-	-	-	(927)	-	(158)	(1,085)
Distribution attributable to perpetual securities	-	(4)	-	-	-	-	-	-	(4)	13	(9)	-
Distribution paid to perpetual securities	-	-	-	-	-	-	-	-	-	(13)	-	(13)
Reclassification of other capital reserve	-	(3)	-	3	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	32	-	-	-	-	32	-	-	32
<b>Total contributions by and distributions to owners</b>	-	(934)	(37)	14	-	-	-	-	(957)	-	167	(790)
<b>Changes in ownership interests in subsidiaries and other capital transactions</b>												
Changes in ownership interests in subsidiaries with a change in control	-	-	-	-	-	-	-	-	-	-	(32)	(32)
Changes in ownership interests in subsidiaries with no change in control	-	(50)	-	-	(3)	-	(6)	109	50	-	231	281
Share of reserves of associates and joint ventures	-	(9)	-	8	-	-	-	-	(1)	-	-	(1)
Others	-	(35)	-	23	-	-	-	4	(8)	-	(7)	(15)
<b>Total changes in ownership interests in subsidiaries and other capital transactions</b>	-	(94)	-	31	(3)	-	(6)	113	41	-	192	233
<b>Total transactions with owners</b>	-	(1,028)	(37)	45	(3)	-	(6)	113	(916)	-	359	(557)
<b>At 31 December 2023</b>	10,760	9,420	(352)	(4,714)	19	13	-	(1,185)	13,961	396	3,880	18,237

\* Includes equity compensation reserve and other capital reserves.

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

	Share capital \$'M	Revenue reserve \$'M	Reserve for own shares \$'M	Capital reserve <sup>#</sup> \$'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
<b>At 1 January 2022</b>	10,760	10,165	(208)	(4,770)	(16)	36	6	71	16,044	396	3,661	20,101
<b>Total comprehensive income</b>												
Profit for the year	-	861	-	-	-	-	-	-	861	-	209	1,070
<b>Other comprehensive income</b>												
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	-	-	-	-	-	-	-	(484)	(484)	-	(237)	(721)
Recognition of foreign exchange differences on disposal or liquidation of foreign operations in profit or loss	-	-	-	-	-	-	-	(6)	(6)	-	-	(6)
Effective portion of change in fair value of cash flow hedges	-	-	-	-	144	-	-	-	144	-	22	166
Recognition of hedging reserve in profit or loss	-	-	-	-	(33)	-	-	-	(33)	-	-	(33)
Share of other comprehensive income of associates and joint ventures	-	-	-	-	32	(3)	-	(569)	(540)	-	(7)	(547)
Change in fair value of equity investment at fair value through other comprehensive income	-	-	-	-	-	(6)	-	-	(6)	-	-	(6)
<b>Total other comprehensive income, net of tax</b>	-	-	-	-	143	(9)	-	(1,059)	(925)	-	(222)	(1,147)
<b>Total comprehensive income</b>	-	861	-	-	143	(9)	-	(1,059)	(64)	-	(13)	(77)

\* Includes equity compensation reserve and other capital reserves.

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

	Share capital \$'M	Revenue reserve \$'M	Reserve for own shares \$'M	Capital reserve <sup>#</sup> \$'M	Hedging reserve \$'M	Fair value reserve \$'M	Asset revaluation reserve \$'M	Foreign currency translation reserve \$'M	Total securities \$'M	Perpetual securities \$'M	Non-controlling interests \$'M	Total equity \$'M
<b>Transactions with owners, recorded directly in equity</b>												
<b>Contributions by and distributions to owners</b>												
Issue of new shares	-	-	26	(18)	-	-	-	-	8	-	-	8
Purchase of treasury shares	-	-	(133)	-	-	-	-	-	(133)	-	-	(133)
Contributions from non-controlling interests (net)	-	-	-	-	-	-	-	-	-	-	189	189
Dividends paid/payable	-	(772)	-	-	-	-	-	-	(772)	-	(173)	(945)
Distribution attributable to perpetual securities	-	(5)	-	-	-	-	-	-	(5)	13	(8)	-
Distribution paid to perpetual securities	-	-	-	-	-	-	-	-	-	(13)	-	(13)
Reclassification of other capital reserve	-	(3)	-	3	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	42	-	-	-	-	42	-	-	42
<b>Total contributions by and distributions to owners</b>	-	(780)	(107)	27	-	-	-	-	(860)	-	8	(852)
<b>Changes in ownership interests in subsidiaries and other capital transactions</b>												
Changes in ownership interests in subsidiaries with a change in control	-	-	-	-	-	-	-	-	-	-	(230)	(230)
Changes in ownership interests in subsidiaries with no change in control	-	7	-	-	-	-	-	7	14	-	(14)	-
Share of reserves of associates and joint ventures	-	(7)	-	7	-	-	-	1	1	-	-	1
Others	-	21	-	(23)	-	-	-	-	(2)	-	(12)	(14)
<b>Total changes in ownership interests in subsidiaries and other capital transactions</b>	-	21	-	(16)	-	-	-	8	13	-	(256)	(243)
<b>Total transactions with owners</b>	-	(759)	(107)	11	-	-	-	8	(847)	-	(248)	(1,095)
<b>At 31 December 2022</b>	10,760	10,267	(315)	(4,759)	127	27	6	(980)	15,133	396	3,400	18,929

<sup>#</sup> Includes equity compensation reserve and other capital reserves.

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2023

	Note	2023 \$'M	2022 \$'M
<b>Cash flows from operating activities</b>			
Profit after tax		333	1,070
Adjustments for:			
(Write-back of)/Allowance for:			
- impairment loss on receivables		(4)	25
- impairment loss on interest in joint ventures	25	1	*
Amortisation of intangible assets	25	19	15
Depreciation of property, plant and equipment and right-of-use assets		123	131
Distribution income	25	(6)	(35)
Finance costs	25	488	432
Gain on disposal/redemption of available-for-sale financial assets	25	(10)	-
Gain on disposal of investment properties	25	(23)	(14)
Gain on right-of-use assets lease remeasurement/modification		-	(4)
Interest income	25	(62)	(53)
Loss on disposal and write off of property, plant and equipment	25	1	2
Mark-to-market loss/(gain) on derivative instruments	25	18	(34)
Net fair value loss/(gain) from investment properties	25	257	(250)
Net change in fair value of financial assets designated as fair value through profit or loss	25	8	21
Gain from change of ownership interests in subsidiaries, associates and joint ventures	25	(40)	(210)
Share of results of associates and joint ventures		(273)	(531)
Share-based expenses		55	68
Tax expense	26	141	318
<b>Operating profit before working capital changes</b>		693	(119)
		1,026	951
Changes in working capital:			
Development properties for sale		1	4
Trade and other receivables		(76)	(74)
Trade and other payables		(137)	31
Loans to credit customers		(16)	-
Loans from bank		9	-
Restricted bank deposits		29	18
		(190)	(21)
Cash generated from operations		836	930
Taxation paid		(154)	(195)
<b>Net cash generated from operating activities</b>		682	735

\* Less than \$1 million

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



# CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2023

	Note	2023 \$'M	2022 \$'M
<b>Cash flows from investing activities</b>			
Acquisition of/development expenditure in investment properties		(725)	(999)
Acquisition of subsidiaries, net of cash acquired	29(b)	(47)	(242)
Deposits received for disposal/(placed for acquisition) of investment properties		1	(10)
Disposal of subsidiaries, net of cash disposed of	29(d)	378	723
Dividends received from associates and joint ventures and other investments		413	348
Interest income received		54	46
Investments in associates, joint ventures and other investments		(344)	(86)
Proceeds from disposal of/(investment in) investment properties, property, plant and equipment and other financial assets		68	(60)
Purchase of intangible assets		(23)	(126)
Settlement of hedging instruments		38	24
<b>Net cash used in investing activities</b>		<b>(187)</b>	<b>(382)</b>
<b>Cash flows from financing activities</b>			
Contributions from non-controlling interests		334	189
Dividends paid to non-controlling interests		(158)	(173)
Distributions to perpetual securities holders		(13)	(13)
Dividends paid to shareholders		(615)	(772)
Amount paid to former shareholders of subsidiaries		-	(153)
Interest expense paid		(481)	(418)
(Repayment of loans)/loans from associates and joint ventures		(34)	1
Purchase of treasury shares		(64)	(133)
Payment for acquisition of ownership interests in subsidiaries with no change in control		(14)	-
Payment for issue expenses for private placement and issuance of share capital		-	(2)
Proceeds from bank borrowings		4,625	3,490
Proceeds from issuance of debt securities		849	977
Repayments of lease liabilities		(61)	(69)
Repayments of bank borrowings		(4,791)	(3,662)
Repayments of debt securities		(263)	(619)
Proceeds from/(repayment of) loans from related companies		56	(13)
Increase in bank deposits pledged for bank facilities		(7)	-
<b>Net cash used in financing activities</b>		<b>(637)</b>	<b>(1,370)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(142)</b>	<b>(1,017)</b>
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		(38)	(145)
Cash and cash equivalents reclassified to assets held for sale	13	(5)	(29)
<b>Cash and cash equivalents at end of the year</b>	<b>14</b>	<b>2,439</b>	<b>2,624</b>

## 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 15 March 2024.

## 1 DOMICILE AND ACTIVITIES

CapitaLand Investment Limited (the Company or CLI) 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, commercial 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 MATERIAL ACCOUNTING POLICIES

### 2.1 Basis of preparation

#### (a) Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (SFRS(I)) and International Financial Reporting Standards (IFRS). SFRS(I) are issued by the Accounting Standards Council and comprise standards and interpretations that are equivalent to IFRS as issued by the International Accounting Standard Board (IASB). All references to SFRS(I) and IFRS are subsequently referred to as SFRS(I) in these financial statements unless otherwise stated.

#### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

#### (c) Functional and presentation currency

These 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.

#### (d) Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions about the future including climate-related risks and opportunities, 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 and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to accounting estimates are recognised prospectively.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2 MATERIAL ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### (d) Use of estimates and judgements (continued)

Information about critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 6 – consolidation; whether the Group has control over the investee
- Note 9 – recognition of deferred tax assets
- Note 2.2(a), 30 – accounting for acquisitions as business combinations or asset acquisitions

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 4 – measurement of recoverable amounts of goodwill
- Note 5, 31 – determination of fair value of investment properties
- Note 30 – determination of fair value of assets, liabilities and contingent liabilities acquired in business combinations
- Note 31 – determination of fair value of financial instruments

The accounting policies set out below have been applied consistently by the Group entities to all periods presented in these financial statements, except as explained in note 37, which address changes in accounting policies.

In addition, the Group adopted the Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 *Disclosure of Accounting Policies* from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant' accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in note 2 in certain instances.

### 2.2 Basis of consolidation

#### (a) Business combinations and property acquisitions

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets or acquisition of a property is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a "concentration test" that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Goodwill arising from business combinations are measured as described in note 2.5(a).

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2 MATERIAL ACCOUNTING POLICIES (continued)

### 2.2 Basis of consolidation (continued)

#### (a) Business combinations and property acquisitions (continued)

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition date fair value, unless another measurement basis is required by SFRS(I). If the business combination is achieved in stages, the Group's previously held equity interest in the acquiree is re-measured to fair value at each acquisition date and any changes are taken to profit or loss.

When acquisition of an asset or a group of assets does not constitute a business combination, it is treated as property acquisition. In such cases, the individual identifiable assets acquired and liabilities assumed are recognised. The acquisition cost is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of acquisition. Such a transaction does not give rise to goodwill.

#### (b) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as transactions with owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset at fair value through other comprehensive income asset depending on the level of influence retained.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2 MATERIAL ACCOUNTING POLICIES (continued)

### 2.2 Basis of consolidation (continued)

#### (c) Associates and joint ventures

Associates are those entities in which the Group has significant influence, but not control, over their financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. Joint ventures are entities over whose activities the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Associates and joint ventures are accounted for using the equity method (collectively referred to as “equity-accounted investees”) and are recognised initially at cost, which includes transaction costs. The Group’s investments in equity-accounted investees include goodwill identified on acquisition, net of any accumulated impairment losses. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of the profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies of the equity-accounted investees with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group’s share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee’s operation or has made payments on behalf of the investee.

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 2.9. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

#### (d) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### (e) Acquisition under common control

Business combinations arising from transfers of interest in entities that are under common control are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. For this purpose, comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously and no adjustments are made to reflect the fair values or recognised any new assets or liabilities, including no goodwill is recognised as a result of the combination. The components of equity of the acquired entities are added to the same components within the Group equity. Any difference between the consideration paid for the acquisition and share capital of the acquiree is recognised directly to equity as reserve on consolidation.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2 MATERIAL ACCOUNTING POLICIES (continued)

### 2.3 Foreign currencies

#### *Foreign currency transactions*

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the functional currency).

Transactions in foreign currencies are translated to the respective functional currencies of the Group’s entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting date are translated to the functional currency at the exchange rate prevailing at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising from translation are recognised in profit or loss, except for differences arising from the translation of monetary items that in substance form part of the Group’s net investment in a foreign operation, financial assets fair value through other comprehensive income and financial liabilities designated as hedges of net investment in a foreign operation (note 2.7) or qualifying cash flow hedges to the extent such hedges are effective, which are recognised in other comprehensive income.

#### *Foreign operations*

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisitions, are translated to Singapore Dollars at exchange rates prevailing at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore Dollars at exchange rates prevailing at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is not a wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is transferred to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or a joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is transferred to profit or loss.

#### *Net investment in a foreign operation*

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in other comprehensive income and are presented in the translation reserve in equity.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2 MATERIAL ACCOUNTING POLICIES (continued)

### 2.4 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Certain of the Group's property, plant and equipment acquired through interests in subsidiaries, are accounted for as acquisition of assets (note 2.2(a)). Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset if it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group and its cost can be measured reliably. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use. Freehold land has unlimited useful life and therefore is not depreciated. Depreciation on property, plant and equipment is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment as follows:

Leasehold land and buildings	30 to 99 years
Plant, machinery and improvements	1 to 10 years
Motor vehicles	5 years
Furniture, fittings and equipment	1 to 10 years

The assets' residual values, useful lives and depreciation methods are reviewed at each reporting date, and adjusted if appropriate.

### 2.5 Intangible assets

#### (a) Goodwill

For business combinations, the Group measures goodwill as at acquisition date based on the fair value of the consideration transferred (including the fair value of any pre-existing equity interest in the acquiree) and the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the amount is negative, a gain on bargain purchase is recognised in profit or loss. Goodwill is subsequently measured at cost less accumulated impairment losses.

Goodwill arising from the acquisition of subsidiaries is included in intangible assets. Goodwill arising from the acquisition of associates and joint ventures is presented together with interests in associates and joint ventures.

Goodwill is tested annually for impairment as described in note 2.9.

#### (b) Other intangible assets

Other intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. These are amortised in profit or loss on a straight-line basis over their estimated useful lives of one to eighteen years, from the date on which the assets are available for use.

Other intangible assets with indefinite useful lives are not amortised and are measured at cost less accumulated impairment losses.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2 MATERIAL ACCOUNTING POLICIES (continued)

### 2.6 Investment properties and investment properties under development

Investment properties are properties held either to earn rental or for capital appreciation or both. Investment properties under development are properties being constructed or developed for future use as investment properties. Certain of the Group's investment properties acquired through interests in subsidiaries, are accounted for as acquisition of assets (note 2.2(a)).

Investment properties and investment properties under development are initially recognised at cost, including transaction costs, and subsequently at fair value with any change therein recognised in profit or loss. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. The fair value is determined based on internal valuation or independent professional valuation. Independent valuation is also carried out on occurrence of acquisition.

When an investment property or investment property under development is disposed of, the resulting gain or loss recognised in profit or loss is the difference between the net disposal proceeds and the carrying amount of the property.

Transfers to, or from, investment properties are made where there is a change in intent and use of the investment properties.

### 2.7 Financial instruments

#### (a) Non-derivative financial assets

##### *Classification and measurement*

The Group classifies its financial assets in the following measurement categories:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVTPL).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

##### *At initial recognition*

A financial asset is recognised if the Group becomes a party to the contractual provisions of the financial asset.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2 MATERIAL ACCOUNTING POLICIES (continued)

### 2.7 Financial instruments (continued)

#### (a) Non-derivative financial assets (continued)

##### At subsequent measurement

##### (i) Financial assets at amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method.

##### (ii) Financial assets at FVOCI

The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income (OCI) as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of equity investments classified as FVOCI are presented as "fair value gains/losses" in OCI. Dividends from equity investments are recognised in profit or loss as dividend income. On disposal of an equity investment, any difference between the carrying amount and sales proceed amount would be recognised in OCI and transferred to revenue reserve along with the amount previously recognised in OCI relating to that asset.

##### (iii) Financial assets at FVTPL

Financial assets that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVTPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other operating income" or "other operating expenses".

#### (b) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents.

#### (c) Non-derivative financial liabilities

The Group initially recognises debt securities issued on the date that they are originated. Financial liabilities for contingent consideration payable in a business combination are recognised at the acquisition date. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

A financial liability is classified as fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognised in profit or loss.

The Group classifies non-derivative financial liabilities under the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method. Other financial liabilities comprise loans, borrowings, debt securities and trade and other payables.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2 MATERIAL ACCOUNTING POLICIES (continued)

### 2.7 Financial instruments (continued)

#### (d) Derecognition

Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial assets to another party without retaining control or transfers substantially all the risks and rewards of the assets. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

##### Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. No immediate gain or loss is recognised. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis of determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the changes.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applies the policies on accounting for modification to the additional changes.

#### (e) Offsetting

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### (f) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates each hedge as either: (a) cash flow hedge; or (b) net investment hedge. The Group has not designated any hedge as a fair value hedge.

On initial designation of the derivative as the hedging instrument, the Group formally documents the economic relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2 MATERIAL ACCOUNTING POLICIES (continued)

### 2.7 Financial instruments (continued)

#### (f) Derivative financial instruments and hedge accounting (continued)

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

#### **Cash flow hedges**

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

Where the hedged forecast transaction subsequently results in the recognition of a non-financial item, such as inventory, the amounts recognised as OCI is included in the initial cost of the non-financial item.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

#### **Net investment hedge**

The Group designates certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss on disposal of the foreign operation.

#### **Separable embedded derivatives**

Changes in the fair value of separated embedded derivatives are recognised immediately in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2 MATERIAL ACCOUNTING POLICIES (continued)

### 2.7 Financial instruments (continued)

#### (f) Derivative financial instruments and hedge accounting (continued)

#### **Hedges directly affected by interest rate benchmark reform**

Phase 2 amendments: Replacement of benchmark interest rates – when there is no longer uncertainty arising from interest rate benchmark reform

When the basis for determining the contractual cash flows of the hedged item or the hedging instrument changes as a result of interest rate benchmark reform and therefore there is no longer uncertainty arising about the cashflows of the hedged item or the hedging instrument, the Group amends the hedge documentation of that hedging relationship to reflect the change(s) required by interest rate benchmark reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

For this purpose, the hedge designation is amended only to make one or more of the following changes:

- designating an alternative benchmark rate as the hedged risk;
- updating the description of hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or
- updating the description of the hedged instrument.

The Group amends the description of the hedging instrument only if the following conditions are met:

- it makes a change required by interest rate benchmark reform by changing the basis for determining the contractual cash flows of the hedging instrument or using another approach that is economically equivalent to changing the basis for determining the contractual cash flows of the original hedging instrument; and
- the original hedging instrument is not derecognised.

The Group amends the formal hedge documentation by the end of the reporting period during which a change required by interest rate benchmark reform is made to the hedged risk, hedged item or hedging instrument. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

If changes are made in addition to those changes required by interest rate benchmark reform described above, then the Group first considers whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes do not result in discontinuation of the hedge accounting relationship, then the Group amends the formal hedge documentation for changes required by interest rate benchmark reform as mentioned above.

When the interest rate benchmark on which the hedged future cashflows had been based is changed as required by interest rate benchmark reform, for the purpose of determining whether the hedged future cash flows are expected to occur, the Group deems that the hedging reserve recognised in OCI for that hedging relationship is based on the alternative benchmark rate on which the hedged future cash flows will be based.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2 MATERIAL ACCOUNTING POLICIES (continued)

### 2.7 Financial instruments (continued)

#### (g) Sustainability-linked loans

The Group borrows loans with contractual cash flows based on the Group meeting several sustainability performance targets. The Group has determined that the variability in cash flows linked to the Group's sustainability performance targets is a non-financial variable specific to the parties to the contract, and therefore, in accordance with the Group's accounting policy, the feature fails the definition of a derivative. Accordingly, the feature is not separated. Instead, it is included in the calculation of the effective interest of the loans.

#### (h) Financial guarantees

The Group accounts for financial guarantee contracts as financial liabilities. Financial guarantees are financial instruments issued by the Group that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with SFRS(I) 9 *Financial Instruments* and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15 *Revenue from Contract with Customers*.

Expected credit losses (ECLs) are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Group expects to recover.

Liabilities arising from financial guarantees are included within "borrowings".

#### (i) Impairment of financial assets

The Group assesses on a forward looking basis the ECL associated with its financial assets carried at amortised cost and FVOCI, contract assets and financial guarantees. For trade receivables, lease receivables and contract assets, the Group applies the simplified approach permitted by the SFRS(I) 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group applies the general approach of 12-month ECL at initial recognition for all other financial assets and financial guarantee contracts.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

#### **Presentation of allowance for ECLs in the balance sheet**

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Loss allowance for financial guarantee contracts are recognised as a financial liability to the extent that they exceed the initial carrying amount of the financial guarantee contracts less the cumulated income recognised.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2 MATERIAL ACCOUNTING POLICIES (continued)

### 2.7 Financial instruments (continued)

#### (i) Impairment of financial assets (continued)

##### **Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

### 2.8 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

#### **Repurchase, disposal and reissue of share capital (treasury shares)**

Where share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in reserve for own shares account. Where treasury shares are subsequently reissued, sold or cancelled, the consideration received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

#### **Distribution of non-cash assets to owners of the Company**

The Company measures a liability to distribute non-cash assets as a dividend or capital return to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at each reporting date and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Company recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

### 2.9 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, development properties for sale and stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives, the recoverable amount is estimated at each reporting date, and as and when indicators of impairment are identified, an impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGU that are expected to benefit from the synergies of the combination.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2 MATERIAL ACCOUNTING POLICIES (continued)

### 2.9 Impairment of non-financial assets (continued)

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the CGU on a *pro-rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate or a joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate or a joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate or a joint venture may be impaired.

### 2.10 Employee benefits

#### Share-based payments

For equity-settled share-based payment transactions, the fair value of the services received is recognised as an expense with a corresponding increase in equity over the vesting period during which the employees become unconditionally entitled to the equity instrument. The fair value of the services received is determined by reference to the fair value of the equity instrument granted at the grant date. At each reporting date, the number of equity instruments that are expected to be vested are estimated. The impact on the revision of original estimates is recognised as an expense and as a corresponding adjustment to equity over the remaining vesting period, unless the revision to original estimates is due to market conditions. No adjustment is made if the revision or actual outcome differs from the original estimate due to market conditions. The Group recognises the effect of modification that increase the total fair value of the share-based payment arrangement. The incremental fair value granted is included in the measurement of the amount recognised for services received over the period from modification date until the date when the modified equity-settled share-based payments transactions vest.

For cash-settled share-based payment transactions, the fair value of the goods or services received is recognised as an expense with a corresponding increase in liability. The fair value of the services received is determined by reference to the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

### 2.11 Provision

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2 MATERIAL ACCOUNTING POLICIES (continued)

### 2.12 Leases

#### (i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use assets and a lease liability at the lease commitment date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use assets reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for right-of-use assets that meet the definition of investment property carried at fair value in accordance with note 2.6.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

The Group presents the right-of-use assets that do not meet the definition of investment property in "property, plant and equipment" and lease liabilities in "borrowings" in the balance sheet.

#### (ii) As a lessor

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group leases out its investment property, including own property and right-of-use assets. The Group has classified these leases as operating leases.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2 MATERIAL ACCOUNTING POLICIES (continued)

### 2.12 Leases (continued)

#### (ii) **As a lessor** (continued)

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Group recognises lease payments received from investment property under operating leases as rental income on a straight-line basis over the lease term as part of "revenue". Rental income from sub-leased property is recognised as "other income".

### 2.13 Revenue recognition

#### **Rental income**

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised as an integral part of the total rental income to be received. Contingent rentals are recognised as income in the accounting period in which they are earned.

#### **Fee income**

Fee income from provision of fund and asset management, commercial management, lodging management and administrative and support service is recognised as the services are provided.

The Group also earns performance fees from the provision of fund management services. Performance fees are for performance obligations fulfilled over time and for which consideration is variable. The fees for each applicable fund are determined in accordance with the relevant agreement which stipulates out-performance of a benchmark over a given period. Performance fee revenue is recognised to the extent that it is highly probable that the amount of variable consideration recognised will not be significantly reversed when the uncertainty is resolved.

### 2.14 Finance income and finance costs

The Group's finance income and finance costs mainly comprise interest income and interest expense. Interest income or expense is recognised in profit or loss using the effective interest rate method. Interest expense that is directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale, is capitalised.

### 2.15 Tax

Income tax expense comprises current and deferred tax expense, as well as land appreciation tax in China. Income tax expense is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2 MATERIAL ACCOUNTING POLICIES (continued)

### 2.15 Tax (continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Land appreciation tax in China relates to the tax on gains arising from the transfer of land use right and the buildings that are constructed on the land. Land appreciation tax is levied at 30% to 60% on gain from sale of landed properties with reference to the percentage of appreciated value over the deductible expenditure.

#### **Global minimum top-up tax**

The Group has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of SFRS(I) 1-12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

### 2.16 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to owners of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, and for the effects of all dilutive potential ordinary shares, which comprise share plans granted to employees.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 2 MATERIAL ACCOUNTING POLICIES (continued)

#### 2.17 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the CLI Leadership Council (the Council) that makes strategic resource allocation decisions. The Council comprises the Group Chief Executive Officer (CEO), CEOs of the business units and key management officers of the corporate office.

### 3 PROPERTY, PLANT AND EQUIPMENT

	The Group		The Company	
	2023 \$'M	2022 \$'M	2023 \$'M	2022 \$'M
Property, plant and equipment owned	943	923	32	*
Right-of-use assets classified within property, plant and equipment	369	302	97	13
	<u>1,312</u>	<u>1,225</u>	<u>129</u>	<u>13</u>

\* Less than \$1 million

#### Property, plant and equipment owned

	Note	Land and buildings \$'M	Plant, machinery and improvements \$'M	Motor vehicles \$'M	Furniture, fittings and equipment \$'M	Assets under construction \$'M	Total \$'M
<b>Cost</b>							
At 1 January 2022		648	88	11	429	4	1,180
Additions		1	1	*	20	6	28
Disposals/written off		-	(6)	*	(11)	*	(17)
Reclassification from other categories of assets	(b)	322	*	*	5	-	327
Reclassifications		1	-	-	1	(2)	-
Translation differences		(57)	(7)	(1)	(30)	-	(95)
At 31 December 2022		<u>915</u>	<u>76</u>	<u>10</u>	<u>414</u>	<u>8</u>	<u>1,423</u>
At 1 January 2023		915	76	10	414	8	1,423
Additions		10	34	*	29	22	95
Disposals/written off		(1)	(4)	*	(26)	-	(31)
Reclassification to other categories of assets	(b)	(11)	(8)	-	(4)	(1)	(24)
Reclassifications		12	-	(1)	(11)	-	-
Translation differences		1	-	-	2	-	3
At 31 December 2023		<u>926</u>	<u>98</u>	<u>9</u>	<u>404</u>	<u>29</u>	<u>1,466</u>

\* Less than \$1 million

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 3 PROPERTY, PLANT AND EQUIPMENT (continued)

#### Property, plant and equipment owned (continued)

	Note	Land and buildings \$'M	Plant, machinery and improvements \$'M	Motor vehicles \$'M	Furniture, fittings and equipment \$'M	Assets under construction \$'M	Total \$'M
<b>Accumulated depreciation and impairment loss</b>							
At 1 January 2022		98	46	11	328	-	483
Depreciation for the year	25(c)(ii)	18	9	*	37	-	64
Disposals/written off		-	(6)	*	(10)	-	(16)
Translation differences		(1)	(3)	(1)	(26)	-	(31)
At 31 December 2022		<u>115</u>	<u>46</u>	<u>10</u>	<u>329</u>	<u>-</u>	<u>500</u>
At 1 January 2023		115	46	10	329	-	500
Depreciation for the year	25(c)(ii)	23	8	*	32	-	63
Disposals/written off		-	(4)	*	(23)	-	(27)
Reclassifications to other categories of assets		(11)	(4)	-	(4)	-	(19)
Reclassifications		10	-	(1)	(9)	-	-
Translation differences		2	*	*	4	-	6
At 31 December 2023		<u>139</u>	<u>46</u>	<u>9</u>	<u>329</u>	<u>-</u>	<u>523</u>
<b>Carrying amounts</b>							
At 1 January 2022		550	42	-	101	4	697
At 31 December 2022		800	30	-	85	8	923
At 31 December 2023		<u>787</u>	<u>52</u>	<u>*</u>	<u>75</u>	<u>29</u>	<u>943</u>

\* Less than \$1 million

- (a) As at 31 December 2023, the carrying amounts of land and buildings comprise freehold land and buildings of \$458 million (2022: \$462 million) and leasehold land and buildings of \$329 million (2022: \$338 million).
- (b) The classification of lodging properties as property, plant and equipment or investment property is based on the level of ancillary services and the length of stay, amongst other factors. During the year, the Group evaluated and reclassified a lodging property in Ireland (2022: property in Singapore) from investment properties (note 5) with the plan to renovate, rebrand and operate it as a full facility hotel. The Group also reclassified three lodging properties in Singapore and Australia to assets held for sale (note 13).

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 3 PROPERTY, PLANT AND EQUIPMENT (continued)

#### Property, plant and equipment owned (continued)

	Plant, machinery and improvement \$'M	Furniture, fittings and equipment \$'M	Total \$'M
<b>The Company</b>			
<b>Cost</b>			
At 1 January 2022 and 31 December 2022	*	*	*
At 1 January 2023	*	*	*
Additions	28	4	32
At 31 December 2023	28	4	32
<b>Accumulated depreciation</b>			
At 1 January 2022 and 31 December 2022	*	*	*
At 1 January 2023	*	*	*
Depreciation for the year	*	*	*
At 31 December 2023	*	*	*
<b>Carrying amounts</b>			
At 1 January 2022 and 31 December 2022	*	*	*
At 31 December 2023	28	4	32

\* Less than \$1 million

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 3 PROPERTY, PLANT AND EQUIPMENT (continued)

#### Right-of-use assets classified within property, plant and equipment

	Note	Buildings \$'M
<b>The Group</b>		
<b>Cost</b>		
At 1 January 2022		541
Additions		61
Expiry/termination of leases		(82)
Translation differences		(37)
At 31 December 2022		483
At 1 January 2023		483
Additions		129
Expiry/termination of leases		(5)
Translation differences		(1)
At 31 December 2023		606
<b>Accumulated depreciation</b>		
At 1 January 2022		171
Depreciation for the year	25(c)(ii)	67
Expiry/termination of leases		(45)
Translation differences		(12)
At 31 December 2022		181
At 1 January 2023		181
Depreciation for the year	25(c)(ii)	60
Expiry/termination of leases		(5)
Translation differences		1
At 31 December 2023		237
<b>Carrying amounts</b>		
At 1 January 2022 <sup>^</sup>		370
At 31 December 2022 <sup>^</sup>		302
At 31 December 2023 <sup>^</sup>		369
<b>Buildings \$'M</b>		
<b>The Company</b>		
<b>Cost</b>		
At 1 January 2022 and 31 December 2022		24
At 1 January 2023		24
Additions for the year		97
At 31 December 2023		121
<b>Accumulated depreciation</b>		
At 1 January 2022		3
Depreciation for the year		8
At 31 December 2022		11
At 1 January 2023		11
Depreciation for the year		13
At 31 December 2023		24
<b>Carrying amounts</b>		
At 1 January 2022		21
At 31 December 2022		13
At 31 December 2023		97

<sup>^</sup> Right-of-use assets include motor vehicles with carrying amounts less than \$1 million as at 31 December 2022 and 31 December 2023.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 4 INTANGIBLE ASSETS

	Note	Goodwill \$'M	Management contracts <sup>®</sup> \$'M	Others <sup>^</sup> \$'M	Total \$'M
<b>The Group</b>					
<b>Cost</b>					
At 1 January 2022		746	317	253	1,316
Additions		-	25	101	126
Acquisition of subsidiary	29(b),30	49	8	-	57
Written off		-	-	(4)	(4)
Reclassification from/(to) other categories of assets		-	3	(2)	1
Translation differences		(15)	(6)	(7)	(28)
At 31 December 2022		780	347	341	1,468
At 1 January 2023		780	347	341	1,468
Additions		-	-	23	23
Acquisition of subsidiary	29(b),30	15	18	-	33
Written off		(14)	-	(60)	(74)
Reclassification to other categories of assets		-	-	(1)	(1)
Translation differences		(1)	-	(2)	(3)
At 31 December 2023		780	365	301	1,446
<b>Accumulated amortisation and impairment loss</b>					
At 1 January 2022		213	-	113	326
Amortisation for the year	25(c)(ii)	-	1	14	15
Written off		-	-	(4)	(4)
Translation differences		(11)	-	-	(11)
At 31 December 2022		202	1	123	326
At 1 January 2023		202	1	123	326
Amortisation for the year	25(c)(ii)	-	2	17	19
Written off		(14)	-	(60)	(74)
Translation differences		(1)	-	(1)	(2)
At 31 December 2023		187	3	79	269
<b>Carrying amounts</b>					
At 1 January 2022		533	317	140	990
At 31 December 2022		578	346	218	1,142
At 31 December 2023		593	362	222	1,177

<sup>®</sup> Includes franchise agreements from the lodging platform.

<sup>^</sup> Others comprise trademarks, software and licences and club memberships. The additions for 2022 mainly relate to the purchase of trademark of a lodging platform.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 4 INTANGIBLE ASSETS (continued)

### (a) Impairment test for goodwill

The key assumptions used in the estimation of the recoverable amount are set below:

	← Key assumptions →					
	Terminal growth rates		Discount rates		Carrying Value	
	2023 %	2022 %	2023 %	2022 %	2023 \$'M	2022 \$'M
The Ascott Limited (Ascott)	1.1	0.5	6.9	6.3	417	417
Synergy Global Housing	2.4	2.0	11.0	12.0	5	5
TAUZIA Hotel Management (TAUZIA)	3.1	3.0	11.5	15.5	10	10
QSA Group Pty Ltd (QSA Group)	1.7	1.7	9.5	12.0	48	48
Oakwood Worldwide (Asia) Pte. Ltd. (Oakwood)	2.4	2.0	10.0	12.5	49	49
Quest Apartment Hotels (NZ) Limited (Quest NZ)	2.0	-	13.0	-	15	-
Ascendas-Singbridge (ASB)	1.0	1.0	6.9	6.3	49	49
As at 31 December					593	578

### Ascott, Synergy Global Housing, TAUZIA, QSA Group, Oakwood and Quest NZ

The recoverable amounts of the CGUs are determined based on value in use calculations. The value in use calculation is a discounted cash flow model using cash flow projections based on the most recent forecasts approved by management covering three to ten years. The discounted cash flow models also took into account the probability of changes to cashflow projection. Cash flows beyond these periods are extrapolated using the estimated terminal growth rates stated in the table above. The discount rates applied are the weighted average cost of capital from the relevant business segments. The key assumptions are those relating to expected changes in average rental, occupancy rates, direct costs and market volatility affecting weighted average cost of capital. The terminal growth rates used for each CGU are based on management's expectation of the long-term average growth rates of the respective industry and countries in which the CGUs operate. Management has assessed that the recoverable amount to be higher than its carrying amount.

As disclosed in note 30, goodwill of \$15 million was recorded on the acquisition of Quest NZ in August 2023.

### ASB

The recoverable amount of the CGU is determined based on value in use calculations. The value in use calculation is a discounted cash flow model using cash flow projections based on the most recent forecasts approved by management covering ten years. Cash flows beyond the third year are extrapolated using the estimated terminal growth rate of 1.0% (2022: 1.0%). The discount rate of 6.9% (2022: 6.3%) is applied using the weighted average cost of capital from the relevant business segment. Management has assessed that the recoverable amount to be higher than its carrying amount.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 4 INTANGIBLE ASSETS (continued)

### (b) Impairment test for management contracts

These mainly relate to the management contracts entered into between subsidiary companies and CapitaLand Ascendas REIT and CapitaLand India Trust. These contracts are deemed to have indefinite useful lives and are measured at cost less accumulated impairment losses.

The recoverable amount of the CGU is determined based on value in use calculations. Cash flow projections are based on forecast using discount rates of 6.0% to 8.0% (2022: 8.0% to 9.3%) and growth rates of 1.0% (2022: 1.0%) covering a ten-year period and beyond. The forecast is reviewed, updated and approved by management on an annual basis. The Group has assessed and determined that no impairment in the value of management contracts has arisen.

## 5 INVESTMENT PROPERTIES

	Note	The Group	
		2023 \$'M	2022 \$'M
At 1 January		14,706	16,249
Acquisition of subsidiaries	29(b)	-	220
Disposal of subsidiaries	29(d)	(181)	(1,646)
Additions		506	1,273
Disposals		(110)	(36)
Reclassification to assets held for sale	13	(731)	(352)
Reclassification from development properties for sale		36	-
Reclassification to property, plant and equipment		(69)	(327)
Changes in fair value	25(a), 25(c)(iii)	(257)	250
Translation differences		(328)	(925)
At 31 December		13,572	14,706

- (a) Investment properties, which include those in the course of development, are stated at fair value based on independent professional 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 each acted knowledgeably 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, comparable market price, occupancy rate and gross development costs.

The carrying amounts of the investment properties at reporting dates were based on valuations performed by the independent external valuers. The valuers had considered valuation techniques including the direct comparison method, capitalisation approach, discounted cash flows and residual method in arriving at the open market value as at the reporting date.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. In the residual method of valuation, the total gross development costs and developer's profit are deducted from the gross development value to arrive at the residual value of land. The gross development value is the estimated value of the property assuming satisfactory completion of the development as at the date of valuation. Details of valuation methods and key assumptions used to estimate the fair values of investment properties are set out in note 31.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 5 INVESTMENT PROPERTIES (continued)

Due to the uncertain future impact that the geopolitical events and macroeconomic factors such as global inflationary pressures and rising interest rates might have on the real estate market, the carrying amounts of the investment properties were current as at 31 December 2023 only. Values for certain properties may change more rapidly and significantly than during normal market conditions.

- (b) The Group's investment properties which are classified under Level 3 in the fair value hierarchy are analysed below:

	Retail \$'M	Office \$'M	Integrated development \$'M	Lodging \$'M	Business park, industrial, logistics and data centre \$'M	Total \$'M
<b>The Group</b>						
<b>31 December 2023</b>						
Singapore	-	-	-	848	194	1,042
China (includes Hong Kong)	321	745	531	287	1,109	2,993
Others*	1,410	46	-	7,727	354	9,537
	1,731	791	531	8,862	1,657	13,572
<b>31 December 2022</b>						
Singapore	-	-	-	912	204	1,116
China (includes Hong Kong)	441	1,214	561	330	1,278	3,824
Others*	1,307	51	141	7,637	630	9,766
	1,748	1,265	702	8,879	2,112	14,706

\* Others include countries in Asia (excluding Singapore and China), Europe, the United Kingdom, the United States of America and Australia.

- (c) As at 31 December 2023, investment properties valued at \$611 million (2022: \$1,053 million) were under development.
- (d) As at 31 December 2023, certain investment properties with carrying value of approximately \$7,008 million (2022: \$8,166 million) were mortgaged to banks to secure credit facilities (notes 16 and 17).
- (e) Investment properties of the Group are held mainly for use by tenants under operating leases. Minimum lease payments receivable under non-cancellable operating leases of investment properties and not recognised in the financial statements are as follows:

	2023 \$'M	2022 \$'M
Lease rentals receivable:		
Less than 1 year	319	316
Between 1 and 5 years	455	479
More than 5 years	255	295
	1,029	1,090

- (f) Contingent rents, representing income based on sales turnover achieved by tenants, amounted to \$13 million for the year ended 31 December 2023 (2022: \$13 million).

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 5 INVESTMENT PROPERTIES (continued)

- (g) As at 31 December 2023, the right-of-use of the land and buildings that are classified within investment properties had a carrying amount of \$303 million (2022: \$305 million).
- (h) As at 31 December 2023, the investment properties that are freehold and leasehold were valued at \$7,577 million (2022: \$8,043 million) and \$5,995 million (2022: \$6,663 million) respectively.

### 6 SUBSIDIARIES

	The Company	
	2023 \$'M	2022 \$'M
(a) Unquoted shares, at cost	6,920	6,918
Less:		
Allowance for impairment loss	(277)	(45)
	6,643	6,873
Add:		
Amounts due from subsidiaries, at amortised cost:		
Loan accounts		
- interest free	4,303	4,295
	10,946	11,168

- (i) Loans due from subsidiaries are unsecured and not expected to be repaid within the next twelve months.
- (ii) Movements in allowance for impairment loss were as follows:

	The Company	
	2023 \$'M	2022 \$'M
At 1 January	(45)	(37)
Allowance during the year	(232)	(8)
At 31 December	(277)	(45)

During the year ended 31 December 2023, the Company carried out a review of the recoverable amount of its investment in subsidiaries and recognised an impairment loss of \$232 million (2022: \$8 million) in respect of its investment in subsidiaries. The impairment loss for the year was mainly in relation to a subsidiary whose net assets declined considerably as of the reporting date following dividends payment to the Company, in preparation of its liquidation.

- (iii) The recoverable amounts of the relevant subsidiaries were estimated based on the net assets of the subsidiaries as at the reporting date and approximates their fair values. The fair value measurement is categorised as Level 3 in the fair value hierarchy.
- (iv) The Company's exposure to credit risk on the amounts due from subsidiaries is disclosed in note 32.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 6 SUBSIDIARIES (continued)

- (b) The significant subsidiaries directly and indirectly held by the Company, which are incorporated and conducting business in the Republic of Singapore, are as set out below:

Name of Company	Effective interest	
	2023 %	2022 %
CapitaLand Business Services Pte. Ltd.	100	100
CLI India Pte. Ltd.	100	100
CLI International Pte. Ltd.	100	100
CapitaLand Mall Asia Limited <sup>1</sup>	100	100
CLI FM Pte. Ltd.	100	100
CLI PE Pte. Ltd.	100	100
CLI Singapore Pte. Ltd.	100	100
CLI Treasury Limited	100	100
The Ascott Limited	100	100

All the above subsidiaries are audited by KPMG LLP Singapore.

<sup>1</sup> Includes 15.2% (2022: 15.2%) interest indirectly held through CapitaLand Business Services Pte. Ltd..

- (c) The Group manages the following listed real estate investment trusts/business trusts (REITs):
- CapitaLand Ascendas REIT (CLAR)
  - CapitaLand Ascott Trust (CLAS)
  - CapitaLand China Trust (CLCT)
  - CapitaLand India Trust (CLINT)
  - CapitaLand Integrated Commercial Trust (CICT)
  - CapitaLand Malaysia Trust (CLMT)
- collectively referred to as CLI REITs.

Determining whether the Group has control over the REITs it manages requires management judgement. In exercising its judgement, management considers the proportion of its ownership interest and voting rights, the REIT managers' decision making authority over the REITs as well as the Group's overall exposure to variable returns, both from the REIT managers' remuneration and their interests in the REITs.

The Group assesses that it controls CLMT and CLAS (collectively referred to as Consolidated REITs), although the Group owns less than half of the ownership interest and voting power of the Consolidated REITs. CLAS is a stapled group comprising CapitaLand Ascott Real Estate Investment Trust and CapitaLand Ascott Business Trust.

The activities of the Consolidated REITs are managed by the Group's wholly-owned subsidiaries, namely CapitaLand Malaysia REIT Management Sdn Bhd and CapitaLand Ascott Trust Management Limited and CapitaLand Ascott Business Trust Management Pte. Ltd. (collectively referred to as REIT Managers). REIT Managers have decision-making authority over the Consolidated REITs, subject to oversight by the trustee of the respective Consolidated REITs. The Group's overall exposure to variable returns, both from the REIT Managers' remuneration and the interests in the Consolidated REITs, is significant and any decisions made by the REIT Managers affect the Group's overall exposure to variable returns.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 6 SUBSIDIARIES (continued)

(d) The following subsidiary of the Group has material non-controlling interests (NCI):

Name of Subsidiary	Principal place of business	Effective interest held by NCI	
		2023 %	2022 %
CapitaLand Ascott Trust (CLAS) <sup>1</sup>	Asia Pacific, Europe and the United States of America	71.7	62.5

<sup>1</sup> Indirectly held through The Ascott Limited. Audited by KPMG LLP Singapore.

The following table summarises the financial information of CLAS, based on its consolidated financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The information is before inter-company eliminations with other entities in the Group.

	CLAS \$'M	Other subsidiaries with individually immaterial NCI \$'M	Total \$'M
<b>31 December 2023</b>			
Revenue	745		
Profit after tax	230		
Other comprehensive income	46		
Total comprehensive income	276		
Attributable to NCI:			
- Profit	164	(12)	152
- Total comprehensive income	197	(76)	121
Current assets	857		
Non-current assets	7,873		
Current liabilities	(941)		
Non-current liabilities	(2,960)		
Net assets	4,829		
Net assets attributable to NCI	3,596	284	3,880
Cash flows from:			
- Operating activities	301		
- Investing activities	(297)		
- Financing activities <sup>1</sup>	64		
Net increase in cash and cash equivalents	68		

<sup>1</sup> Includes dividends paid to NCI.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 6 SUBSIDIARIES (continued)

	CLAS \$'M	Other subsidiaries with individually immaterial NCI \$'M	Total \$'M
<b>31 December 2022</b>			
Revenue	621		
Profit after tax	226		
Other comprehensive income	(161)		
Total comprehensive income	65		
Attributable to NCI:			
- Profit	142	67	209
- Total comprehensive income	40	(53)	(13)
Current assets	502		
Non-current assets	7,522		
Current liabilities	(671)		
Non-current liabilities	(2,908)		
Net assets	4,445		
Net assets attributable to NCI	2,957	443	3,400
Cash flows from:			
- Operating activities	282		
- Investing activities	(309)		
- Financing activities <sup>1</sup>	71		
Net increase in cash and cash equivalents	44		

<sup>1</sup> Includes dividends paid to NCI.

CLAS is regulated by the Monetary Authority of Singapore and is supervised by the Singapore Exchange Securities Trading Limited for compliance with the Singapore Listing Rules. Under the regulatory framework, transactions between the Group and CLAS are subject to review by CLAS's trustee and significant transactions must be approved by a majority of votes by the holders of units in CLAS at a meeting of unitholders.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 7 ASSOCIATES

	Note	The Group	
		2023 \$'M	2022 \$'M
(a) Investment in associates		10,218	10,404
Add:			
Amounts due from associates, at amortised cost:	(i)		
Loan accounts- interest free		13	13
Loan accounts- interest bearing	b(i)	-	*
		<u>10,231</u>	<u>10,417</u>

\* Less than \$1 million

(i) These are shareholder loans provided to associates which are unsecured and not expected to be repaid within the next twelve months.

	Note	The Group		The Company	
		2023 \$'M	2022 \$'M	2023 \$'M	2022 \$'M
(b) Amounts due from associates:					
Current accounts (unsecured)					
- interest free (trade)		164	170	*	-
- interest free (non-trade)		36	32	-	-
Presented in trade and other receivables	12	<u>200</u>	<u>202</u>	*	-
Non-current loans (unsecured)					
- interest free		4	4	-	-
- interest bearing	i	<u>172</u>	<u>70</u>	-	-
Presented in other non-current assets	10	<u>176</u>	<u>74</u>	-	-

\* Less than \$1 million

(i) The effective interest rates for interest-bearing amounts due from associates ranged from 4.20% to 5.50% (2022: 2.70% to 5.50%) per annum as at 31 December 2023.

(ii) The Group's exposure to credit and currency risks, and impairment losses for trade and other receivables from associates, are disclosed in note 32.

	Note	The Group		The Company	
		2023 \$'M	2022 \$'M	2023 \$'M	2022 \$'M
(c) Amounts due to associates:					
Current accounts (mainly non-trade and unsecured)					
- interest free		9	9	1	1
Presented in trade and other payables	15	<u>9</u>	<u>9</u>	<u>1</u>	<u>1</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 7 ASSOCIATES (continued)

(d) The following are the material associates of the Group:

Name of Company	Nature of relationship with the Group	Principal place of business	Effective interest	
			2023 %	2022 %
CapitaLand Integrated Commercial Trust (CICT) <sup>1</sup>	Singapore-based REIT which invests in shopping malls and commercial properties in Singapore, Australia and Europe	Singapore	23.1	22.9
CapitaLand Ascendas REIT (CLAR) <sup>2</sup>	Singapore-based REIT which invests in industrial properties and business parks in Singapore, Australia, the United States of America, Europe and the United Kingdom	Singapore	17.5	18.2

<sup>1</sup> Audited by KPMG LLP Singapore.

<sup>2</sup> Audited by Ernst & Young LLP Singapore.

Management assessed the extent of the Group's control over CICT and CLAR, taking into consideration that the REITs are managed by wholly-owned subsidiaries of the Group, the Group's effective stake in the respective REITs and the returns (both marginal and absolute returns) generated from its investment in and management of both REITs. Management concluded that the Group does not have sufficient control over CICT and CLAR and therefore accounts for its investment in CICT and CLAR as associates.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 7 ASSOCIATES (continued)

The following summarises the financial information of the Group's material associates based on their respective consolidated financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The table also includes summarised aggregate financial information for the Group's interest in other individually immaterial associates, based on the amounts reported in the Group's consolidated financial statements.

	CICT \$'M	CLAR \$'M	Other individually immaterial associates \$'M	Total \$'M
<b>31 December 2023</b>				
Revenue <sup>1</sup>	1,560	1,480		
Profit after tax	869	178		
Other comprehensive income	(74)	(67)		
Total comprehensive income	795	111		
Attributable to:				
- NCI	6	-		
- Associate's shareholders	789	111		
	795	111		
<sup>1</sup> Relates to rental and related income from investment properties.				
Current assets	195	377		
Non-current assets	24,545	17,893		
Current liabilities	(1,454)	(1,603)		
Non-current liabilities	(8,884)	(6,446)		
Net assets	14,402	10,221		
Attributable to:				
- NCI	202	299		
- Associate's shareholders	14,200	9,922		
Carrying amount of interest in associate at beginning of the year	3,217	2,339		
Group's share of:				
- Profit	201	34	(29)	206
- Other comprehensive income	(17)	(12)	(106)	(135)
- Total comprehensive income	184	22	(135)	71
Dividends received during the year	(163)	(119)		
Additions during the year	43	17		
Translation and other adjustments	(5)	(11)		
Carrying amount of interest in associate at end of the year	3,276	2,248	4,707	10,231
Fair value of effective ownership interest (if listed) <sup>^</sup>	3,170	2,329		

<sup>^</sup> Based on the quoted market price as at 31 December 2023.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 7 ASSOCIATES (continued)

	CICT \$'M	CLAR \$'M	Other individually immaterial associates \$'M	Total \$'M
<b>31 December 2022</b>				
Revenue <sup>1</sup>	1,442	1,353		
Profit after tax	726	760		
Other comprehensive income	(6)	(129)		
Total comprehensive income	720	631		
Attributable to:				
- NCI	3	-		
- Associate's shareholders	717	631		
	720	631		
<sup>1</sup> Relates to rental and related income from investment properties.				
Current assets	329	363		
Non-current assets	24,338	17,513		
Current liabilities	(1,605)	(1,302)		
Non-current liabilities	(8,782)	(6,308)		
Net assets	14,280	10,266		
Attributable to:				
- NCI	206	299		
- Associate's shareholders	14,074	9,967		
Carrying amount of interest in associate at beginning of the year	3,082	2,333		
Group's share of:				
- Profit	165	136	124	425
- Other comprehensive income	1	(26)	(373)	(398)
- Total comprehensive income	166	110	(249)	27
Dividends received during the year	(84)	(117)		
Additions during the year	54	22		
Translation and other adjustments	(1)	(9)		
Carrying amount of interest in associate at end of the year	3,217	2,339	4,861	10,417
Fair value of effective ownership interest (if listed) <sup>^</sup>	3,095	2,091		

<sup>^</sup> Based on the quoted market price as at 31 December 2022.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 8 JOINT VENTURES

	Note	The Group	
		2023 \$'M	2022 \$'M
(a) Investment in joint ventures		2,441	2,350
Less:			
Allowance for impairment loss	(i)	(9)	(8)
		<u>2,432</u>	<u>2,342</u>
Add:			
Amounts due from joint ventures, at amortised cost:			
Loan accounts	(ii)		
- interest free		377	390
- interest bearing		16	16
		<u>393</u>	<u>406</u>
Less:			
Allowance for impairment loss on receivables	32	(13)	(13)
		<u>380</u>	<u>393</u>
		<u>2,812</u>	<u>2,735</u>

(i) Movements in allowance for impairment loss were as follows:

	Note	The Group	
		2023 \$'M	2022 \$'M
At 1 January		(8)	(8)
Allowance during the year	25(c)(iii)	(1)	*
Translation differences		*	-
At 31 December		<u>(9)</u>	<u>(8)</u>

\* Less than \$1 million

- (ii) These are shareholder loans provided to joint ventures which are unsecured and not expected to be repaid within the next twelve months.
- (iii) As at 31 December 2023, the effective interest rates for the interest-bearing loans to joint ventures ranged from 4.25% to 6.50% (2022: 4.25% to 6.50%) per annum.
- (iv) As at 31 December 2023, shareholder loans due from joint ventures include an amount of approximately \$211 million (2022: \$214 million), the repayment of which is subordinated to that of the external borrowings of these joint ventures.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 8 JOINT VENTURES (continued)

	Note	The Group		The Company	
		2023 \$'M	2022 \$'M	2023 \$'M	2022 \$'M
(b) Amounts due from joint ventures:					
Current accounts (unsecured)					
- interest free (trade)		47	48	*	-
- interest free (non-trade)		203	244	*	-
- interest bearing (mainly non-trade)		4	5	-	-
		<u>254</u>	<u>297</u>	<u>*</u>	<u>-</u>
Less:					
Allowance for impairment loss on receivables	32	(28)	(28)	-	-
Presented in trade and other receivables	12	<u>226</u>	<u>269</u>	<u>*</u>	<u>-</u>
Non-current accounts (unsecured)					
- interest free (non-trade)		19	-	-	-
Presented in other non-current assets	10	<u>19</u>	<u>-</u>	<u>-</u>	<u>-</u>

\* Less than \$1 million

- (i) As at 31 December 2023, the effective interest rate for interest-bearing amounts due from joint ventures is 1.80% (2022: 1.80%) per annum.
- (ii) The Group's exposure to credit and currency risks, and impairment losses for trade and other receivables, are disclosed in note 32.

	Note	The Group	
		2023 \$'M	2022 \$'M
(c) Amounts due to joint ventures:			
Current accounts (unsecured)			
- interest free (mainly non-trade)		30	51
- interest bearing (non-trade)		49	51
Presented in trade and other payables	15	<u>79</u>	<u>102</u>

As at 31 December 2023, the effective interest rate for interest-bearing amounts due to joint ventures range from 3.00% to 5.25% (2022: 3.70% to 5.25%) per annum.

(d) The following are the material joint ventures of the Group:

Name of Company	Nature of relationship with the Group	Principal place of business	Effective interest	
			2023 %	2022 %
Orchard Turn Holding Pte Ltd (OTH) <sup>1</sup>	Owner of an integrated development in Singapore	Singapore	50.0	50.0
CapitaLand Shanghai Malls <sup>2,3</sup>	Owner of two integrated developments in China	China	65.0 to 73.0	65.0 to 73.0

<sup>1</sup> Audited by KPMG LLP Singapore.

<sup>2</sup> Audited by other member firms of KPMG International.

<sup>3</sup> CapitaLand Shanghai Malls comprised two joint ventures namely, Ever Bliss International Limited and Full Grace Enterprises Limited which is each 50% held through the Group's wholly-owned subsidiary, CapitaLand Mall Asia Limited. The Group accounts for its 50% stake as joint ventures while the remaining effective stakes of 15% to 23% are held through its associates, CapitaLand Mall China Income Fund I and CapitaLand Mall China Income Fund II.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 8 JOINT VENTURES (continued)

The following summarises the financial information of each of the Group's material joint ventures based on their respective consolidated financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The table also includes summarised financial information for the Group's interest in immaterial joint ventures, based on the amounts reported in the Group's consolidated financial statements.

	OTH \$'M	CapitaLand Shanghai Malls \$'M	Other individually immaterial joint ventures \$'M	Total \$'M
<b>31 December 2023</b>				
Revenue <sup>1</sup>	263	118		
Profit/(Loss) after tax <sup>2</sup>	207	(118)		
Other comprehensive income	(22)	(44)		
Total comprehensive income	185	(162)		
<sup>1</sup> Relates to rental and related income from investment properties.				
<sup>2</sup> Includes:				
- depreciation and amortisation	(3)	*		
- interest income	6	6		
- interest expense	(54)	(69)		
- tax (expense)/income	(24)	8		
Current assets <sup>3</sup>	165	242		
Non-current assets	3,392	2,504		
Current liabilities <sup>4</sup>	(72)	(69)		
Non-current liabilities <sup>5</sup>	(1,657)	(1,192)		
Net assets	1,828	1,485		
<sup>3</sup> Includes cash and cash equivalents				
<sup>4</sup> Includes current financial liabilities (excluding trade and other payables and provisions)				
<sup>5</sup> Includes non-current financial liabilities (excluding trade and other payables and provisions)				
Carrying amount of interest in joint venture at beginning of the year	882	604		
Group's share of:				
- Profit/(Loss)	104	(59)	22	67
- Other comprehensive income	(11)	(22)	(6)	(39)
- Total comprehensive income	93	(81)	16	28
Dividends received during the year	(60)	-		
Translation and other adjustments	-	(8)		
Shareholders loans	915	515		
Carrying amount of interest in joint venture at end of the year	915	743	1,154	2,812

\* Less than \$1 million

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 8 JOINT VENTURES (continued)

	OTH \$'M	CapitaLand Shanghai Malls \$'M	Other individually immaterial joint ventures \$'M	Total \$'M
<b>31 December 2022</b>				
Revenue <sup>1</sup>	255	125		
Profit/(Loss) after tax <sup>2</sup>	150	(22)		
Other comprehensive income	40	(208)		
Total comprehensive income	190	(230)		
<sup>1</sup> Relates to rental and related income from investment properties.				
<sup>2</sup> Includes:				
- depreciation and amortisation	(3)	*		
- interest income	2	7		
- interest expense	(38)	(45)		
- tax expense	(27)	(16)		
Current assets <sup>3</sup>	189	340		
Non-current assets	3,294	2,731		
Current liabilities <sup>4</sup>	(42)	(850)		
Non-current liabilities <sup>5</sup>	(1,681)	(550)		
Net assets	1,760	1,671		
<sup>3</sup> Includes cash and cash equivalents				
<sup>4</sup> Includes current financial liabilities (excluding trade and other payables and provisions)				
<sup>5</sup> Includes non-current financial liabilities (excluding trade and other payables and provisions)				
Carrying amount of interest in joint venture at beginning of the year	846	716		
Group's share of:				
- Profit/(loss)	75	(11)	42	106
- Other comprehensive income	20	(109)	(60)	(149)
- Total comprehensive income	95	(120)	(18)	(43)
Dividends received during the year	(59)	-		
Translation and other adjustments	-	8		
Shareholder loans	882	604		
Carrying amount of interest in joint venture at end of the year	882	835	1,018	2,735

\* Less than \$1 million

(e) As at 31 December 2023, the Group's share of the capital commitments of the joint ventures is \$415 million (2022: \$501 million).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 9 DEFERRED TAX

The movements in the deferred tax assets and liabilities were as follows:

	At 1/1/2023 \$'M	Recognised in profit or loss \$'M	Acquisition/ Disposal of subsidiaries \$'M	Transferred to liabilities held for sale \$'M	Translation differences \$'M	At 31/12/2023 \$'M
<b>The Group</b>		(Note 26)		(Note 13)		
<b>Deferred tax liabilities</b>						
Accelerated tax depreciation	8	2	-	-	*	10
Accrued income and interest receivable	6	*	-	-	*	6
Fair value adjustments arising from a business combination	90	-	5	-	(4)	91
Fair value changes of investment properties	338	(23)	-	(14)	(7)	294
Unremitted earnings	69	6	-	-	(1)	74
Right-of-use assets	-	178	-	-	*	178
Others	32	2	-	-	*	34
<b>Total</b>	<b>543</b>	<b>165</b>	<b>5</b>	<b>(14)</b>	<b>(12)</b>	<b>687</b>
<b>Deferred tax assets</b>						
Unutilised tax losses	(11)	2	-	-	*	(9)
Provisions and expenses	(43)	1	-	-	1	(41)
Deferred income	(1)	(1)	-	-	1	(1)
Lease liabilities	-	(193)	-	-	*	(193)
Others	(8)	1	-	-	*	(7)
<b>Total</b>	<b>(63)</b>	<b>(190)</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>(251)</b>
	At 1/1/2022 \$'M	Recognised in profit or loss \$'M	Acquisition/ Disposal of subsidiaries \$'M	Transferred to liabilities held for sale \$'M	Translation differences \$'M	At 31/12/2022 \$'M
<b>The Group</b>		(Note 26)		(Note 13)		
<b>Deferred tax liabilities</b>						
Accelerated tax depreciation	15	(6)	-	(1)	*	8
Accrued income and interest receivable	4	2	-	-	*	6
Fair value adjustments arising from a business combination	101	-	1	-	(12)	90
Fair value changes of investment properties	341	85	(30)	(39)	(19)	338
Unremitted earnings	53	16	-	-	*	69
Others	24	9	-	-	(1)	32
<b>Total</b>	<b>538</b>	<b>106</b>	<b>(29)</b>	<b>(40)</b>	<b>(32)</b>	<b>543</b>
<b>Deferred tax assets</b>						
Unutilised tax losses	(4)	(8)	-	-	1	(11)
Provisions and expenses	(46)	(1)	-	-	4	(43)
Deferred income	*	(1)	-	-	*	(1)
Others	(8)	(3)	-	-	3	(8)
<b>Total</b>	<b>(58)</b>	<b>(13)</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>(63)</b>

\* Less than \$1 million

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 9 DEFERRED TAX (continued)

	At 1/1/2023 \$'M	Recognised in profit or loss \$'M	At 31/12/2023 \$'M
<b>The Company</b>			
<b>Deferred tax liabilities</b>			
Right-of-use assets	-	17	17
<b>Total</b>	<b>-</b>	<b>17</b>	<b>17</b>
<b>Deferred tax assets</b>			
Lease liabilities	-	(17)	(17)
<b>Total</b>	<b>-</b>	<b>(17)</b>	<b>(17)</b>

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. The following amounts, determined after appropriate offsetting, are shown on the balance sheets:

	Gross Amount \$'M	The Group Offset \$'M	Net Amount \$'M
<b>31 December 2023</b>			
Deferred tax liabilities	687	(179)	508
Deferred tax assets	(251)	179	(72)
<b>31 December 2023</b>			
Deferred tax liabilities	17	(17)	-
Deferred tax assets	(17)	17	*

\* Less than \$1 million

There were no offset of deferred tax liabilities and assets as of 31 December 2022.

As at 31 December 2023, deferred tax liabilities amounting to \$13 million (2022: \$11 million) had not been recognised for taxes that would be payable on the undistributed earnings of certain subsidiaries as these earnings would not be distributed in the foreseeable future.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 9 DEFERRED TAX (continued)

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The Group has not recognised deferred tax assets in respect of the following:

	The Group	
	2023 \$'M	2022 \$'M
Deductible temporary differences	48	42
Tax losses	1,089	1,124
Unutilised capital allowances	16	11
	<u>1,153</u>	<u>1,177</u>

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the subsidiaries of the Group can utilise the benefits.

Temporary differences would expire in the following periods:

Expiry period	The Group	
	2023 \$'M	2022 \$'M
No expiry	676	659
Not later than 1 year	64	26
Between 1 and 5 years	371	431
After 5 years	42	61
	<u>1,153</u>	<u>1,177</u>

### 10 OTHER NON-CURRENT/CURRENT ASSETS

#### (a) Other non-current assets

	Note	The Group	
		2023 \$'M	2022 \$'M
Equity investments at FVTPL		103	114
Equity investments at FVOCI		48	67
Derivative financial instruments		89	114
Loans due from:			
- associates	7(b), (i)	176	74
- joint ventures (interest free)	8(b)	19	-
- investee (interest free)		18	18
Loans to credit customers	(ii)	16	-
Other receivables		32	6
Deposits		7	6
Prepayments		2	2
		<u>510</u>	<u>401</u>

(i) The effective interest rate for interest-bearing amounts due from associates ranged from 4.20% to 5.50% (2022: 4.30% to 5.50%) per annum as at 31 December 2023.

(ii) The effective interest rate for interest-bearing loans to credit customers ranged from 6.13% to 13.36% (2022: nil) per annum as at 31 December 2023.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 10 OTHER NON-CURRENT/CURRENT ASSETS (continued)

#### (b) Other current assets

	The Group	
	2023 \$'M	2022 \$'M
Derivative financial instruments	39	70

### 11 DEVELOPMENT PROPERTIES FOR SALE

	The Group	
	2023 \$'M	2022 \$'M
Completed development properties, at cost	213	260
Allowance for foreseeable losses	(16)	(17)
Total development properties for sale	<u>197</u>	<u>243</u>

(a) The Group makes allowance for foreseeable losses by applying its experience in estimating the net realisable values of completed units and properties under development. References were made to comparable properties, timing of sale launches, location of property, management's expected net selling prices and estimated development expenditure. Market conditions may, however, change which may affect the future selling prices of the remaining unsold units of the development properties and accordingly, the carrying value of development properties for sale may have to be written down in future periods.

(b) Movements in allowance for foreseeable losses in respect of development properties for sale were as follows:

	The Group	
	2023 \$'M	2022 \$'M
At 1 January	(17)	(18)
Translation differences	1	1
At 31 December	<u>(16)</u>	<u>(17)</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 12 TRADE AND OTHER RECEIVABLES

	Note	The Group		The Company	
		2023 \$'M	2022 \$'M	2023 \$'M	2022 \$'M
Trade receivables		251	286	*	*
Less:					
Allowance for impairment loss on receivables	32	(39)	(51)	-	-
		212	235	*	*
Deposits		18	20	*	*
Other receivables	(a)	159	174	2	4
Less:					
Allowance for impairment loss on receivables	32	(16)	(16)	-	-
		143	158	2	4
Tax recoverable		13	13	-	-
Amounts due from:					
- associates	7(b)	200	202	*	-
- joint ventures	8(b)	226	269	*	-
- non-controlling interests		1	-	-	-
- related corporations					
<u>current accounts</u>					
- interest free (trade)	(b)	71	73	9	8
- subsidiaries					
<u>current accounts</u>					
- interest free (trade)	(b)	-	-	78	45
- interest free (non-trade)	(b)	-	-	46	41
<u>loans (unsecured)</u>					
- interest bearing		-	-	700	616
<u>less:</u>					
- allowance for impairment loss on receivables		-	-	(16)	(16)
		-	-	808	686
Loans and receivables		884	970	819	698
Prepayments		55	55	*	2
		939	1,025	819	700

\* Less than \$1 million

- (a) Other receivables include consideration receivable of \$22 million (2022: \$42 million) from the divestment of associates.
- (b) Amounts due from related corporations and subsidiaries are unsecured and repayable on demand.
- (c) The Group's exposure to credit and currency risks, and impairment losses for trade and other receivables, are disclosed in note 32.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 13 ASSETS/LIABILITIES HELD FOR SALE

	Note	The Group	
		2023 \$'M	2022 \$'M
Property, plant and equipment		75	-
Investment properties	5, 31(d)(i)	731	352
Other non-current assets		-	11
Trade and other receivables		1	23
Cash and cash equivalents		5	29
		812	415
Trade and other payables		5	53
Borrowings	16(e)	234	21
Current tax payable		-	4
Deferred tax liabilities	9	14	40
Other non-current liabilities		1	-
		254	118

Details of assets and liabilities held for sale are as follows:

#### 2023

- (a) On 6 November 2023, the Group's subsidiary, CLAS announced the divestment of two hotel properties, Courtyard by Marriott Sydney-North Ryde and Novotel Sydney Parramatta to an unrelated third party, for a total consideration of AUD109 million (\$96 million). Accordingly, the assets comprising mainly property, plant and equipment were reclassified to assets held for sale as at 31 December 2023. The divestment of Courtyard by Marriott Sydney-North Ryde was subsequently completed in January 2024, while divestment of Novotel Sydney Parramatta is expected to be completed in 3Q 2024.
- (b) On 18 December 2023, CLAS announced the divestment of three hotels in Osaka, Japan, namely Hotel WBF Honmachi, Hotel WBF Kitasemba East and Hotel WBF Kitasemba West to an unrelated third party, for a total consideration of JPY10.7 billion (\$100 million). Accordingly, the assets comprising mainly investment properties were reclassified to assets held for sale as at 31 December 2023. The divestment of the three properties was completed in March 2024.
- (c) On 12 December 2023, a wholly-owned subsidiary of the Group entered into a sale and purchase agreement to divest its 95% stake in the company which hold the property Capital Square Beijing to an external investor. Post divestment, the Group continues to hold the remaining 5% stake in the company. Accordingly, all assets and liabilities held by the company were reclassified to assets held for sale and liabilities held for sale respectively as at 31 December 2023. The divestment of Capital Square Beijing was completed in January 2024.
- (d) Pursuant to the planned divestment of a logistics centre in Osaka, Japan, to a core logistics Japan fund, the investment property was reclassified to assets held for sale as at 31 December 2023. The divestment was completed in January 2024 and the Group continues to hold a 2.7% stake in the property through its investment in the fund.
- (e) Pursuant to the planned divestment of Citadines Mount Sophia Singapore, the assets comprising mainly investment property were reclassified to assets held for sale as at 31 December 2023. The divestment was completed on 1 March 2024.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 13 ASSETS/LIABILITIES HELD FOR SALE (continued)

#### 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 78.5% and 21.5% shareholdings 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 AIPP were reclassified to assets held for sale and liabilities held for sale respectively as at 31 December 2022.
- (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 the 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.

### 14 CASH AND CASH EQUIVALENTS

	Note	The Group		The Company	
		2023 \$'M	2022 \$'M	2023 \$'M	2022 \$'M
Fixed deposits		1,128	1,260	-	-
Cash at banks and in hand		1,332	1,408	19	22
Cash and cash equivalents	20	2,460	2,668	19	22
Restricted bank deposits	(a)	(21)	(44)		
Cash and cash equivalents in the statement of cash flows		2,439	2,624		

- (a) These are deposits placed in escrow account for bank balances of certain subsidiaries pledged in relation to banking facilities and bank balances relating to security deposits from tenants which can only be drawn down as rental payment upon tenants' default or refunded to tenants upon lease expiry.
- (b) The Group's cash and cash equivalents are denominated mainly in Singapore Dollars, Chinese Renminbi, Japanese Yen, Euro and US Dollars. As at 31 December 2023, the effective interest rates for cash and cash equivalents denominated in these currencies ranged from 0% to 5.74% (2022: 0% to 4.47%) per annum.

Cash and cash equivalents are placed with banks and financial institutions which meet appropriate credit criteria.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 15 TRADE AND OTHER PAYABLES

	Note	The Group		The Company	
		2023 \$'M	2022 \$'M	2023 \$'M	2022 \$'M
Trade payables		102	151	4	2
Accruals	(a)	667	648	28	24
Accrued development expenditure		44	74	-	-
Other payables	(b)	299	741	1	1
Rental and other deposits		72	78	-	*
Derivative financial instruments		3	4	-	-
Liability for employee benefits	19	47	46	2	4
Amounts due to:					
- subsidiaries					
<u>current accounts (unsecured)</u>					
- interest free (trade)		-	-	-	9
<u>loans (unsecured)</u>					
- interest free		-	-	13	12
- associates	7(c)	9	9	1	1
- joint ventures	8(c)	79	102	-	*
- non-controlling interests (unsecured)					
- interest free		4	3	-	-
- interest bearing		1	1	-	-
- related corporations					
<u>current accounts (unsecured)</u>					
- interest free (trade)		128	236	75	168
		1,455	2,093	124	221

\* Less than \$1 million

- (a) As at 31 December 2023, accruals included accrued operating expenses of \$400 million (2022: \$378 million), accrued interest payable of \$70 million (2022: \$56 million) as well as accrued expenditure for tax and administrative expenses which are individually immaterial.
- (b) As at 31 December 2022, other payables included a loan payable to an external shareholder of \$233 million and deferred purchase consideration for acquisition of an investment amounting to \$226 million. During the year, the loan to external shareholder was fully repaid and \$184 million of the deferred purchase consideration was reclassified to non-current payables, based on the expected settlement date (see note 18 (c)).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 16 BORROWINGS

	Note	The Group		The Company	
		2023 \$'M	2022 \$'M	2023 \$'M	2022 \$'M
Bank borrowings					
- secured		2,742	3,810	-	-
- unsecured		7,058	6,619	-	-
	32(d)	9,800	10,429	-	-
Lease liabilities	32(d), (d)	728	659	98	13
		10,528	11,088	98	13
Repayable:					
Not later than 1 year		1,014	1,208	9	12
Between 1 and 5 years		7,970	8,312	46	1
After 5 years		1,544	1,568	43	-
After 1 year		9,514	9,880	89	1
		10,528	11,088	98	13

(a) The Group's borrowings are denominated mainly in Singapore Dollars, Chinese Renminbi, Japanese Yen and US Dollars. As at 31 December 2023, the effective interest rates for bank borrowings denominated in these currencies ranged from 0.59% to 7.90% (2022: 0.44% to 6.52%) per annum.

(b) As at 31 December 2023, \$1,980 million (2022: \$2,127 million) of the Group's borrowings are sustainability-linked loans which are drawn down as part of the Group's sustainable financing.

Under the conditions of these loan agreements, loan margins vary accordingly to the achievements of the Group's sustainability performance targets that are benchmarked against Environmental, Social and Governance indicators, Global Real Estate Sustainability Benchmark rating or green building certifications.

(c) Bank borrowings are secured by the following assets, details of which are disclosed in the respective notes to the financial statements:

- (i) mortgages on the borrowing subsidiaries' property, plant and equipment, investment properties, 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.

(d) Lease liabilities relate to the leases of property, plant and equipment (note 3) and investment properties (note 5).

## 16 BORROWINGS (continued)

(e) The reconciliation of liabilities arising from financing activities were as follows:

	Note	At 1/1/2023 \$'M	Financing cashflows* \$'M	Acquisition of subsidiaries \$'M	Disposal of subsidiaries <sup>®</sup> \$'M	Non-cash changes		At 31/12/2023 \$'M
						Foreign exchange movement \$'M	Others \$'M	
Bank borrowings		10,429	(166)	-	(329)	(147)	13 <sup>^</sup>	9,800
Debt securities	17	1,502	586	-	-	(25)	(1)	2,062
Lease liabilities		659	(61)	-	-	(6)	136	728
Loans from related corporations		70	56	-	-	-	-	126
Bank borrowings		11,598	(172)	4	(728)	(290)	17	10,429
Debt securities	17	1,179	358	-	-	(35)	-	1,502
Lease liabilities		771	(69)	-	-	(34)	(9)	659
Loans from related corporations		83	(13)	-	-	-	-	70

\* Cashflows from financing activities presented in the consolidated statement of cash flows include interest expense paid of \$481 million (2022: \$418 million) which are included under accruals, amounts due to associates, joint ventures, related corporations and non-controlling interests of note 15 - trade and other payables. There are no material non-cash changes associated with interest payables.

<sup>®</sup> Includes borrowings of \$234 million (2022: \$21 million) under liabilities held for sale (note 13).

<sup>^</sup> Includes bank borrowings of \$9 million (2022: nil) under Operating cashflows.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 17 DEBT SECURITIES

	Note	The Group	
		2023 \$'M	2022 \$'M
Secured notes and bonds		219	187
Unsecured notes and bonds		1,843	1,315
	16(e), 32(d)	<u>2,062</u>	<u>1,502</u>
Repayable:			
Not later than 1 year		238	160
Between 1 and 5 years		1,247	1,173
After 5 years		577	169
After 1 Year		1,824	1,342
		<u>2,062</u>	<u>1,502</u>

(a) As at 31 December 2023, the effective interest rates for debt securities ranged from 0.55% to 4.41% (2022: 0.58% to 4.07%) per annum.

(b) Notes and bonds

The Group's notes and bonds are mainly issued by CLAS, CLMT and the Group's treasury vehicle, CLI Treasury Limited, under their respective issuance programs. These notes and bonds were denominated mainly in Singapore Dollars, Malaysian Ringgit, Japanese Yen and Euro. Save for the secured notes and bonds described below, the remaining notes and bonds issued were unsecured.

As at 31 December 2023, the secured notes and bonds amounting to \$219 million (2022: \$187 million) were fully secured by deposits pledged and mortgages on the investment properties of the Group. Details on assets pledged are disclosed in the respective notes to the financial statements.

Sustainability-linked notes

As at 31 December 2023, \$353 million (2022: \$368 million) of the Group's debt securities were sustainability-linked notes issued by CLAS, as part of the Group's sustainable financing.

Under the conditions of these notes, interest rates vary accordingly to the achievements of CLAS' sustainability performance targets that are benchmarked against Environmental, Social and Governance indicators, or green building certifications.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 18 OTHER NON-CURRENT LIABILITIES

	Note	The Group		The Company	
		2023 \$'M	2022 \$'M	2023 \$'M	2022 \$'M
Amounts due to (unsecured):					
- associates (interest free)	(a)	9	9	-	-
- joint ventures (interest free)	(a)	-	7	-	-
- non-controlling interests (interest free)	(a)	29	30	-	-
Loans from related corporations (unsecured):					
- interest free		126	70	-	-
Loans from subsidiaries (unsecured):					
- interest free		-	-	486	486
- interest bearing	(b)	-	-	325	325
Liability for employee benefits	19	16	16	1	1
Derivative financial instruments		21	9	-	-
Security deposits and other non-current payables	(c)	289	102	-	-
Deferred income		16	11	-	-
		<u>506</u>	<u>254</u>	<u>812</u>	<u>812</u>

(a) Amounts due to associates, joint ventures and non-controlling interests are non-trade and not expected to be repaid within the next twelve months.

(b) As at 31 December 2023, the effective interest rate for the loans from a subsidiary is 3.89% (2022: 2.40%) per annum.

(c) Other non-current payables included deferred purchase consideration for acquisition of investment amounting to \$184 million (see note 15 (b)).

### 19 EMPLOYEE BENEFITS

	Note	The Group		The Company	
		2023 \$'M	2022 \$'M	2023 \$'M	2022 \$'M
Liability for short term accumulating compensated absences		19	15	1	1
Liability for staff incentive	(a)	18	15	-	-
Liability for cash-settled share-based payments		26	32	2	4
		<u>63</u>	<u>62</u>	<u>3</u>	<u>5</u>
Current	15	47	46	2	4
Non-current	18	16	16	1	1
		<u>63</u>	<u>62</u>	<u>3</u>	<u>5</u>

(a) **Staff incentive**

This relates to staff incentive which is based on the achievement of the Group's financial performance and payable over a period of time.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 19 EMPLOYEE BENEFITS (continued)

### (b) Equity compensation benefits

#### 1) Share Plans of the CapitaLand Group Pte. Ltd.

The Group's employees participate 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).

#### i) CapitaLand Performance Share Plans

This relates to compensation costs of the CL PSP reflecting the benefits accruing to the employees of the Group over the service period to which the performance criteria relate, prior to the listing of the Company.

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.

#### ii) CapitaLand Restricted Share Plans

This relates to compensation costs of the CL RSP reflecting the benefits accruing to the employees of the Group over the service period to which the performance criteria relate, prior to the listing of the Company.

Following the listing of the Company, the outstanding RSP granted under the CL's RSP 2010 and RSP 2020 were converted to cash-settled awards on 1 October 2021 with an implied value of S\$4.102 per CL share. 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 in accordance with the original vesting schedule of the respective CL RSP awards.

Movements in the Group's number of shares outstanding under CL RSP which has been converted to cash-settled awards are summarised below:

	2023 ( '000)	2022 ( '000)
At 1 January	9,403	19,364
Released	(5,608)	(9,252)
Lapsed/Cancelled	(392)	(709)
At 31 December	<u>3,403</u>	<u>9,403</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 19 EMPLOYEE BENEFITS (continued)

### (b) Equity compensation benefits (continued)

#### 2) Share Plans of the Company

The CLI Performance Share Plan 2021 (CLI PSP 2021) and CLI Restricted Share Plan 2021 (CLI RSP 2021) were approved by CapitaLand Group Pte. Ltd. on 17 July 2021. The duration of each share plan is ten years commencing on 1 September 2021.

The Executive Resource and Compensation Committee (ERCC) of the Company has instituted a set of share ownership guidelines for members of senior management who receive shares under the CLI PSP and CLI RSP. Under these guidelines, members of senior management are required to retain a portion of the total number of the Company shares received under the aforementioned share-based plans, which will vary according to their respective job grade and salary.

The details of awards in the Company shares since commencement of the Share Plans were as follows:

	← Aggregate shares →			Balance as at 31 December 2023 No. of shares
	Granted No. of shares	Released No. of shares	Lapsed/ Cancelled No. of shares	
CLI PSP 2021	47,836,104	(15,315,939)	(3,195,058)	29,325,107
CLI RSP 2021	9,858,768	(2,375,485)	(2,846,670)	4,636,613

The total number of new shares issued and/or to be issued pursuant to the Share Plans of the Company did not exceed 8% of the total number of shares (excluding treasury shares) in the capital of the Company.

#### i) CLI Performance Share Plans

This relates to compensation costs of the Company's PSP 2021 reflecting the benefits accruing to the employees over the service period to which the performance criteria relate.

Following the listing of the Company, the Company grants share awards pursuant to the CLI Performance Share Plan 2021 (Replacement Awards) to certain employees of the Group and certain designated employees of CapitaLand Group Pte. Ltd. (collectively, Existing CapitaLand PSP Award Holders) in replacement of the awards previously granted to them pursuant to the CL PSP 2010 and the CL PSP 2020 (Existing CapitaLand PSP Awards). The Replacement Awards have been granted on 1 October 2021 and will be released progressively in accordance with the original vesting schedule of the Existing CapitaLand PSP Awards.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 19 EMPLOYEE BENEFITS (continued)

### (b) Equity compensation benefits (continued)

#### 2) Share Plans of the Company (continued)

##### i) CLI Performance Share Plans (continued)

Movements in the number of shares outstanding under CLI PSP were summarised below:

	2023 ('000)	2022 ('000)
At 1 January	20,894	25,777
Granted	3,713	3,344
Released	(7,667)	(7,649)
Lapsed/Cancelled	(1,147)	(578)
At 31 December*	15,793	20,894

\* Comprised 13,829,649 (2022: 16,645,394) shares granted to employees of the Group and 1,963,397 (2022: 4,248,334) shares granted to employees of related corporations.

The fair values of the shares are determined using Monte Carlo simulation method which projects future share price assuming log normal distribution based on Geometric Brownian Motion Theory at measurement date. The fair values and key assumptions are set out below:

Year of award	2023	2022
<i>Weighted average fair value of shares and assumptions</i>		
Weighted average fair value at measurement date	\$3.44	\$4.07
Grant date	14 April 2023	4 May 2022
Share price at grant date	\$3.71	\$4.12
Expected volatility of Company's share price (assuming the average volatility of 780-Day closing unit price from the six CLI REITs)	27.10%	26.46%
Expected dividend yield over the vesting period	3.31% to 3.59%	3.66% to 4.22%
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	2.86% to 3.62%	1.72% to 2.34%

##### ii) Special CLI Founders Performance Share Plan Award (Special PSP) - Equity-settled/Cash-settled

This relates to the compensation costs of the Company's Special PSP granted under CLI PSP 2021 reflecting the benefits accruing to the employees over the service period to which the performance criteria relate.

Pursuant to the CLI PSP, the Special PSP award granted to selected key executives of the Company and/or its group companies is conditional on a performance target based on longer term wealth creation objectives. Participants will receive a specified number of performance shares after the end of the performance period conditional on achievement of performance conditions.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 19 EMPLOYEE BENEFITS (continued)

### (b) Equity compensation benefits (continued)

#### 2) Share Plans of the Company (continued)

##### ii) Special CLI Founders Performance Share Plan Award (Special PSP) - Equity-settled/Cash-settled (continued)

The ERCC grants an initial number of shares (baseline award) which are conditional on the target of the Company's share price expressed as a multiple of the Group's net asset value per share (Price/NAV) set for 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 pre-specified minimum target is achieved. No share will be released if the minimum target is not met at the end of the performance period. On the other hand, if the superior target is met, more shares than the baseline award can be delivered up to a maximum of 300% of the baseline award. In the event of early achievement of the targets within the first three years of the performance period, a maximum of 20% to 50% of the baseline award can be released after the third year, with any balance in excess of 50% of the baseline award to be released only after the fifth year. The ERCC has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors. Recipients can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost.

A one-time special contingent award was granted to selected key executives in the Company and related corporations as at 1 October 2021. As a hiring strategy, such one-time special contingent award may (at the absolute discretion of the ERCC) also be extended to key executives joining the Company and/or its group companies on a date after 1 October 2021 but not later than 19 September 2022.

Movements in the number of shares outstanding under Special PSP were summarised below:

	2023 ('000)	2022 ('000)
At 1 January	14,658	14,594
Granted	-	407
Lapsed/Cancelled	(1,126)	(343)
At 31 December*	13,532	14,658

\* Comprised 11,771,509 (2022: 12,391,413) shares granted to employees of the Group and 1,760,552 (2022: 2,267,078) shares granted to employees of related corporations.

As at 31 December 2023, the number of shares granted under the Special PSP award are as follows:

	Final number of shares has not been determined (baseline award)	
	2023 ('000)	2022 ('000)
Equity-settled	13,160	14,286
Cash-settled	372	372
	13,532	14,658

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 19 EMPLOYEE BENEFITS (continued)

### (b) Equity compensation benefits (continued)

#### 2) Share Plans of the Company (continued)

##### ii) Special CLI Founders Performance Share Plan Award (Special PSP) - Equity-settled/Cash-settled (continued)

The fair values of the shares are determined using Monte Carlo simulation method which projects future share price assuming log normal distribution based on Geometric Brownian Motion Theory at measurement date. The fair values and assumptions are set out below:

Year of award	2022
<i>Weighted average fair value of shares and assumptions</i>	
Weighted average fair value at measurement date	\$3.52 to \$3.90
Grant date	4 January 2022, 4 May 2022 and 1 June 2022
Share price at grant date	\$3.66 to \$4.12
Expected volatility of Company's share price (assuming the average volatility of 1040-Day/780-Day closing unit price from the six CLI REITs)	24.67% to 26.46%
Expected dividend yield over the vesting period	3.61% to 4.22%
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	1.11% to 2.51%
Net asset value per share	\$2.82 to \$3.99

##### iii) CLI Restricted Share Plans - Equity-settled/Cash-settled

This relates to compensation costs of the Company's RSP 2021 reflecting the benefits accruing to the employees over the service period to which the performance criteria relate.

There is no grant of performance-based RSP awards in 2023 to employees. Instead, the awards have been incorporated into the annual performance bonus where a part of the bonus declared is delivered in the form of deferred shares. Such deferred shares will be granted to eligible employees after the end of the financial year under review pursuant to the CLI RSP.

Movements in the number of shares outstanding under CLI RSP were summarised below:

	2023 ('000)	2022 ('000)
At 1 January	8,616	-
Granted	810	9,049
Released	(2,307)	(68)
Lapsed/Cancelled	(2,482)	(365)
At 31 December*	4,637	8,616

\* Comprised 4,634,257 (2022: 8,610,920) shares granted to employees of the Group and 2,356 (2022: 4,712) shares granted to employees of related corporations.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 19 EMPLOYEE BENEFITS (continued)

### (b) Equity compensation benefits (continued)

#### 2) Share Plans of the Company (continued)

##### iii) CLI Restricted Share Plans - Equity-settled/Cash-settled (continued)

The fair values of the shares granted to employees are determined using discounted cashflow method at the measurement date. The fair values and assumptions are set out below:

Year of award	2023	2022
<i>Weighted average fair value of shares and assumptions</i>		
Weighted average fair value at measurement date	\$3.38	\$3.84
Grant date	14 April 2023 and 1 June 2023	4 May 2022
Share price at grant date	\$3.31 to \$3.71	\$4.12
Expected dividend yield over the vesting period	3.31% to 3.73%	3.66% to 4.22%

As at 31 December 2023, the number of shares granted are as follows:

	Final number of shares determined but not released		Final number of shares has not been determined (baseline award)	
	2023 ('000)	2022 ('000)	2023 ('000)	2022 ('000)
Equity-settled	3,875	-	-	6,951
Cash-settled	762	-	-	1,665
	4,637	-	-	8,616

## 20 SHARE CAPITAL

	2023 No. of shares ('000)	2022 No. of shares ('000)
<b>Issued and fully paid, with no par value</b>		
At 1 January, including treasury shares	5,203,196	5,203,196
Less: Treasury shares	(102,775)	(89,031)
At 31 December, excluding treasury shares	5,100,421	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 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).

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 20 SHARE CAPITAL (continued)

	Note	2023 \$'M	2022 \$'M
Borrowings and debt securities		12,590	12,590
Cash and cash equivalents	14	(2,460)	(2,668)
Net debt		10,130	9,922
Total equity		18,237	18,929
Net debt-to-equity ratio		0.56	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. 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.

The Group's subsidiaries in The People's Republic of China (PRC) and India are subject to foreign exchange rules and regulations promulgated by the PRC and India government which may impact how the Group manages capital. In addition, seven of the Group's subsidiaries (2022: seven) are required to maintain certain minimum base capital and financial resources, or shareholders' funds as they are holders of Capital Markets Services licenses registered with the Monetary Authority of Singapore or the Securities Commission Malaysia to conduct the regulated activity of Real Estate Investment Trust (REIT) management. In addition, the consolidated REITs (namely, CLAS and CLMT) are subject to aggregate leverage limits. These subsidiaries have complied with the applicable capital requirements throughout the year.

There were no changes in the Group's approach to capital management during the year.

### 21 OTHER RESERVES

	The Group		The Company	
	2023 \$'M	2022 \$'M	2023 \$'M	2022 \$'M
Reserve for own shares	(352)	(315)	(352)	(315)
Equity compensation reserve	61	50	25	22
Capital reserve	(4,775)	(4,809)	1	3
Hedging reserve	19	127	-	-
Fair value reserve	13	27	-	-
Asset revaluation reserve	-	6	-	-
Foreign currency translation reserve	(1,185)	(980)	-	-
	(6,219)	(5,894)	(326)	(290)

Reserve for own shares comprises the purchase consideration for issued shares of the Company acquired and held as treasury shares.

The equity compensation reserve comprises the cumulative value of employee services received for shares under the share plans of the Company (note 19 (b)).

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 21 OTHER RESERVES (continued)

The capital reserve comprises mainly the reserves set aside by certain subsidiaries in compliance with the relevant regulations in the PRC, the Group's share of associates' and joint ventures' capital reserve and reserves on consolidation amounting to -\$5,569 million (2022: -\$5,598 million) which represents the difference between the consideration paid for the acquisition of interest in entities under common control as part of the internal restructuring of the Group in 2021 and the share capital of the acquirees.

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments related to hedge transactions that have not yet affected profit or loss.

The fair value reserve comprises the cumulative net change in the fair value of equity investments designated at FVOCI.

The asset revaluation reserve comprises the revaluation gain on a plant, property and equipment which was reclassified to investment properties.

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign entities, the effective portion of the hedging instrument which is used to hedge against the Group's net investment in foreign currencies as well as from the translation of foreign currency loans used to hedge or form part of the Group's net investments in foreign entities. The Group's foreign currency translation reserve arises mainly from Chinese Renminbi, US Dollar, Indian Rupee, Australian Dollar, Malaysian Ringgit, Euro, Sterling Pound and Japanese Yen.

### 22 PERPETUAL SECURITIES

The Group's perpetual securities comprise perpetual securities and perpetual notes issued by its subsidiary, CLAS (the Issuer). The perpetual securities comprise:

Perpetual securities	Issue date	Principal amount \$'M
CLAS		
- Fixed rate perpetual securities with an initial distribution rate of 4.68% per annum	30 June 2015	250
- Fixed rate perpetual securities with an initial distribution rate of 3.88% per annum	4 September 2019	150

The perpetual securities have no fixed redemption date and redemption is at the option of the Issuer in accordance with the terms of issue of the securities. The distribution will be payable semi-annually at the discretion of the issuer and will be non-cumulative. These perpetual securities rank *pari passu* with the holders of preferred units (if any) and rank ahead of the stapled security holders of CLAS, but junior to the claims of all other present and future creditors of CLAS.

As the perpetual securities have no fixed maturity date and the payment of distributions is at the discretion of the Issuer, the Issuer is considered to have no contractual obligations to repay the principal or to pay any distributions, and the perpetual securities do not meet the definition for classification as a financial liability under SFRS(I) 1-32 *Financial Instruments: Presentation*, they are presented within equity, and distributions are treated as dividends.

### 23 OTHER COMPREHENSIVE INCOME

The Group's items of other comprehensive income do not have any related tax effect.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 24 REVENUE

Revenue of the Group is analysed as follows:

	The Group	
	2023 \$'M	2022 \$'M
Revenue from contracts with customers	904	845
Rental of investment properties:		
- Retail, office, business park, industrial, logistics and data centre properties rental and related income	441	525
- Lodging properties rental and related income	1,408	1,495
Others	31	11
	<u>2,784</u>	<u>2,876</u>

Disaggregation of revenue from contracts with customers:

	The Group	
	2023 \$'M	2022 \$'M
<b>Primary segment</b>		
Fee income		
- Fee income-related business	855	776
- Real estate investment business	33	41
- Corporate and others	14	19
	<u>902</u>	<u>836</u>
Development properties for sale		
- Real estate investment business	2	9
	<u>904</u>	<u>845</u>

#### Secondary segment

Singapore	515	496
China <sup>1</sup>	184	183
Other developed markets <sup>2</sup>	123	98
Other emerging markets <sup>3</sup>	82	68
	<u>904</u>	<u>845</u>

<sup>1</sup> includes Hong Kong

<sup>2</sup> includes the UK, France, Germany, Spain, Belgium, Ireland, Japan, South Korea, the USA, Australia, and New Zealand but excludes Singapore and Hong Kong

<sup>3</sup> excludes China

#### Timing of revenue recognition

Products transferred at a point in time	22	48
Products and services transferred over time	882	797
	<u>904</u>	<u>845</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 25 PROFIT BEFORE TAX

Profit before tax includes the following:

	Note	The Group	
		2023 \$'M	2022 \$'M
<b>(a) Other operating income</b>			
Interest income from:			
- deposits and notes		52	47
- associates and joint ventures		9	4
- investee companies and others		1	2
		<u>62</u>	<u>53</u>
Distribution income		6	35
Foreign exchange gain		*	-
Gain from change of ownership interests in subsidiaries, associates and joint ventures		40	210
Mark-to-market gain on derivative instruments		-	34
Gain on disposal of investment properties		23	14
Net fair value gain from investment properties	5	-	250
Gain on disposal/redemption of available-for-sale financial assets		10	-
Other income from pre-termination of contracts		9	6
Forfeiture of security deposits		2	2
Government grants		1	4
Others		66	57
		<u>219</u>	<u>665</u>
<b>(b) Staff costs</b>			
Wages and salaries		642	594
Contributions to defined contribution plans		73	69
Share-based expenses:			
- equity-settled		38	47
- cash-settled		17	21
Increase in liability for short term accumulating compensated absences		2	1
Staff benefits, training/development costs and others		78	68
		<u>850</u>	<u>800</u>
Recognised in:			
Cost of sales		638	597
Administrative expenses		212	203
		<u>850</u>	<u>800</u>

\* Less than \$1 million

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 25 PROFIT BEFORE TAX (continued)

	Note	The Group	
		2023 \$'M	2022 \$'M
<b>(c)(i) Cost of sales include:</b>			
Operating expenses of investment properties that generated rental income		679	602
Lease expenses (short-term lease)		188	362
Lease expenses (variable lease payments not included in the measurement of lease liabilities)		20	12
<b>(c)(ii) Administrative expenses include:</b>			
(Write back)/Net allowance for impairment loss on trade receivables		(6)	13
Amortisation of intangible assets	4	19	15
Auditors' remuneration:			
- auditors of the Company and other firms affiliated with KPMG International Limited		8	9
- other auditors		1	1
Non-audit fees:			
- auditors of the Company and other firms affiliated with KPMG International Limited		1	1
- other auditors		1	1
Depreciation of property, plant and equipment	3	63	64
Depreciation of right-of-use assets	3	60	67
Write back of listing and restructuring expenses		(2)	(23)
<b>(c)(iii) Other operating expenses include:</b>			
Allowance for impairment loss on non-trade receivables		2	12
Impairment loss on interest in joint ventures	8(i)	1	*
Foreign exchange loss		-	132
Loss on disposal and write off of property, plant and equipment		1	2
Mark-to-market loss on derivative instruments		18	-
Net fair value loss from investment properties	5	257	-
Net change in fair value of financial assets designated as fair value through profit or loss		8	21
<b>(d) Finance costs</b>			
Interest costs paid and payable:			
- on bank loans and overdrafts		498	356
- on debt securities		61	49
- lease liabilities		24	30
- derivatives		(113)	(21)
- others		27	28
Total finance costs		497	442
Less:			
Borrowing costs capitalised in investment properties		(9)	(10)
		488	432

\* Less than \$1 million

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 26 TAX EXPENSE

	The Group	
	2023 \$'M	2022 \$'M
<b>Current tax expense</b>		
- Based on current year's results	160	201
- Over provision in respect of prior years	(32)	(9)
- Group relief	*	(2)
	128	190
<b>Deferred tax expense</b>		
- Origination and reversal of temporary differences	(16)	89
- (Over)/under provision in respect of prior years	(9)	4
	(25)	93
<b>Land appreciation tax</b>		
- Current year	*	1
<b>Withholding tax</b>		
- Current year	25	25
- Under provision in respect of prior years	13	9
	38	34
	141	318
<b>Reconciliation of effective tax rate</b>		
Profit before tax	474	1,388
Less: Share of results of associates and joint ventures	(273)	(531)
Profit before share of results of associates and joint ventures and tax	201	857
Income tax using Singapore tax rate of 17% (2022: 17%)	34	146
Adjustments:		
Expenses not deductible for tax purposes	228	172
Income not subject to tax	(180)	(147)
Effect of unrecognised tax losses	19	44
Effect of changes in other deductible temporary differences	(24)	(14)
Effect of different tax rates in foreign jurisdictions	36	64
Effect of taxable distributions from REITs	32	30
Land appreciation tax	*	1
Withholding taxes	25	25
(Over)/under provision in respect of prior years	(28)	4
Group relief	*	(2)
Others	(1)	(5)
	141	318

\* Less than \$1 million

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 without any penalties.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 26 TAX EXPENSE (continued)

### Global minimum tax under Pillar Two

To address concerns about uneven profit distribution and tax contributions of large multinational corporations, various agreements have been reached at the global level, including an agreement by over 140 jurisdictions to introduce a global minimum tax rate of 15%. In December 2021, the Organisation for Economic Co-operation and Development (OECD) released a set of model rules, followed by detailed commentary and administrative guidance in 2022 and 2023, that are expected to be used by individual jurisdictions that signed the agreement to amend their local tax laws.

In 2023, various jurisdictions in which the Group operates in have started the process of enacting tax legislations to implement the Pillar Two model rules. Management is closely monitoring the progress of the legislative process in each jurisdiction that the Group operates in, and has engaged tax consultants to assist the Group in calculating the impact of the top-up tax arising from the enacted/substantively enacted legislation.

However, due to the complex nature of the legislations and calculations to determine the adjustments required for Pillar Two, the Group did not have sufficient information to reasonably determine the potential quantitative impact as at the reporting date. As at 31 December 2023, the Group did not have subsidiaries with significant operations in countries where the statutory tax rate is less than 15%. Accordingly, any top-up tax is not expected to have a significant impact to the Group.

## 27 EARNINGS PER SHARE

### (a) Basic earnings per share

	The Group	
	2023 \$'M	2022 \$'M
Basic earnings per share is based on:		
Net profit attributable to owners of the Company	181	861
	<b>2023</b>	<b>2022</b>
	<b>No. of shares</b>	<b>No. of shares</b>
	<b>('000)</b>	<b>('000)</b>
Weighted average number of ordinary shares in issue during the year	5,116,425	5,129,261

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 27 EARNINGS PER SHARE (continued)

### (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 year are adjusted for the effects of all potential dilutive ordinary shares:

	The Group	
	2023 \$'M	2022 \$'M
Diluted earnings per share is based on:		
Net profit attributable to owners of the Company	181	861
	<b>2023</b>	<b>2022</b>
	<b>No. of shares</b>	<b>No. of shares</b>
	<b>('000)</b>	<b>('000)</b>
Weighted average number of ordinary shares in issue during the year	5,116,425	5,129,261
Adjustments for potential dilutive ordinary shares under:		
- CLI Performance Share Plan	59,177	67,058
- CLI Restricted Share Plan	4,395	11,262
	63,572	78,320
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	5,179,997	5,207,581

## 28 DIVIDENDS

In respect of the financial year ended 31 December 2023, the Board of Directors of the Company has proposed a tax-exempt ordinary dividend of 12.0 cents per share which would amount to a payout of approximately \$612 million based on the number of issued shares (excluding treasury shares) as at 31 December 2023. The tax-exempt dividend is subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

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 \$1.07 per CLAS unit on 11 May 2023, the cash equivalent rate of the distribution per share is \$0.06100391. The said dividends of \$927 million were paid and settled in May 2023.



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 29 ACQUISITION/DISPOSAL OF SUBSIDIARIES, NET OF CASH ACQUIRED/DISPOSED OF

#### (a) Acquisition of subsidiaries

The list of significant subsidiaries acquired during the year is as follows:

2023		
Name of subsidiary	Date acquired	Effective interest acquired
Quest Apartment Hotels (NZ) Limited	August 2023	100%
2022		
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%
Oakwood Worldwide (Asia) Pte. Ltd. (Oakwood)	July 2022	100%
Zhonghanyun (Zhuozhou) Data Technology Co., Ltd.	October 2022	100%

The acquisition in 2023 of Quest Apartment Hotels (NZ) Limited was accounted for as a business combination. The acquisitions in 2022 were accounted for as acquisition of assets except for Oakwood which was accounted for as a business combination (note 30).

#### (b) Effects of acquisitions

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

The Group	Note	2023 \$'M	2022 \$'M
Intangible assets	4	18	8
Investment properties	5	-	220
Trade and other receivables		1	22
Cash and cash equivalents		1	13
Trade and other payables		(1)	(35)
Borrowings	16(e)	-	(4)
Deferred tax liabilities	9	(5)	-
Other non-current liabilities		-	(2)
Net assets acquired		14	222
Goodwill arising from acquisition	4	15	49
Total purchase consideration		29	271
Deferred purchase consideration and other adjustments		-	(55)
Deferred purchase consideration paid in relation to prior year's acquisition of subsidiaries		19	39
Cash of subsidiaries acquired		(1)	(13)
Cash outflow on acquisition of subsidiaries		47	242

#### Acquisition-related costs

Acquisition-related costs of \$1 million (2022: \$3 million) relating to stamp duties and legal, due diligence and tax advisory service fees were included in the administrative expenses.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 29 ACQUISITION/DISPOSAL OF SUBSIDIARIES, NET OF CASH ACQUIRED/DISPOSED OF (continued)

#### (c) Disposal of subsidiaries

The list of significant subsidiaries disposed during the year is as follows:

2023		
Name of subsidiary	Date disposed	Effective interest disposed
Zillion Alpha Holdings Pte Ltd	March 2023	80%
Ascendas IT Park (Pune) Private Limited	May 2023	55%
AI GP2 Chennai 1 Pte Ltd	August 2023	50%

The disposed subsidiaries incurred a net loss of \$2 million from 1 January 2023 to the respective dates of disposal.

2022		
Name of subsidiary	Date disposed	Effective interest disposed
Southernwood Property Pte Ltd	April 2022	65%
CapitaLand Korea Private Real Estate Investment Trust No. 3	September 2022	39.5%
Ascendas C62 Park (Shanghai) Co., Ltd.	October 2022	100%
Yuanying (Foshan) Warehousing Services Co., Ltd.	December 2022	100%

The disposed subsidiaries contributed a net profit of \$7 million from 1 January 2022 to the respective dates of disposal.

#### (d) Effects of disposals

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

The Group	Note	2023 \$'M	2022 \$'M
Investment properties	5	181	1,646
Trade and other receivables		8	13
Assets held for sale		434	-
Cash and cash equivalents		11	28
Trade and other payables		(107)	(68)
Other current liabilities		-	(7)
Borrowings		(95)	(707)
Liabilities held for sale		(137)	-
Other non-current liabilities		-	(42)
Non-controlling interests		(32)	(230)
Equity interest retained as joint venture		(13)	(3)
Net assets disposed of		250	630
Realisation of reserves		29	(7)
Gain on disposal of subsidiaries		52	207
Sale consideration		331	830
Deferred proceeds and other adjustments		(57)	(79)
Shareholder's loan taken over by buyer		66	-
Deferred proceeds received in relation to prior year's disposal of a subsidiary		49	-
Cash of subsidiaries disposed		(11)	(28)
Cash inflow on disposal of subsidiaries		378	723

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 30 BUSINESS COMBINATIONS

At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. Typically, the Group assesses the acquisition as a purchase of business when the strategic management function and the associated processes were purchased along with the underlying properties.

### 2023

#### Acquisition of Quest Apartment Hotels (NZ) Limited

On 31 August 2023, the Group acquired 100% of the shares and voting interests in Quest Apartment Hotels (NZ) Limited and its subsidiaries (QNZ) from unrelated parties. Following the acquisition, QNZ became a wholly-owned subsidiary of the Group.

QNZ is the master franchisor for Quest brand in New Zealand since 2000. The acquisition of QNZ complements the Group's lodging platform, generating asset-light, fee-related earnings (FRE), through management and franchising businesses.

From the date of acquisition to 31 December 2023, QNZ contributed revenue of \$3 million and net profit of \$1 million to the Group's results. If the acquisition had occurred on 1 January 2023, management estimates that the contribution to the Group's revenue and net profits from QNZ would have been \$10 million and \$3 million respectively. In determining this amount, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2023.

Goodwill of \$15 million (see note 4) was attributed to the lodging management business acquired, which was recognised as a result of the difference between the fair value of the Group's interest in QNZ and the fair value of the assets acquired and liabilities assumed.

	2023 \$'M
Intangible assets	18
Other current assets	1
Cash and cash equivalents	1
Current liabilities	(1)
Deferred tax liabilities	(5)
Total identifiable net assets	14
Goodwill on acquisition	15
Total purchase consideration	29
Less: cash and cash equivalents in subsidiary acquired	(1)
Net cash outflow on acquisition	28

Total acquisition-related costs of \$1 million related to legal, due diligence and tax advisory fees were included in administrative expenses in the current year.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 30 BUSINESS COMBINATIONS (continued)

### Measurement of fair value

The valuation techniques used for measuring the fair value of the material assets acquired and liabilities assumed were as follows:

Assets acquired and liabilities assumed	Valuation technique
Intangible assets	Intangible assets mainly consist of franchise agreements for which independent valuation is conducted using the multi-period excess earnings method. The multi-period excess earnings method considers the present value of net cash flows expected to be generated from the agreements, by excluding any cash flows related to contributory assets.
Other current assets and liabilities	Other current assets and liabilities include trade and other receivables, cash and cash equivalents, trade and other payables, and other current liabilities. The fair values of these assets and liabilities are determined to approximate the carrying amounts since they are short term in nature.

### 2022

#### Acquisition of Oakwood Worldwide (Asia) Pte. Ltd.

On 22 July 2022, the Group acquired 100% of the shares and voting interests in Oakwood Worldwide (Asia) Pte. Ltd. and its subsidiaries (Oakwood) from a related party. Following the acquisition, Oakwood became a wholly-owned subsidiary of the Group.

Oakwood is a premier global serviced apartment provider. The acquisition of Oakwood allows the Group to:

- i) Accelerate the growth in lodging management and increases its global portfolio by about 15,000 units across 81 properties internationally;
- ii) Drive operational and revenue synergies through expansion of the Group's lodging offerings and cement the Group's leading position in the lodging segment globally;
- iii) Complement platform driven by asset-light FRE generation through management and franchising businesses; and
- iv) Add new markets including Cheongju in South Korea; Zhangjiakou and Qingdao in China; Dhaka in Bangladesh as well as Washington D.C. in the USA.

From the date of acquisition to 31 December 2022, Oakwood contributed revenue of \$7 million and net profit of \$1 million to the Group's results. If the acquisition had occurred on 1 January 2022, management estimates that the contribution to the Group's revenue and net profits from Oakwood would have been \$13 million and \$2 million respectively. In determining this amount, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2022.

Goodwill of \$49 million (see note 4) was attributed to the lodging management business acquired, which was recognised as a result of the difference between the fair value of the Group's interest in Oakwood and the fair value of the assets acquired and liabilities assumed.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 30 BUSINESS COMBINATIONS (continued)

2022 (continued)

### Acquisition of Oakwood Worldwide (Asia) Pte. Ltd. (continued)

	2022 \$'M
Intangible assets	8
Other current assets	6
Cash and cash equivalents	12
Current liabilities	(10)
Deferred tax liabilities	(1)
Total identifiable net assets	15
Goodwill on acquisition	49
Total purchase consideration	64
Less: cash and cash equivalents in subsidiary acquired	(12)
Net cash outflow on acquisition	52

Total acquisition-related costs of \$3 million related to stamp duties, legal, due diligence and tax advisory fees were included in administrative expenses in 2022.

### Measurement of fair value

The valuation techniques used for measuring the fair value of the material assets acquired and liabilities assumed were as follows:

Assets acquired and liabilities assumed	Valuation technique
Intangible assets	Intangible assets mainly consist of management contracts for which independent valuation is conducted using the multi-period excess earnings method. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.
Other current assets and liabilities	Other current assets and liabilities include trade and other receivables, cash and cash equivalents, trade and other payables, and other current liabilities. The fair values of these assets and liabilities are determined to approximate the carrying amounts since they are short term in nature.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 31 FAIR VALUE OF ASSETS AND LIABILITIES

### (a) Determination of fair value

The valuation methods and assumptions below are used to estimate the fair values of the Group's significant classes of assets and liabilities.

#### (i) Derivatives

Forward currency contracts, cross currency swap contracts and interest rate swap contracts are valued using valuation techniques with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rate, interest rate curves and forward rate curves.

#### (ii) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted using the market rate of interest at the reporting date.

Fair value of quoted debt securities is determined based on quoted market prices.

#### (iii) Other financial assets and liabilities

The fair value of quoted securities is their quoted bid price at the reporting date. The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

Where other valuation techniques, such as discounted cash flow technique are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate for a similar instrument.

#### (iv) Investment properties

The Group's investment property portfolio is mostly valued by external and independent valuation companies on an annual basis. Independent valuation is also carried out on occurrence of acquisition of investment property. 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 each acted knowledgeably and without compulsion. The valuers have considered valuation techniques, mainly including capitalisation approach, discounted cash flows and residual method in arriving at the open market value as at the reporting date. 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 and discount rate, estimated cost to completion and gross development value.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 31 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

### (a) Determination of fair value (continued)

#### (v) Assets held for sale

The fair value of the Group's investment properties held for sale is either valued by an independent valuer or based on the agreed contractual selling price on a willing buyer willing seller basis. For investment properties held for sale valued by an independent valuer, the valuer has considered the discounted cash flow and income capitalisation approaches in arriving at the open market value as at the reporting date. In determining the fair value, the valuer used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties held for sale include market-corroborated capitalisation rate.

#### (vi) Share-based payment transactions

The fair values of employee performance share plan and restricted share plan are measured using valuation methodology described in note 19. Measurement inputs include the share price at grant date, expected volatility (based on an evaluation of the historical volatility of the Group's and peer group's share price), expected correlation of the Group's return with those of peer group, expected dividends yield and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining the fair values.

### (b) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used. The different levels have been defined as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## 31 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

### (c) 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.

Note	Fair value - hedging instruments \$/M	Carrying amount			Fair value			Total \$/M
		FVOCI \$/M	FVTPL \$/M	Amortised Cost \$/M	Level 1 \$/M	Level 2 \$/M	Level 3 \$/M	
<b>The Group</b>								
<b>31 December 2023</b>								
<b>Financial assets measured at fair value</b>								
Equity investments at FVOCI	-	48	-	-	48	-	-	48
Equity investments at FVTPL	-	-	103	-	3	-	100	103
Derivative financial assets:								
- Interest rate swaps and cross currency swaps	89	-	-	-	-	89	-	89
- Interest rate swaps, forward foreign exchange contracts and cross currency swaps	39	-	-	-	-	39	-	39
	128	48	103	-	-	39	-	279
<b>Financial assets not measured at fair value</b>								
Other non-current assets	-	-	-	73	-	-	-	73
Loans due from associates	-	-	-	189	-	-	-	189
Loans due from joint ventures	-	-	-	399	-	-	-	399
Trade and other receivables*	-	-	-	871	-	-	-	871
Cash and cash equivalents	-	-	-	2,460	-	-	-	2,460
	-	-	-	3,992	-	-	-	3,992

\* Excludes tax recoverable and prepayments.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 31 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

### (c) Accounting classification and fair values (continued)

The Group	Note	Fair value - hedging instruments \$'M	Carrying amount			Fair value			Total \$'M
			FVOCI \$'M	FVTPL \$'M	Amortised Cost \$'M	Level 1 \$'M	Level 2 \$'M	Level 3 \$'M	
<b>31 December 2023</b>									
<b>Financial liabilities measured at fair value</b>									
Derivative financial instruments:									
- Forward foreign exchange contracts	15	(3)	-	-	-	-	(3)	-	(3)
- Interest rate swaps and cross currency swaps	18	(21)	-	-	-	-	(21)	-	(21)
		(24)	-	-	-	-	(24)	-	(24)
<b>Financial liabilities not measured at fair value</b>									
Other non-current liabilities <sup>#</sup>		-	-	(444)	-	-	(444)	(431)	(431)
Bank borrowings <sup>^</sup>	16	-	-	(9,800)	-	-	(9,800)	(9,779)	(9,779)
Debt securities	17	-	-	(2,062)	-	-	(2,062)	(2,085)	(2,085)
Trade and other payables <sup>#</sup>		-	-	(1,326)	-	-	(1,326)	-	-
		-	-	(13,632)	-	-	(13,632)	-	-

<sup>#</sup> Excludes advanced billings, advanced payments received, liability for employee benefits, derivative liabilities and deferred income.

<sup>^</sup> Excludes lease liability.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 31 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

### (c) Accounting classification and fair values (continued)

The Group	Note	Fair value - hedging instruments \$'M	Carrying amount			Fair value			Total \$'M
			FVOCI \$'M	FVTPL \$'M	Amortised Cost \$'M	Level 1 \$'M	Level 2 \$'M	Level 3 \$'M	
<b>31 December 2022</b>									
<b>Financial assets measured at fair value</b>									
Equity investments at FVOCI	10(a)	-	67	-	-	55	12	-	67
Equity investments at FVTPL	10(a)	-	-	114	-	3	-	111	114
Derivative financial assets:									
- Interest rate swaps, forward foreign exchange contracts and cross currency swaps	10(a)	114	-	-	-	-	114	-	114
- Interest rate swaps and cross currency swaps	10(b)	70	-	-	-	-	70	-	70
		184	67	114	-	-	365	-	365
<b>Financial assets not measured at fair value</b>									
Other non-current assets		-	-	30	-	-	30	-	30
Loans due from associates	7	-	-	87	-	-	87	-	87
Loans due from joint ventures	8(a)	-	-	393	-	-	393	-	393
Trade and other receivables <sup>#</sup>	12	-	-	957	-	-	957	-	957
Cash and cash equivalents	14	-	-	2,668	-	-	2,668	-	2,668
		-	-	4,135	-	-	4,135	-	4,135

<sup>#</sup> Excludes tax recoverable and prepayments.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 31 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

### (c) Accounting classification and fair values (continued)

Note	Fair value - hedging instruments \$'M	Carrying amount			Fair value		
		FVOCI \$'M	FVTPL \$'M	Amortised Cost \$'M	Level 1 \$'M	Level 2 \$'M	Level 3 \$'M
<b>The Group</b>							
<b>31 December 2022</b>							
<b>Financial liabilities measured at fair value</b>							
Derivative financial instruments:							
- Interest rate swaps, forward foreign exchange contracts and cross currency swaps	(4)	-	-	-	-	(4)	(4)
- Interest rate swaps, forward foreign exchange contracts and cross currency swaps	(9)	-	-	-	-	(9)	(9)
	(13)	-	-	-	-	(13)	(13)
<b>Financial liabilities not measured at fair value</b>							
Other non-current liabilities <sup>#</sup>	-	-	-	(218)	-	(218)	(218)
Bank borrowings <sup>^</sup>	-	-	-	(10,429)	(10,391)	(10,391)	(10,391)
Debt securities	-	-	-	(1,502)	(1,481)	(1,481)	(1,481)
Trade and other payables <sup>#</sup>	-	-	-	(1,971)	(1,971)	(1,971)	(1,971)
	-	-	-	(14,120)	(14,120)	(14,120)	(14,120)

<sup>#</sup> Excludes advanced billings, advanced payments received, liability for employee benefits, derivative liabilities and deferred income.

<sup>^</sup> Excludes lease liability.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 31 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

### (c) Accounting classification and fair values (continued)

Note	Fair value - hedging instruments \$'M	Carrying amount			Fair value		
		FVOCI \$'M	FVTPL \$'M	Amortised Cost \$'M	Level 1 \$'M	Level 2 \$'M	Level 3 \$'M
<b>The Company</b>							
<b>31 December 2023</b>							
<b>Financial assets not measured at fair value</b>							
Other non-current assets	-	-	-	4,303	4,303	4,303	4,303
Trade and other receivables	-	-	-	819	819	819	819
Cash and cash equivalents	-	-	-	19	19	19	19
	-	-	-	5,141	5,141	5,141	5,141
<b>Financial liabilities not measured at fair value</b>							
Other non-current liabilities <sup>#</sup>	-	-	-	(811)	(811)	(811)	(811)
Trade and other payables <sup>#</sup>	-	-	-	(122)	(122)	(122)	(122)
	-	-	-	(933)	(933)	(933)	(933)
<b>31 December 2022</b>							
<b>Financial assets not measured at fair value</b>							
Other non-current assets	-	-	-	4,295	4,295	4,295	4,295
Trade and other receivables	-	-	-	698	698	698	698
Cash and cash equivalents	-	-	-	22	22	22	22
	-	-	-	5,015	5,015	5,015	5,015
<b>Financial liabilities not measured at fair value</b>							
Other non-current liabilities <sup>#</sup>	-	-	-	(811)	(811)	(811)	(811)
Trade and other payables <sup>#</sup>	-	-	-	(217)	(217)	(217)	(217)
	-	-	-	(1,028)	(1,028)	(1,028)	(1,028)

<sup>#</sup> Excludes liability for employee benefits.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 31 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

### (c) Accounting classification and fair values (continued)

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
<b>31 December 2023</b>		
<b>Non-financial assets measured at fair value</b>		
Investment properties	5	13,572
Assets held for sale – investment properties	13	731
		<u>14,303</u>
<b>31 December 2022</b>		
<b>Non-financial assets measured at fair value</b>		
Investment properties	5	14,706
Assets held for sale – investment properties	13	352
		<u>15,058</u>

### (d) Level 3 fair value measurement

#### (i) Reconciliation of Level 3 fair value

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

The Group	Equity investments at FVTPL \$'M	Assets held for sale - investment properties \$'M
<b>2023</b>		
At 1 January 2023	111	352
Additions	14	731
Disposals	(17)	(352)
Changes in fair value recognised in profit or loss	(8)	-
At 31 December 2023	<u>100</u>	<u>731</u>
<b>2022</b>		
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	<u>111</u>	<u>352</u>

Movements for investment properties are set out in note 5.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 31 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

### (d) Level 3 fair value measurement (continued)

#### (ii) Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring significant Level 3 fair values, as well as the significant unobservable inputs used.

#### Investment properties (including investment properties classified as assets held for sale)

Valuation methods	Key unobservable inputs	Retail	Office	Integrated development	Business park, industrial, logistics and data centre	Lodging	Inter-relationship between key unobservable inputs and fair value measurement
<b>Capitalisation approach</b>	Capitalisation rate (net)						The estimated fair value varies inversely against the capitalisation rate.
2023	- Singapore	-	-	-	6.0%	-	
	- China	5.0%	4.3%	4.5% to 5.5%	6.0% to 7.0%	-	
	- Others	6.3% to 7.0%	-	-	6.3% to 8.8%	4.8% to 6.0%	
2022	- Singapore	-	-	-	6.0%	-	
	- China	5.0%	4.3%	4.8% to 6.0%	6.0% to 7.0%	-	
	- Others	6.8% to 7.0%	4.4%	6.5%	7.5% to 8.5%	4.3% to 5.8%	

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 31 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

### (d) Level 3 fair value measurement (continued)

(ii) Valuation techniques and significant unobservable inputs (continued)

Valuation methods	Key unobservable inputs	Retail	Office	Integrated development	Business park, industrial, logistics and data centre	Lodging	Inter-relationship between key unobservable inputs and fair value measurement
<b>Discounted cash flow approach</b>	Discount rate						The estimated fair value varies inversely against the discount rate and terminal yield rate.
	2023						
	- Singapore	-	-	-	7.8%	5.6% to 6.4%	
	- China	9.0%	7.0% to 7.8%	8.8% to 9.3%	8.5% to 10.0%	6.8% to 7.8%	
	- Others	-	4.3%	-	-	3.2% to 15.5%	
	2022						
	- Singapore	-	-	-	7.8%	4.8% to 6.4%	
	- China	9.0%	7.0% to 7.8%	8.8% to 9.5%	9.0% to 10.0%	5.4% to 7.5%	
	- Others	-	4.4%	-	12.8% to 18.8%	3.3% to 15.0%	
	<u>Terminal yield rate</u>						
	2023						
	- Singapore	-	-	-	6.3%	3.5% to 4.3%	
	- China	5.3%	4.5%	5.0% to 6.0%	6.3% to 7.3%	5.0% to 6.3%	
	- Others	-	4.6%	-	-	3.0% to 11.0%	
	2022						
	- Singapore	-	-	-	6.3%	3.3% to 4.9%	
	- China	5.3%	4.3% to 4.5%	5.0% to 6.3%	6.3% to 7.3%	4.6% to 5.3%	
	- Others	-	4.7%	-	8.5% to 8.8%	3.6% to 11.0%	
<b>Residual value method</b>	Gross development value (\$ million)						The estimated fair value increases with higher gross development value and decreases with higher estimated cost to completion.
	2023	-	-	-	617	144	
	2022	-	483	-	85 to 786	131 to 134	
	<u>Estimated cost to completion (\$ million)</u>						
	2023	-	-	-	63	97	
	2022	-	8	-	33 to 101	40 to 107	

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 31 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

### (d) Level 3 fair value measurement (continued)

(ii) Valuation techniques and significant unobservable inputs (continued)

Type	Valuation methods	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Equity investment in offices in Germany at FVTPL	Discounted cash flow method	- Discount rate: 5.1% to 7.3% (2022: 6.3% to 6.5%) - Terminal yield rate: 4.6% to 5.8% (2022: 3.2% to 3.9%)	The estimated fair value increases with lower discount rate and terminal yield rate.
Equity investment in funds in Korea and Japan at FVTPL	Discounted cash flow method	- Discount rate: 2.7% to 7.0% (2022: 2.7% to 6.5%) - Terminal yield rate: 3.0% to 6.0% (2022: 3.0% to 4.9%)	The estimated fair value increases with lower discount rate and terminal yield rate.
Equity investment in a lodging platform in China at FVTPL	Income approach	- Enterprise value/Revenue multiple of comparable companies: 3.8x (2022: 1.7x to 5.8x) - Volatility of comparable companies: 38% (2022: 42%)	The estimated fair value increases with higher revenue multiple and varies inversely against lower volatility.
Equity investment in funds in South-East Asia at FVTPL	Discounted cash flow method	- Discount rate: 3.5% to 9.5% (2022: Nil) - Terminal yield rate: 3.0% to 7.0% (2022: Nil)	The estimated fair value increases with lower discount rate and terminal yield rate.

(iii) Valuation processes applied by the Group

The significant non-financial asset of the Group categorised within Level 3 of the fair value hierarchy is investment properties. The fair values of investment properties are mostly determined by external, independent property valuers, who have the appropriate and recognised professional qualifications and recent experience in the location and category of property being valued. The property valuers provide the fair values of the Group's investment property portfolio annually. The valuation and its financial impact are discussed with the management in accordance with the Group's reporting policies.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 32 FINANCIAL RISK MANAGEMENT

### (a) Financial risk management objectives and policies

The Group is exposed to market risk (including interest rate, foreign currency and price risks), credit risk and liquidity risk arising from its business. The Group's risk management approach seeks to minimise the potential material adverse effects from these exposures. The Group uses financial instruments such as interest rate swaps, foreign exchange forwards and cross currency swaps as well as foreign currency borrowings to hedge certain financial risk exposures.

The management has overall responsibility for the compliance and oversight of the Group's risk management framework. The Board has established a Risk Committee to strengthen its risk management processes and framework. The Risk Committee is assisted by an independent unit called the Group Risk Management (GRM), which generates an Integrated Risk Report on a regular basis that aims to report and update the Risk Committee of the Group's risk profile. A group-wide Risk and Control Self-Assessment (RCSA) is conducted annually by all business units to identify key material risks (including financial risks), mitigating measures and any opportunities to leverage on.

### (b) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will have on the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

#### (i) Interest rate risk

The Group's exposure to market risk for changes in interest rate environment relates mainly to its investment in financial products and debt obligations.

The investments in financial products are short term in nature and they are not held for trading or speculative purposes. The financial products mainly comprise fixed deposits which yield better returns than cash at bank.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group strives to ensure that between 60% and 70% of its interest rate risk exposure is at a fixed rate. The Group also actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. The Group uses hedging instruments such as interest rate swaps and cross currency swaps to minimise its exposure to interest rate volatility and classifies these interest rate swaps and cross currency swaps as cash flow hedge.

As at 31 December 2023, the Group has interest rate swaps classified as cash flow hedges with notional contractual amount of \$3,702 million (2022: \$4,289 million) and for which the Group pays fixed interest rates and receives variable rates equal to the Singapore Overnight Rate Average (SORA), US Secured Overnight Financing Rate (SOFR), Tokyo Overnight Average Rate (TONA), Australia Bank Bill Swap Bid Rate (BBSY), Australia Bank Bill Swap Rate (BBSW), Euro Interbank Offered Rate (EURIBOR) and Sterling Overnight Index Average (SONIA) on the notional amount.

As at 31 December 2023, the Group has cross currency swaps classified as cash flow hedges with notional contractual amount of \$682 million (2022: \$256 million) and for which the Group pays fixed interest rates and receives variable rates equal to the swap rates for US Dollars and Singapore Dollars and Japanese Yen and Singapore Dollars on the notional amount.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 32 FINANCIAL RISK MANAGEMENT (continued)

### (b) Market risk (continued)

#### (i) Interest rate risk (continued)

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts.

The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the critical terms method. When all critical terms match, the economic relationship is considered 100% effective.

Hedge ineffectiveness may occur due to changes in the critical terms of either the interest rate swaps or borrowings.

The net carrying amount of interest rate swaps as at 31 December 2023 was \$18 million (2022: \$114 million) comprising derivative assets of \$39 million (2022: \$114 million) and derivative liabilities of \$21 million (2022: \$Nil).

#### Sensitivity analysis

For variable rate financial liabilities, it is estimated that an increase of 100 basis point in interest rate at the reporting date would lead to a reduction in the Group's profit before tax (and revenue reserve) by approximately \$44 million (2022: \$47 million). A decrease in 100 basis point in interest rate would have an equal but opposite effect. This analysis assumes that all other variables, in particular foreign currency rates, remain constant, and has not taken into account the effects of qualifying borrowing costs allowed for capitalisation, the associated tax effects and share of non-controlling interests.

#### Managing interest rate benchmark reform and associated risk

A fundamental reform of major interest rate benchmarks was undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). As at 31 December 2022, the Group had the following exposure to SGD swap offer rates (SGD SOR) and USD London interbank offered rates (USD LIBOR) on its financial instruments that had been replaced or reformed as part of the market-wide initiatives during the year.

	SGD SOR Carrying amount \$'M	USD LIBOR Carrying amount \$'M
<b>The Group</b>		
<b>31 December 2022</b>		
Borrowings	1,747	892
Derivative assets - interest rate swaps	(19)	(22)
Total	<u>1,728</u>	<u>870</u>

As at 31 December 2023, the Group has completed the transition of all its financial liabilities and financial instruments to alternative risk-free rates, where required.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 32 FINANCIAL RISK MANAGEMENT (continued)

### (b) Market risk (continued)

#### (ii) Foreign currency risk

The Group operates internationally and is exposed to various currencies, including Chinese Renminbi, Euro, Sterling Pound, Japanese Yen, Malaysian Ringgit, Australian Dollars and US Dollars.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which its property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

As at reporting date, the Group uses certain foreign currency denominated borrowings, which include bank loans and medium term notes, cross currency interest rate swaps to hedge against the currency risk arising from the Group's net investment in certain subsidiaries in the United States of America, Europe, Australia and Japan. The carrying amount of these US Dollars, Euro, Sterling Pound, Australian Dollars and Japanese Yen denominated borrowings as at 31 December 2023 was \$647 million (2022: \$593 million).

The Group uses forward exchange contracts or foreign currency loans to hedge its foreign currency risk, where feasible. It generally enters into forward exchange contracts with maturities ranging between three months and one year which are rolled over at market rates at maturity or foreign currency loans which match the Group's highly probable transactions and investment in the foreign subsidiaries. The Group also enters into cross currency swaps to hedge the foreign exchange risk of its loans denominated in a foreign currency. The foreign exchange forwards and currency swaps are denominated in the same currency as the highly probable transactions, therefore the economic relationship is 100% effective.

Hedge ineffectiveness may occur due to:

- Changes in timing of the forecasted transaction from what was originally planned; and
- Changes in the credit risk of the derivative counterparty or the Group.

The net carrying amount of the forward exchange and cross currency swap contracts as at 31 December 2023 was net assets of \$86 million (2022: \$57 million), comprising derivative assets of \$89 million (2022: \$70 million) and derivative liabilities of \$3 million (2022: \$13 million).

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 32 FINANCIAL RISK MANAGEMENT (continued)

### (b) Market risk (continued)

#### (ii) Foreign currency risk (continued)

The Group's exposure to major foreign currencies was as follows:

	Singapore Dollars \$'M	US Dollars \$'M	Australian Dollars \$'M	Chinese Renminbi \$'M	Japanese Yen \$'M	Euro \$'M	British Pound \$'M	Malaysian Ringgit \$'M
<b>The Group</b>								
<b>31 December 2023</b>								
Equity securities	111	16	-	-	9	15	-	-
Trade and other receivables	434	1,468	230	527	207	293	431	23
Cash and cash equivalents	1,273	161	97	374	162	171	77	38
Bank borrowings and debt securities	(6,395)	(2,325)	(282)	(875)	(1,123)	(382)	(522)	(626)
Trade and other payables	(825)	(377)	(64)	(555)	(54)	(91)	(32)	(65)
Gross currency exposure	(5,402)	(1,057)	(19)	(529)	(799)	6	(46)	(630)
Adjustments for:								
Net financial liabilities denominated in the respective entities' functional currencies	5,035	1,193	232	642	573	187	52	634
Bank borrowings and debt securities designated for net investment hedge	-	-	18	-	211	278	140	-
Cross currency swaps/foreign exchange forward contracts	-	(66)	-	-	104	(179)	-	-
Net currency exposure	(367)	70	231	113	89	292	146	4

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 32 FINANCIAL RISK MANAGEMENT (continued)

### (b) Market risk (continued)

#### (ii) Foreign currency risk (continued)

	Singapore Dollars \$'M	US Dollars \$'M	Australian Dollars \$'M	Chinese Renminbi \$'M	Japanese Yen \$'M	Euro \$'M	British Pound \$'M	Malaysian Ringgit \$'M
<b>The Group</b>								
<b>31 December 2022</b>								
Equity securities	129	22	-	-	11	19	-	-
Trade and other receivables	376	664	200	389	201	295	356	29
Cash and cash equivalents	1,215	184	94	630	179	121	63	70
Bank borrowings and debt securities	(6,168)	(2,685)	(504)	(924)	(937)	(323)	(407)	(499)
Trade and other payables	(750)	(210)	(70)	(867)	(62)	(86)	(23)	(64)
Gross currency exposure	(5,198)	(2,025)	(280)	(772)	(608)	26	(11)	(464)
Adjustments for:								
Net financial liabilities denominated in the respective entities' functional currencies								
Bank borrowings and debt securities designated for net investment hedge	4,926	2,015	346	904	414	211	106	583
Cross currency swaps/foreign exchange forward contracts	-	-	69	-	283	206	35	-
Net currency exposure	(272)	60	135	132	89	270	130	119

#### Sensitivity analysis

It is estimated that a five-percentage point strengthening in foreign currencies against the respective functional currencies of the Group would decrease the Group's profit before tax by approximately \$29 million (2022: \$33 million). A five-percentage point weakening in foreign currencies against the Singapore Dollar would have an equal but opposite effect. The Group's outstanding forward exchange contracts and cross currency swaps have been included in this calculation. The analysis assumed that all other variables, in particular interest rates, remain constant and does not take into account the translation related risk, associated tax effects and share of non-controlling interests.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 32 FINANCIAL RISK MANAGEMENT (continued)

### (c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. For trade and other receivables and financial assets at amortised cost, the Group has guidelines governing the process of granting credit as a service or product provider in its respective segments of business. Trade and other receivables relate mainly to the Group's tenants from its office buildings, shopping malls, business parks and lodging properties. Financial assets at amortised cost relate mainly to amounts owing by related parties. Investments and financial transactions are restricted to counterparties that meet the appropriate credit criteria.

The principal risk to which the Group is exposed to in respect of financial guarantee contracts is credit risk in connection with the guarantee contracts they have issued. To mitigate the risk, management continually monitors the risk and has established processes including performing credit evaluations of the parties it is providing the guarantee on behalf of. Guarantees are only given for the benefit of its subsidiaries and related parties. The maximum exposure to credit risk in respect of these financial guarantees at the reporting date is disclosed in note 34.

The Group has a diversified portfolio of businesses and as at reporting date, there was no significant concentration of credit risk with any entity. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet, including derivative financial instruments as well as any irrevocable loan undertaking to associates and joint venture.

#### (i) Trade and other receivables

The Group reviews the customers' credit risk taking into account the aging of the outstanding receivables, amount of security deposit available as well as any indication of credit default, and assess the amount of specific allowance for doubtful receivables required for each customer.

The Group also uses a provision matrix to measure the lifetime expected credit loss allowance for trade and other receivables and contract assets.

In measuring the expected credit losses, trade and other receivables are grouped based on similar credit risk characteristics and days past due. When determining the expected credit loss rates, the Group considers historical loss rates for customer grouped by industry sector and forward-looking macroeconomic factors like country's gross domestic product (GDP), which affect the ability of the customers to settle the receivables.

Trade and other receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

#### (ii) Financial assets at amortised cost

The Group assesses on a forward-looking basis the expected credit losses associated with financial assets at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 32 FINANCIAL RISK MANAGEMENT (continued)

#### (c) Credit risk (continued)

(a) The movements in credit loss allowance are as follows:

	Trade receivables \$'M	Other receivables \$'M	Amounts due from related corporations (current) \$'M	Amounts due from associates (current) \$'M	Amounts due from joint ventures (current) \$'M	Amounts due from joint ventures (non-current) \$'M
<b>The Group</b>	← Note 12 →		Note 7(b)	Note 8(b)	Note 8(a)	
At 1 January 2023	51	16	*	*	28	13
Allowance utilised	(6)	-	-	-	-	-
Allowance during the year	4	*	-	-	1	-
Reversal of allowance during the year	(10)	*	*	*	-	-
Translation differences	*	*	-	*	(1)	*
At 31 December 2023	39	16	*	*	28	13
At 1 January 2022	45	18	*	*	21	14
Allowance utilised	(5)	(1)	-	-	-	-
Allowance during the year	21	1	*	-	10	-
Reversal of allowance during the year	(8)	(2)	-	-	*	-
Translation differences	(2)	*	*	*	(3)	(1)
At 31 December 2022	51	16	*	*	28	13

\* Less than \$1 million

The movements in allowance for impairment loss on loans (note 6) and amounts due from subsidiaries (note 12) were as follows:

	Loans/Amounts due from subsidiaries	
	2023 \$'M	2022 \$'M
<b>The Company</b>		
At 1 January and 31 December	16	16

Cash and cash equivalents are subject to immaterial credit loss.

(b) The maximum exposure to credit risk for trade receivables and other financial assets excluding cash and cash equivalents (by business activities) at the reporting date was:

	Trade receivables 2023 \$'M	Other financial assets 2023 \$'M	Trade receivables 2022 \$'M	Other financial assets 2022 \$'M
<b>The Group</b>	(Note 12)		(Note 12)	
Fee income-related business	88	493	88	405
Real estate investment business	123	764	147	791
Corporate and others	1	42	-	32
	212	1,299	235	1,228

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 32 FINANCIAL RISK MANAGEMENT (continued)

#### (c) Credit risk (continued)

(c) The credit quality of trade and other receivables is assessed based on credit policies established by management. The Group monitors customer credit risk by grouping trade and other receivables based on their characteristics. Trade and other receivables with high credit risk will be identified and monitored by the respective strategic business units. The Group's credit risk exposure in relation to trade and other receivables under SFRS(I) 9 *Financial Instruments* as at 31 December 2023 are set out in the provision matrix as follows:

	Current (Not past due) \$'M	Within 30 days \$'M	Past due 30 to 90 days \$'M	More than 90 days \$'M	Total \$'M
<b>The Group</b>					
<b>2023</b>					
Expected loss rate	1.2%	3.6%	9.5%	82.9%	
Trade receivables	161	28	21	41	251
Loss allowance	(2)	(1)	(2)	(34)	(39)
Expected loss rate	-	-	-	0.4%	
Amounts due from associates (current)	132	23	12	33	200
Loss allowance	-	-	-	(*)	(*)
Expected loss rate	5.8%	0.9%	0.8%	30.9%	
Amounts due from joint ventures (current)	191	4	4	55	254
Loss allowance	(11)	(*)	(*)	(17)	(28)
Expected loss rate	-	-	-	-	
Amounts due from associates (non-current)	189	-	-	-	189
Expected loss rate	3.3%	-	-	-	
Amounts due from joint ventures (non-current)	412	-	-	-	412
Loss allowance	(13)	-	-	-	(13)
Expected loss rate	-	-	-	0.01%	
Amounts due from related corporations (current)	12	9	8	42	71
Loss allowance	-	-	-	(*)	(*)
Expected loss rate	-	-	-	-	
Amounts due from investee	18	-	-	-	18

\* Less than \$1 million

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 32 FINANCIAL RISK MANAGEMENT (continued)

#### (c) Credit risk (continued)

	Current (Not past due) \$'M	Past due			Total \$'M
		Within 30 days \$'M	30 to 90 days \$'M	More than 90 days \$'M	
<b>The Group</b>					
<b>2022</b>					
Expected loss rate	2.5%	2.7%	7.1%	69.8%	
Trade receivables	158	37	28	63	286
Loss allowance	(4)	(1)	(2)	(44)	(51)
Expected loss rate	-	-	-	0.3%	
Amounts due from associates (current)	98	43	12	49	202
Loss allowance	-	-	-	(*)	(*)
Expected loss rate	6.7%	-	0.1%	36.2%	
Amounts due from joint ventures (current)	164	83	3	47	297
Loss allowance	(11)	(*)	(*)	(17)	(28)
Expected loss rate	-	-	-	-	
Amounts due from associates (non-current)	74	-	-	-	74
Expected loss rate	3.2%	-	-	-	
Amounts due from joint ventures (non-current)	406	-	-	-	406
Loss allowance	(13)	-	-	-	(13)
Expected loss rate	0.002%	-	-	1.4%	
Amounts due from related corporations (current)	26	9	4	34	73
Loss allowance	(*)	-	-	(*)	(*)
Expected loss rate	-	-	-	-	
Amounts due from investee	18	-	-	-	18

\* Less than \$1 million

No aging analysis of other loans and receivables are presented as the majority of outstanding balances as at 31 December 2023 and 31 December 2022 are current (not past due).

The Company's ageing analysis of amounts due from related corporations and subsidiaries are not presented as the outstanding balances as at 31 December 2023 and 31 December 2022 are current.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 32 FINANCIAL RISK MANAGEMENT (continued)

#### (d) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient level of cash or cash convertible investments to meet its working capital requirement. In addition, the Group strives to maintain sufficient available banking facilities to meet working capital and funding needs.

As part of the Group's borrowing activities, the Group is exposed to the risk of potential and actual breaches of financial covenants in the Group's indebtedness which may also result in accelerated demands of payment or calls for events of default by lenders. This may restrict the Group's ability to obtain additional financing for capital expenditure, acquisitions or general corporate purposes and may cause the Group to be particularly vulnerable in any general economic downturn or instability in the global financial capital markets.

The Group has been actively managing its liquidity position amid the macroeconomic challenges. As at 31 December 2023, the Group has approximately \$6.4 billion (2022: \$6 billion) of total cash and available undrawn committed facilities held under the Group's treasury vehicles, which is sufficient to support the Group's funding requirements for the next 24 months.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 32 FINANCIAL RISK MANAGEMENT (continued)

### (d) Liquidity risk (continued)

The following are the expected contractual undiscounted cash flows of financial liabilities and derivative financial instruments, including interest payments and excluding the impact of netting agreements:

	Note	Carrying amount \$'M	Contractual cash flows			
			Total \$'M	Not later than 1 year \$'M	Between 1 and 5 years \$'M	After 5 years \$'M
<b>The Group</b>						
<b>31 December 2023</b>						
<b>Financial liabilities, at amortised cost</b>						
Bank borrowings	16	(9,800)	(11,146)	(1,506)	(8,414)	(1,226)
Debt securities	17	(2,062)	(2,349)	(300)	(1,442)	(607)
Lease liabilities	16	(728)	(958)	(95)	(325)	(538)
Trade and other payables <sup>#</sup>		(1,598)	(1,602)	(1,145)	(454)	(3)
		(14,188)	(16,055)	(3,046)	(10,635)	(2,374)
<b>31 December 2023</b>						
<b>Derivative financial assets/(liabilities), at fair value</b>						
Interest rate swaps (net-settled)						
- assets		39	97	33	63	1
- liabilities		(21)	(22)	4	(26)	*
Forward foreign exchange contracts (net-settled)						
- assets		4	4	4	-	-
- liabilities		(1)	(1)	(1)	-	-
Forward foreign exchange contracts (gross-settled)						
- outflow		9	(286)	(286)	-	-
- inflow			295	295	-	-
Forward foreign exchange contracts (gross-settled)						
- outflow		(1)	(178)	(178)	-	-
- inflow			177	177	-	-
Cross currency swaps (gross-settled)						
- outflow		76	(695)	(124)	(566)	(5)
- inflow			800	153	646	1
Cross currency swaps (gross-settled)						
- outflow		(1)	(120)	(4)	(116)	-
- inflow			119	4	115	-
		104	190	77	116	(3)
		(14,084)	(15,865)	(2,969)	(10,519)	(2,377)

<sup>#</sup> Excludes advanced billings, advance payments received, accruals and other payables relating to staff cost, deferred income, derivative liabilities and liability for employee benefits.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 32 FINANCIAL RISK MANAGEMENT (continued)

### (d) Liquidity risk (continued)

	Note	Carrying amount \$'M	Contractual cash flows			
			Total \$'M	Not later than 1 year \$'M	Between 1 and 5 years \$'M	After 5 years \$'M
<b>The Group</b>						
<b>31 December 2022</b>						
<b>Financial liabilities, at amortised cost</b>						
Bank borrowings	16	(10,429)	(11,731)	(1,573)	(8,869)	(1,289)
Debt securities	17	(1,502)	(1,666)	(204)	(1,270)	(192)
Lease liabilities	16	(659)	(826)	(81)	(312)	(433)
Trade and other payables <sup>#</sup>		(1,985)	(1,987)	(1,770)	(215)	(2)
		(14,575)	(16,210)	(3,628)	(10,666)	(1,916)
<b>Derivative financial assets/(liabilities), at fair value</b>						
Interest rate swaps (net-settled)						
- assets		114	117	78	37	2
Forward foreign exchange contracts (net-settled)						
- assets		11	11	11	-	-
- liabilities		(4)	(6)	(3)	(3)	-
Forward foreign exchange contracts (gross-settled)						
- outflow		(1)	(176)	(176)	-	-
- inflow			175	175	-	-
Cross currency swaps (gross-settled)						
- outflow		59	(537)	(156)	(381)	-
- inflow			638	192	446	-
Cross currency swaps (gross-settled)						
- outflow		(8)	(218)	(37)	(181)	-
- inflow			230	44	186	-
		171	234	128	104	2
		(14,404)	(15,976)	(3,500)	(10,562)	(1,914)

<sup>#</sup> Excludes advanced billings, advance payments received, accruals and other payables relating to staff cost, deferred income, derivative liabilities and liability for employee benefits.

The interest payments on the Group's sustainability-linked loans and notes take into consideration the Group's expectation of its ability to meet the sustainability-linked performance targets and may change if the Group expects that it can no longer meet these targets.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 32 FINANCIAL RISK MANAGEMENT (continued)

### (d) Liquidity risk (continued)

	Carrying amount \$'M	Contractual cash flows			After 5 years \$'M
		Total \$'M	Not later than 1 year \$'M	Between 1 and 5 years \$'M	
<b>The Company</b>					
<b>31 December 2023</b>					
<b>Financial liabilities, at amortised cost</b>					
Lease liabilities	(98)	(121)	(14)	(62)	(45)
Trade and other payables*	(933)	(969)	(122)	(825)	(22)
	(1,031)	(1,090)	(136)	(887)	(67)
<b>31 December 2022</b>					
<b>Financial liabilities, at amortised cost</b>					
Lease liabilities	(13)	(13)	(12)	(1)	-
Trade and other payables*	(1,028)	(1,040)	(223)	(817)	-
	(1,041)	(1,053)	(235)	(818)	-

\* Excludes liability for employee benefits.

## 32 FINANCIAL RISK MANAGEMENT (continued)

### (d) Liquidity risk (continued)

At 31 December 2023, the Group held the following instruments to hedge exposures to changes in foreign currency and interest rates:

	Contractual notional amount \$'M	Assets/ (Liabilities) \$'M	Financial statement line item	Hedging instrument	Hedged item \$'M	Hedge ineffectiveness used for calculating changes in fair value \$'M	Hedge ineffectiveness recognised in profit or loss \$'M	Weighted average hedge rate/ interest rate (%)	Maturity date
<b>The Group</b>									
<b>31 December 2023</b>									
<b>Cashflow hedges</b>									
Foreign exchange risk									
- Cross currency swaps to hedge foreign currency borrowings	326	7	Derivative financial instruments	6	(6)	-	-	USD: SGD1.350 JPY: SGD0.0108	April 2024 to November 2029
- Forward contracts to hedge foreign currency receivable	356	8	Derivative financial instruments	(1)	2	1	1	KRW: SGD0.001 USD: SGD1.357	February 2024 to October 2024
Interest rate risk									
- Interest rate swaps to hedge floating rate borrowings	3,702	18	Derivative financial instruments	(37)	37	-	-	2.362%	February 2024 to June 2028
<b>Net investment hedges</b>									
Foreign exchange risk									
- Borrowings to hedge net investments in foreign operations	-	(647)	Borrowings	7	(7)	-	-	JPY: SGD0.0093 EUR: SGD1.465 GBP: SGD1.677 AUD: SGD0.902	April 2024 to April 2028
- Forward contracts to hedge net investments in foreign operations	458	3	Derivative financial instruments	(5)	5	-	-	USD: SGD1.350 RMB: SGD0.186 JPY: SGD0.0093 EUR: SGD1.448 MYR: SGD0.289	January 2024 to September 2024
- Cross currency swaps to hedge net investments in foreign operations	687	68	Derivative financial instruments	36	(36)	-	-	JPY: SGD0.0100 EUR: SGD1.491	March 2024 to September 2028

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 32 FINANCIAL RISK MANAGEMENT (continued)

### (d) Liquidity risk (continued)

	Contractual notional amount \$'M	Assets/ (Liabilities) \$'M	Financial statement line item	Changes in fair value used for calculating hedge ineffectiveness		Hedge ineffectiveness recognised in profit or loss \$'M	Weighted average hedge forex rate/ interest rate (%)	Maturity date
				Hedging instrument \$'M	Hedged item \$'M			
<b>The Group</b>								
<b>31 December 2022</b>								
<b>Cashflow hedges</b>								
Foreign exchange risk								
- Cross currency swaps to hedge foreign currency borrowings	195	2	Derivative financial instruments	3	(3)	-	USD: SGD1.371	January 2022 to August 2025
- Forward contracts to hedge foreign currency receivable	61	(3)	Derivative financial instruments	(3)	3	-	KRW: SGD0.001	October 2024
Interest rate risk								
- Interest rate swaps to hedge floating rate borrowings	4,289	114	Derivative financial instruments	145	(145)	*	1.339%	March 2023 to October 2027
<b>Net investment hedges</b>								
Foreign exchange risk								
- Borrowings to hedge net investments in foreign operations	-	(593)	Borrowings	16	(16)	-	JPY: SGD0.01022 EUR: SGD1.504 GBP: SGD1.753 AUD: SGD0.903	April 2023 to June 2025
- Forward contracts to hedge net investments in foreign operations	462	9	Derivative financial instruments	7	(7)	-	USD: SGD1.371 RMB: SGD0.194 JPY: SGD0.0102 EUR: SGD1.430 GBP: SGD1.626 MYR: SGD0.302	January 2023 to November 2023
- Cross currency swaps to hedge net investments in foreign operations	585	49	Derivative financial instruments	44	(44)	-	JPY: SGD0.0102 EUR: SGD1.545	April 2023 to May 2026

\* Less than \$1 million

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 32 FINANCIAL RISK MANAGEMENT (continued)

### (d) Liquidity risk (continued)

The following table provides a reconciliation by risk category of components of equity and analysis of other comprehensive income items (net of tax) resulting from cashflow hedge accounting.

	2023 \$'M	2022 \$'M
<b>The Group</b>		
At 1 January	110	(1)
Change in fair value:		
- Interest rate risk	(77)	147
- Foreign currency risk	7	(3)
Amount reclassified to profit or loss:		
- Interest rate risk	(5)	(33)
At 31 December	35	110

### (e) Offsetting financial assets and financial liabilities

The Group's derivative transactions that are not transacted through an exchange, are governed by the ISDA Master Netting Agreements. In general, under such agreements, the amounts due on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount and settled between the counterparties. In certain circumstances, for example when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and set off into a single net amount to be settled.

The above ISDA agreements do not meet the criteria for offsetting in the balance sheets as a right of set-off of recognised amounts is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

There is no offset of the Group and the Company's financial assets and financial liabilities as of the reporting dates.

## 33 COMMITMENTS

As at the reporting date, the Group had the following commitments:

### (a) Operating lease

The Group's operating lease relates mainly to leases with lease terms of 12 months or less or low value assets. Future minimum lease payments for the Group in non-cancellable operating leases are as follows:

	The Group	
	2023 \$'M	2022 \$'M
Lease payments payable:		
Not later than 1 year	30	58
Between 1 and 5 years	1	*
After 5 years	2	-
	33	58

\* Less than \$1 million



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 33 COMMITMENTS (continued)

(b) Commitments

	The Group	
	2023 \$'M	2022 \$'M
Commitments in respect of:		
- capital expenditure contracted but not provided for in the financial statements	80	17
- development expenditure contracted but not provided for in the financial statements	104	374
- capital contribution in associates, joint ventures and investee companies	1,135	940
- purchase of properties contracted but not provided for in the financial statements	67	107
- credit financing to external parties	223	-
	<u>1,609</u>	<u>1,438</u>

(c) As at the reporting date, the notional principal values of financial instruments were as follows:

	The Group	
	2023 \$'M	2022 \$'M
Interest rate and forward start interest rate swaps	3,702	4,289
Forward foreign exchange contracts	821	523
Cross currency swaps	1,017	780
	<u>5,540</u>	<u>5,592</u>

The maturity profile of these financial instruments was:

	The Group	
	2023 \$'M	2022 \$'M
Not later than 1 year	2,400	3,366
Between 1 and 5 years	2,869	2,226
After 5 years	271	-
	<u>5,540</u>	<u>5,592</u>

### 34 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 joint ventures.

	The Group		The Company	
	2023 \$'M	2022 \$'M	2023 \$'M	2022 \$'M
(a) Guarantees given to banks to secure banking facilities provided to:				
- subsidiaries	-	-	6,906	5,685
- joint ventures	5	4	-	-
	<u>5</u>	<u>4</u>	<u>6,906</u>	<u>5,685</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 34 FINANCIAL GUARANTEE CONTRACTS AND CONTINGENT LIABILITIES (continued)

(b) Undertakings by the Group:

- (i) As at 31 December 2023, two subsidiaries of the Group have pledged their shares in joint ventures for term loan and revolving facilities of \$1,128 million (2022: \$1,076 million) obtained by the joint ventures. As at 31 December 2023, the amount outstanding was \$934 million (2022: \$982 million).
- (ii) As at 31 December 2023, a subsidiary of the Group has provided several undertakings on cost overrun, security margin and/or 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 \$293 million (2022: \$351 million) granted to joint ventures. As at 31 December 2023, the amount outstanding under the term loan and revolving construction facilities was \$175 million (2022: \$224 million).

(c) Government assistance

In response to the economic impacts of the COVID-19 pandemic, the governments of France and Japan introduced various financial support schemes, which provided guarantees for bank loans borrowed by the Group's subsidiaries amounting to \$38 million issued by the respective banks in 2022. As at 31 December 2023, the loans borrowed by the subsidiaries in Japan has been fully repaid and the amount outstanding under the loan facility that was borrowed by a subsidiary in France was \$26 million. Interest rates for the guaranteed loans were at 1.0% (2022: 0.2% to 1.1%) per annum.

The Group determined that the interest rates for an equivalent loan issued on an arm's length basis without the guarantee was at 5.1% (2022: 0.7% to 3.1%) per annum. There are no unfulfilled conditions or contingencies for the government assistance as at 31 December 2023.

### 35 SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the direct and indirect ability to control the party, jointly control or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or significant influence. Related parties may be individuals or other entities.

The Group considers the directors of the Company, Group CEO and key management officers of the corporate office as well as CEOs of the businesses to be key management personnel in accordance with SFRS(I) 1-24 *Related Party Disclosures*.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 35 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

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	
	2023 \$'M	2022 \$'M
<b>Related corporations of ultimate holding company</b>		
Management fee income	10	17
Purchase of goods and services	(9)	(6)
Purchase consideration for acquisition of investment	-	147
Investment in a joint venture <sup>1</sup>	41	23
Receivables included in trade and other receivables	2	14
<b>Immediate holding company</b>		
Management fee income	4	8
IT support services income	5	4
Others	5	7
<b>Fellow subsidiaries under the immediate holding company</b>		
Management fee income	26	30
IT support services income	8	8
Rental income	*	2
Administrative support services income	4	4
Management fee expenses	(3)	(4)
Rental expense	(3)	(3)
Investments in/(Return of investment from) joint ventures <sup>1</sup>	227	(48)
Others	10	14
<b>Associates and joint ventures</b>		
Management fee income	471	433
Rental expense	(15)	(10)
Fees from acquisition and divestment fees, accounting services fee, marketing income and others	129	174
Proceeds from sale of investments	251	556
<b>Key management personnel</b>		
Purchase of fixed rate notes issued by a subsidiary	-	2
<b>Remuneration of key management personnel (KMP)</b>		
Salary, bonus and other benefits	17	17
Employer's contributions to defined contribution plans	*	*
Equity compensation benefits	17	20
	34	37

<sup>1</sup> Investments include loans and/or capital contributions.

\* Less than \$1 million

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 36 OPERATING SEGMENTS

Management determines the operating segment based on the reports reviewed and used for strategic decision making and resources allocation. The Group organises its reporting structure into segments by business activities to more accurately reflect the way the Group manage its businesses.

For segment reporting purpose, the Group's primary segment is based on business activities. The Group's secondary segment is reported by geographical locations.

The Group's reportable operating segments are as follows:

- (i) Fee Income-related Business (FRB) involves investment and asset management of listed and unlisted funds, lodging management and commercial management.
- (ii) Real Estate Investment Business (REIB) involves investments in real estate assets and related financial products.
- (iii) Corporate and Others.

Information regarding the operations of each reportable segment is included below. Management monitors the operating results of each of its primary segments for the purpose of making decisions on resource allocation and performance assessment. Performance is measured based on segment earnings before interest, tax, depreciation and amortisation (EBITDA). EBITDA is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments. Segment assets and liabilities are presented net of inter-segment balances. Inter-segment pricing is determined on arm's length basis.

In term of secondary segment, the Group presents its businesses based on geographical locations based on Singapore, China, other emerging markets and other developed markets.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 36 OPERATING SEGMENTS (continued)

#### Operating Segments

	Fee Income-related Business \$'M	Real Estate Investment Business \$'M	Corporate and Others \$'M	Elimination \$'M	Total \$'M
<b>2023</b>					
<b>Revenue</b>					
External revenue	883	1,887	14	-	2,784
Inter-segment revenue	187	43	404	(634)	-
<b>Total revenue</b>	<b>1,070</b>	<b>1,930</b>	<b>418</b>	<b>(634)</b>	<b>2,784</b>
<b>Segment results</b>					
Company and subsidiaries	401	399	31	-	831
Associates	-	206	-	-	206
Joint ventures	3	64	-	-	67
<b>EBITDA</b>	<b>404</b>	<b>669</b>	<b>31</b>	<b>-</b>	<b>1,104</b>
Depreciation and amortisation					(142)
Finance costs					(488)
Tax expense					(141)
<b>Profit for the year</b>					<b>333</b>
<b>Segment assets</b>	<b>2,532</b>	<b>30,380</b>	<b>7,864</b>	<b>(6,643)</b>	<b>34,133</b>
<b>Segment liabilities</b>	<b>601</b>	<b>8,126</b>	<b>7,169</b>	<b>-</b>	<b>15,896</b>
<b>Other segment items:</b>					
Interest income	3	25	34	-	62
Depreciation and amortisation	(15)	(106)	(21)	-	(142)
Write-back of impairment losses on assets	-	4	-	-	4
Fair value loss on investment properties	-	(257)	-	-	(257)
Share-based expenses	(30)	(8)	(17)	-	(55)
Net gains on disposal of investments and investment properties	-	73	-	-	73
Mark-to-market loss on derivative instruments	-	(18)	-	-	(18)
Associates	1	10,230	-	-	10,231
Joint ventures	14	2,798	-	-	2,812
Capital expenditure <sup>#</sup>	32	582	142	-	756

<sup>#</sup> Capital expenditure consists of additions of property, plant and equipment, investment properties and intangible assets.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 36 OPERATING SEGMENTS (continued)

#### Operating Segments (continued)

	Fee Income-related Business \$'M	Real Estate Investment Business \$'M	Corporate and Others \$'M	Elimination \$'M	Total \$'M
<b>2022</b>					
<b>Revenue</b>					
External revenue	788	2,069	19	-	2,876
Inter-segment revenue	167	41	246	(454)	-
<b>Total revenue</b>	<b>955</b>	<b>2,110</b>	<b>265</b>	<b>(454)</b>	<b>2,876</b>
<b>Segment results</b>					
Company and subsidiaries	403	991	41	-	1,435
Associates	-	425	-	-	425
Joint ventures	3	103	-	-	106
<b>EBITDA</b>	<b>406</b>	<b>1,519</b>	<b>41</b>	<b>-</b>	<b>1,966</b>
Depreciation and amortisation					(146)
Finance costs					(432)
Tax expense					(318)
<b>Profit for the year</b>					<b>1,070</b>
<b>Segment assets</b>	<b>2,257</b>	<b>31,666</b>	<b>8,060</b>	<b>(6,873)</b>	<b>35,110</b>
<b>Segment liabilities</b>	<b>480</b>	<b>10,451</b>	<b>5,250</b>	<b>-</b>	<b>16,181</b>
<b>Other segment items:</b>					
Interest income	3	20	30	-	53
Depreciation and amortisation	(16)	(119)	(11)	-	(146)
Allowance for impairment losses on assets	(5)	(20)	-	-	(25)
Fair value gain on investment properties	-	250	-	-	250
Write back of listing and restructuring expenses	-	-	23	-	23
Share-based expenses	(31)	(13)	(24)	-	(68)
Net gains on disposal of investments and investment properties	-	224	-	-	224
Mark-to-market gain on derivative instruments	-	34	-	-	34
Associates	169	10,248	-	-	10,417
Joint ventures	8	2,727	-	-	2,735
Capital expenditure <sup>#</sup>	178	1,353	6	-	1,537

<sup>#</sup> Capital expenditure consists of additions of property, plant and equipment, investment properties and intangible assets.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 36 OPERATING SEGMENTS (continued)

### Geographical Information

	Singapore \$'M	China \$'M	Other developed markets <sup>1</sup> \$'M	Other emerging markets <sup>2</sup> \$'M	Group \$'M
<b>2023</b>					
External revenue	569	434	1,452 <sup>5</sup>	329	2,784
EBITDA <sup>4</sup>	759	(306)	395	256	1,104
Non-current assets <sup>3</sup>	8,316	8,276	9,385 <sup>6</sup>	2,735	28,712
Total assets	10,309	10,120	10,432	3,272	34,133
<b>2022</b>					
External revenue	557	466	1,536 <sup>5</sup>	317	2,876
EBITDA <sup>4</sup>	915	215	708	128	1,966
Non-current assets <sup>3</sup>	8,183	9,470	9,399 <sup>6</sup>	2,770	29,822
Total assets	10,032	11,248	10,311	3,519	35,110

<sup>1</sup> Includes the United Kingdom, France, Germany, Spain, Belgium, Ireland, Japan, South Korea, the United States of America, Australia and New Zealand.

<sup>2</sup> Other emerging markets refers to Asia, but excludes Singapore, China, Hong Kong, Japan and South Korea.

<sup>3</sup> Non-current assets comprised property, plant and equipment, intangible assets, investment properties, investment in associates and joint ventures.

<sup>4</sup> Fair value losses of \$257 million in 2023 included in EBITDA (2022: gains of \$250 million).

<sup>5</sup> Includes revenue from the United States of America of \$563 million (2022: \$776 million), Australia of \$321 million (2022: \$293 million), France of \$187 million (2022: \$170 million), the United Kingdom of \$108 million (2022: \$99 million) and Japan of \$155 million (2022: \$92 million).

<sup>6</sup> Includes non-current assets from the United States of America of \$3,292 million (2022: \$3,471 million), Japan of \$1,536 million (2022: \$1,555 million) and Australia of \$1,525 million (2022: \$1,575 million).

## 37 ADOPTION OF NEW ACCOUNTING STANDARDS

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:

- SFRS(I) 17: *Insurance Contracts*
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments 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*
- Amendments to SFRS(I) 1-12: *International Tax Reform – Pillar Two Model Rules*

Other than disclosed below, the application of these amendments to accounting standards and interpretations does not have a material effect on the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 37 ADOPTION OF NEW ACCOUNTING STANDARDS (continued)

### Financial guarantee contracts

On 1 January 2023, the Group changed its accounting policy with respect to the accounting of financial guarantee contracts. Prior to 1 January 2023, the Group had regarded financial guarantee contracts as insurance contracts under SFRS(I) 4 *Insurance Contracts*. SFRS(I) 17 *Insurance Contracts* replaces SFRS(I) 4 for annual periods beginning on or after 1 January 2023. On transition to SFRS(I) 17, the Group made an irrevocable election to apply SFRS(I) 9 *Financial Instruments*, on a contract-by-contract basis, to all financial guarantee contracts. This change in accounting policy was applied retrospectively. There was no impact on the statement of financial position and the opening accumulated profits as at 1 January 2022 as a result of the change as the carrying amount of the financial guarantee contracts at the date of transition was assessed to be nil.

### Global minimum top-up tax

The Group has adopted Amendments to SFRS(I) 1- 12 *International Tax Reform – Pillar Two Model Rules* upon their release on 23 May 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax that may arise from the jurisdictional adoption of the Pillar Two model rules published by OECD, and required new disclosures about the Pillar Two tax exposure.

The mandatory exception is effective immediately and applies retrospectively. However, because no new legislation to implement top-up tax was enacted or substantively enacted at 31 December 2022 in any jurisdiction in which the Group operates and no related deferred tax was recognised as that date, the retrospective application has no impact on the Group's consolidated financial statements.

### Material accounting policy information

The Group adopted Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies* for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments required the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in note 2 *Material Accounting Policies (2022: Significant Accounting Policies)* in certain instances in line with the amendments.

The Group has not early adopted the new standards, interpretations and amendments to standards (collectively, Changes) which are effective for annual periods beginning after 1 January 2023, in preparing these consolidated financial statements. These Changes are not expected to have a significant impact on the Group's financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 38 SUBSEQUENT EVENTS

- (a) On 9 January 2024, the Group's wholly-owned subsidiary, The Ascott Limited (TAL) and CapitaLand Wellness Fund (C-WELL), an associate of the Group, jointly acquired a freehold lodging property in Singapore. TAL and C-WELL each holds a 50% stake in the lodging property, which will be upgraded and rebranded as lyf Bugis Singapore (lyf Bugis). The renovation is expected to be completed by the second quarter of 2024.
- (b) On 5 February 2024, the Group's subsidiary, CapitaLand Malaysia Trust (CLMT) entered into a conditional sale and purchase agreement to acquire three freehold ready-built factories located at the Nusajaya Tech Park in Iskandar Malaysia, Johor from Nusajaya Tech Park Sdn. Bhd. (Nusajaya) for a consideration of MYR27 million (S\$8 million). CapitaLand Group Pte. Ltd., the immediate holding company of the company, holds a 60% stake in Nusajaya. This transaction, subject to fulfilment of conditions by the vendor, is expected to be completed by the fourth quarter of 2024.
- (c) On 14 February 2024, CLI announced that it has established the CapitaLand Ascott Residence Asia Fund II (CLARA II), CLI's second private fund that focuses on serviced residence and coliving assets. With a target equity size of US\$600 million (approximately S\$800 million), CLARA II will invest in properties located in gateway cities in key developed Asia Pacific markets. Seed assets of CLARA II include a 50% stake in lyf Bugis and a 100% stake in lyf Shibuya Tokyo, Japan that the fund will acquire from the Group. CLI will hold a 20% sponsor stake in CLARA II while the remaining 80% will be held by third-party institutional investors. The acquisition of the two properties was completed in March 2024.

# PRINCIPAL SUBSIDIARIES PROPERTY PORTFOLIO

As at 31 December 2023

## INTEGRATED DEVELOPMENTS

City	Property	Effective Stake (%)	GFA (sqm)	Tenure (Years)	Tenure Expiry
<b>CHINA</b>					
<b>Tianjin</b>	Tianjin International Trade Centre R: 45% O: 55%	100	77,374	Leasehold	2057
<b>Wuhan</b>	CapitaMall Westgate R: 72% O: 10% S: 18%	100	217,556	Leasehold	2053/2063
<b>China Total</b>			<b>294,930</b>		

Legend: R: Retail, O: Office, S: Strata Sales

## MALLS

City	Property	Effective Stake (%)	GFA (sqm)	Tenure (Years)	Tenure Expiry
<b>CHINA</b>					
<b>Beijing</b>	CapitaMall Daxing	100	134,693	Leasehold	2051
<b>China Total</b>			<b>134,693</b>		
<b>MALAYSIA</b>					
<b>Kuala Lumpur</b>	Sungei Wang Plaza (approximately 61.9% of the total strata floor area of retail parcels and 100% of car park bays)	40.7 <sup>1</sup>	47,483	Freehold	-
<b>Kuantan</b>	East Coast Mall	40.7 <sup>1</sup>	98,765	99	2106
<b>Penang</b>	Gurney Plaza	40.7 <sup>1</sup>	116,437	Freehold	-
	Queensbay Mall (approximately 91.8% of the total strata floor area of retail parcels and 100% of car park bays)	40.7 <sup>1,2</sup>	119,165	Freehold	-
<b>Petaling Jaya</b>	3 Damansara	40.7 <sup>1</sup>	59,409	Freehold	-
<b>Selangor</b>	The Mines	40.7 <sup>1</sup>	106,913	99	2091
<b>Malaysia Total</b>			<b>548,172</b>		
<b>Grand Total</b>			<b>682,865</b>		

# PRINCIPAL SUBSIDIARIES PROPERTY PORTFOLIO

As at 31 December 2023

## NEW ECONOMY

City	Property	Effective Stake (%)	GFA (sqm)	Tenure (Years)	Tenure Expiry	Lease Type
<b>CHINA</b>						
<b>Beijing</b>	Projects in the Beijing Economic Technological Development Area (BDA)	99.7	15,233	Leasehold	2051-2053	Industrial/ Logistics
<b>Dalian</b>	Dalian Ascendas IT Park	100	337,170	Leasehold	2055	Business Park
<b>Shanghai</b>	Shanghai Zhuanqiao Data Centre	80	54,931	Leasehold	2057	Data Centre
<b>Suzhou</b>	Ascendas iHub Suzhou	100	170,797	Leasehold	2058	Business Park
<b>China Total</b>			<b>578,131</b>			
<b>INDIA</b>						
<b>Chennai</b>	International Tech Park Chennai, Radial Road (Phase II)	100 <sup>3,4,B</sup>	113,271	Freehold	-	IT park
	International Tech Park Chennai, Radial Road (Phase III)	100 <sup>3,4,B</sup>	113,271	Freehold	-	IT park
<b>National Capital Region</b>	International Tech Park Gurgaon (SEZ 2)	100 <sup>5,B</sup>	96,314	Freehold	-	IT park
<b>India Total</b>			<b>322,855</b>			
<b>JAPAN</b>						
<b>Osaka</b>	Osaka Saito Logistics Center project	100 <sup>8</sup>	26,747	Freehold	-	Logistics
<b>Japan Total</b>			<b>26,747</b>			
<b>MALAYSIA</b>						
<b>Penang</b>	Valdor Logistics Hub	40.7 <sup>1,5</sup>	31,123	Freehold	-	Logistics
<b>Selangor</b>	Glenmarie Distribution Center	40.7 <sup>1,6</sup>	7,906	Freehold	-	Logistics
<b>Malaysia Total</b>			<b>39,029</b>			
<b>SINGAPORE</b>						
<b>Singapore</b>	ICON@IBP	100	41,956	53	2060	Business Park
	Pratt & Whitney Singapore Component Repair	100	14,948	59	2070	Industrial
<b>Singapore Total</b>			<b>56,904</b>			
<b>UNITED KINGDOM</b>						
<b>Reading</b>	Arlington Business Park	100 <sup>7</sup>	33,592	Freehold	-	Business Park
<b>United Kingdom Total</b>			<b>33,592</b>			
<b>Grand Total</b>			<b>1,057,258</b>			

## OFFICES

City	Property	Effective Stake (%)	GFA (sqm)	Tenure (Years)	Tenure Expiry
<b>CHINA</b>					
<b>Beijing</b>	Capital Square Beijing	100 <sup>8</sup>	44,759	Leasehold	2054
<b>Shenzhen</b>	One iPark	73	22,507	Leasehold	2056
<b>China Total</b>			<b>67,266</b>		
<b>JAPAN</b>					
<b>Tokyo</b>	Kokugikan Front	100	6,059	Freehold	-
<b>Japan Total</b>			<b>6,059</b>		
<b>Grand Total</b>			<b>73,325</b>		

# PRINCIPAL SUBSIDIARIES PROPERTY PORTFOLIO

As at 31 December 2023

## LODGING - MULTIFAMILY

City	Property	Effective Stake (%)	No. of Units	Tenure (Years)
<b>UNITED STATES OF AMERICA</b>				
<b>Aurora</b>	Canterra at Fitzsimons	100	188	Freehold
	Silverbrook	100	165	Freehold
<b>Austin</b>	A Multifamily property in Austin, Texas	80 <sup>A</sup>	341	Freehold
	A Single-family rental property in Austin, Texas	80 <sup>A</sup>	-	Freehold
<b>Corona</b>	Deerwood Apartments	100	316	Freehold
	Marquessa Villas	100	336	Freehold
	The Ashton	100	492	Freehold
<b>Denver</b>	Parkfield	100	476	Freehold
	Sienna at Cherry Creek	100	220	Freehold
<b>Everett</b>	Aerohaven	100	126	Freehold
	CentrePointe Greens	100	186	Freehold
<b>Kirkland</b>	Heronfield	100	202	Freehold
<b>Lacey</b>	Capitol City on the Course	100	96	Freehold
	Village at Union Mills	100	182	Freehold
<b>Lakewood</b>	Dartmouth Woods	100	201	Freehold
<b>Milwaukie</b>	Miramonte Lodge	100	231	Freehold
	The Bluffs	100	137	Freehold
<b>Nashville</b>	A Multifamily property in Nashville, Tennessee	80 <sup>A</sup>	-	Freehold
<b>Portland</b>	Stoneridge at Cornell	100	233	Freehold
<b>United States Of America Total</b>			<b>4,128</b>	
<b>Grand Total</b>			<b>4,128</b>	

# PRINCIPAL SUBSIDIARIES PROPERTY PORTFOLIO

As at 31 December 2023

## LODGING

City	Property	Effective Stake (%)	No. of Units	Tenure (Years)	Tenure Expiry
<b>AUSTRALIA</b>					
<b>Brisbane</b>	Pullman and Mercure Brisbane King George Square	28.3 <sup>9</sup>	438	Freehold	-
	Quest Cannon Hill	28.3 <sup>9</sup>	100	Freehold	-
<b>Melbourne</b>	Citadines on Bourke Melbourne	28.3 <sup>9</sup>	380	Freehold	-
	Pullman and Mercure Melbourne Albert Park	28.3 <sup>9</sup>	378	Freehold	-
	Somerset on Elizabeth Melbourne	100	34	Freehold	-
<b>Perth</b>	Citadines St Georges Terrace Perth	28.3 <sup>9</sup>	85	Freehold	-
<b>Sydney</b>	Citadines Connect Sydney Airport	28.3 <sup>9</sup>	150	Freehold	-
	Courtyard by Marriott Sydney - North Ryde	28.3 <sup>8,9</sup>	196	Freehold	-
	Novotel Sydney Parramatta	28.3 <sup>8,9</sup>	194	Freehold	-
	Pullman Sydney Hyde Park	28.3 <sup>9</sup>	241	Freehold	-
	Quest Campbelltown	28.3 <sup>9</sup>	81	Freehold	-
	Quest Mascot	28.3 <sup>9</sup>	91	Freehold	-
	Quest Sydney Olympic Park	28.3 <sup>9</sup>	140	99	2111
	Quest Macquarie Park	28.3 <sup>9</sup>	111	Freehold	-
	Sydney Central Hotel (f.k.a Novotel Sydney Central)	28.3 <sup>9</sup>	255	Freehold	-
<b>Australia Total</b>			<b>2,874</b>		
<b>BELGIUM</b>					
<b>Brussels</b>	Citadines Sainte-Catherine Brussels	28.3 <sup>9</sup>	169	Freehold	-
	Citadines Toison d'Or Brussels	28.3 <sup>9</sup>	155	Freehold	-
<b>Belgium Total</b>			<b>324</b>		
<b>CHINA</b>					
<b>Chengdu</b>	Somerset Riverview Chengdu	100	200	50	2049
<b>Dalian</b>	Somerset Grand Central Dalian	28.3 <sup>9</sup>	195	50	2056
<b>Shenyang</b>	Somerset Heping Shenyang	28.3 <sup>9</sup>	270	40	2046
<b>Suzhou</b>	Citadines Xinghai Suzhou	28.3 <sup>9</sup>	167	70	2066
<b>Tianjin</b>	Somerset Olympic Tower Property Tianjin	28.3 <sup>9</sup>	185	70	2062
<b>Wuhan</b>	Citadines Zhuankou Wuhan	28.3 <sup>9</sup>	249	40	2043
<b>China Total</b>			<b>1,266</b>		
<b>FRANCE</b>					
<b>Lyon</b>	Citadines Presqu'île Lyon	28.3 <sup>9</sup>	116	Freehold	-
<b>Montpellier</b>	Citadines Antigone Montpellier	28.3 <sup>9</sup>	122	Freehold	-
<b>Paris</b>	Citadines Austerlitz Paris	28.3 <sup>9</sup>	50	Freehold	-
	Citadines Les Halles Paris	28.3 <sup>9</sup>	189	Freehold	-
	Citadines Maine Montparnasse Paris	28.3 <sup>9</sup>	67	Freehold	-
	Citadines Montmartre Paris	28.3 <sup>9</sup>	111	Freehold	-
	Citadines Place d'Italie Paris	28.3 <sup>9</sup>	169	Freehold	-
	Citadines République Paris	28.3 <sup>9</sup>	76	Freehold	-
	Citadines St Germain	100	204	Freehold	-
	Citadines Tour Eiffel Paris	28.3 <sup>9</sup>	104	Freehold	-
	Citadines Trocadéro Paris	28.3 <sup>9</sup>	97	Freehold	-
	La Clef Louvre Paris	28.3 <sup>9</sup>	51	Freehold	-
	La Clef Tour Eiffel Paris	28.3 <sup>9</sup>	112	Freehold	-
	<b>France Total</b>			<b>1,468</b>	
<b>GERMANY</b>					
<b>Berlin</b>	Citadines Kurfürstendamm Berlin	28.3 <sup>9</sup>	117	Freehold	-
<b>Frankfurt</b>	Citadines City Centre Frankfurt	32.4 <sup>9,10</sup>	165	Freehold	-
<b>Hamburg</b>	Citadines Michel Hamburg	32.4 <sup>9,10</sup>	127	99	2111
	The Madison Hamburg	28.3 <sup>9</sup>	166	Freehold	-
<b>Munich</b>	Citadines Arnulfpark Munich	28.1 <sup>9</sup>	146	Freehold	-
<b>Germany Total</b>			<b>721</b>		

# PRINCIPAL SUBSIDIARIES PROPERTY PORTFOLIO

As at 31 December 2023

City	Property	Effective Stake (%)	No. of Units	Tenure (Years)	Tenure Expiry
<b>INDIA</b>					
<b>Chennai</b>	Citadines OMR Gateway Chennai	100	269	Freehold	-
	Somerset Greenways Chennai	51.0	187	Freehold	-
<b>India Total</b>			<b>456</b>		
<b>INDONESIA</b>					
<b>Jakarta</b>	Ascott Jakarta	28.3 <sup>9</sup>	204	30	2054
	Ascott Kuningan Jakarta	28.3 <sup>2,9</sup>	185	30	2027
	Somerset Grand Citra Jakarta	16.3 <sup>9</sup>	199	20	2044
<b>Indonesia Total</b>			<b>588</b>		
<b>IRELAND</b>					
<b>Dublin</b>	Temple Bar Hotel	28.3 <sup>2,9</sup>	136	Freehold	-
<b>Ireland Total</b>			<b>136</b>		
<b>JAPAN</b>					
<b>Fukuoka</b>	Actus Hakata V-Tower	28.3 <sup>9</sup>	296	Freehold	-
	Granfore Hakata Waterfront	28.3 <sup>9</sup>	247	Freehold	-
	Infini Garden	28.3 <sup>9</sup>	389	Freehold	-
<b>Hiroshima</b>	Gravis Court Kakomachi	28.3 <sup>9</sup>	63	Freehold	-
	Gravis Court Kokutaiji	28.3 <sup>9</sup>	48	Freehold	-
	Gravis Court Nishiharaekimae	28.3 <sup>9</sup>	29	Freehold	-
<b>Kobe</b>	S-Residence Shukugawa	28.3 <sup>9</sup>	33	Freehold	-
<b>Kyoto</b>	Citadines Karasuma-Gojo Kyoto	28.3 <sup>9</sup>	124	Freehold	-
	House Saison Shijo-dori	28.3 <sup>9</sup>	190	Freehold	-
<b>Nagoya</b>	Marunouchi Central Heights	28.3 <sup>9</sup>	30	Freehold	-
	Eslead College Gate Kindaimae	28.3 <sup>9</sup>	112	Freehold	-
	Eslead Residence Bentencho Grande	28.3 <sup>9</sup>	120	Freehold	-
	Eslead Residence Umeda Grande	28.3 <sup>9</sup>	70	Freehold	-
	Eslead Residence Osaka Fukushima East	28.3 <sup>9</sup>	108	Freehold	-
	Hotel WBF Honmachi	28.3 <sup>8,9</sup>	182	Freehold	-
	Hotel WBF Kitasemba East	28.3 <sup>8,9</sup>	168	Freehold	-
	Hotel WBF Kitasemba West	28.3 <sup>8,9</sup>	168	Freehold	-
	Sotetsu Grand Fresa Osaka-Namba	28.3 <sup>9</sup>	698	Freehold	-
	S-Residence Fukushima Luxe	28.3 <sup>9</sup>	178	Freehold	-
	S-Residence Gakuenzaka	28.3 <sup>9</sup>	58	Freehold	-
	S-Residence Hommachi Marks	28.3 <sup>9</sup>	110	Freehold	-
	S-Residence Midoribashi Serio	28.3 <sup>9</sup>	98	Freehold	-
	S-Residence Namba Viale	28.3 <sup>9</sup>	116	Freehold	-
	S-Residence Tanimachi 9 chome	28.3 <sup>9</sup>	102	Freehold	-
<b>Sapporo</b>	Alpha Square Kita 15 jo	28.3 <sup>9</sup>	127	Freehold	-
	Big Palace Kita 14 jo	28.3 <sup>9</sup>	140	Freehold	-
	Big Palace Minami 5 jo	28.3 <sup>9</sup>	158	Freehold	-
	City Court Kita 1 jo	28.3 <sup>9</sup>	126	Freehold	-
<b>Tokyo</b>	Citadines Central Shinjuku Tokyo	28.3 <sup>9</sup>	206	Freehold	-
	Citadines Shinjuku Tokyo	28.3 <sup>9</sup>	160	Freehold	-
	lyf Shibuya Tokyo	100 <sup>A</sup>	200	Freehold	-
	Roppongi Residences Tokyo	28.3 <sup>9</sup>	64	Freehold	-
	Sotetsu Grand Fresa Tokyo-Bay Ariake	28.3 <sup>9</sup>	912	Freehold	-
<b>Japan Total</b>			<b>5,830</b>		
<b>MALAYSIA</b>					
<b>Kuala Lumpur</b>	Somerset Kuala Lumpur	28.3 <sup>9</sup>	205	Freehold	-
<b>Malaysia Total</b>			<b>205</b>		
<b>PHILIPPINES</b>					
<b>Makati</b>	Ascott Makati	28.3 <sup>9</sup>	362	48	2044
	Somerset Millennium Makati	17.8 <sup>9</sup>	118	Freehold	-
<b>Philippines Total</b>			<b>480</b>		

# PRINCIPAL SUBSIDIARIES PROPERTY PORTFOLIO

As at 31 December 2023

City	Property	Effective Stake (%)	No. of Units	Tenure (Years)	Tenure Expiry
<b>SINGAPORE</b>					
<b>Singapore</b>	Ascott Orchard Singapore	28.3 <sup>9</sup>	220	99	2113
	Citadines Mount Sophia Property Singapore	28.3 <sup>9</sup>	154	96	2105
	lyf one-north Singapore	28.3 <sup>9</sup>	324	60	2078
	Somerset Liang Court Property Singapore	28.3 <sup>9,A</sup>	336	99	2105
	The Robertson House by The Crest Collection (f.k.a Riverside Hotel Robertson Quay)	28.3 <sup>9</sup>	192	99	2120
<b>Singapore Total</b>			<b>1,226</b>		
<b>SOUTH KOREA</b>					
<b>Seoul</b>	ibis Ambassador Seoul Insadong	29.2 <sup>9,10</sup>	363	Freehold	-
	Sotetsu Hotels The Splaisir Seoul Dongdaemun	29.3 <sup>9,10</sup>	215	Freehold	-
<b>South Korea Total</b>			<b>578</b>		
<b>SPAIN</b>					
<b>Barcelona</b>	Citadines Ramblas Barcelona	28.3 <sup>9</sup>	131	Freehold	-
<b>Spain Total</b>			<b>131</b>		
<b>UNITED KINGDOM</b>					
<b>London</b>	Citadines Barbican London	28.3 <sup>9</sup>	129	Freehold	-
	Citadines Holborn-Covent Garden London	28.3 <sup>9</sup>	192	Freehold	-
	Citadines South Kensington London	28.3 <sup>9</sup>	92	Freehold	-
	Citadines Trafalgar Square London	28.3 <sup>9</sup>	187	Freehold	-
	The Cavendish London	28.3 <sup>2,9</sup>	230	150	2158
<b>United Kingdom Total</b>			<b>830</b>		
<b>UNITED STATES OF AMERICA</b>					
<b>Atlanta</b>	Paloma West Midtown	28.3 <sup>9</sup>	183	Freehold	-
<b>Champaign</b>	Seven07	28.3 <sup>9</sup>	218	Freehold	-
<b>Columbia</b>	Standard at Columbia	25.5 <sup>9,10</sup>	247	Freehold	-
<b>Kent</b>	Paloma Kent	28.3 <sup>9</sup>	126	99	2117
<b>Lubbock</b>	Wildwood Lubbock	28.3 <sup>9</sup>	294	Freehold	-
<b>New York City</b>	Citadines Connect Fifth Avenue New York	100	125	99	2113
	Element New York Times Square West	28.3 <sup>9</sup>	411	99	2112
	Sheraton Tribeca New York Hotel	28.3 <sup>9</sup>	369	99	2112
	voco Times Square South	28.3 <sup>9</sup>	224	Freehold	-
<b>Philadelphia</b>	Paloma University City	28.3 <sup>9</sup>	126	Freehold	-
<b>Raleigh</b>	Paloma Raleigh	28.3 <sup>9</sup>	180	Freehold	-
<b>Sunnyvale</b>	The Domain Hotel	100	137	Freehold	-
<b>Wilmington</b>	Uncommon Wilmington	28.3 <sup>9</sup>	150	Freehold	-
<b>United States of America Total</b>			<b>2,790</b>		
<b>VIETNAM</b>					
<b>Hai Phong City</b>	Somerset Central TD Hai Phong City	28.3 <sup>9</sup>	132	64	2075
<b>Hanoi</b>	Somerset Grand Hanoi	21.5 <sup>9</sup>	185	45	2038
	Somerset Hoa Binh Hanoi	25.5 <sup>9</sup>	206	36	2042
<b>Ho Chi Minh City</b>	Somerset Chancellor Court Ho Chi Minh City	19 <sup>9</sup>	172	48	2041
	Somerset Ho Chi Minh City	16.6 <sup>9</sup>	198	45	2039
<b>Vietnam Total</b>			<b>893</b>		
<b>Grand Total</b>			<b>20,796</b>		

# PRINCIPAL SUBSIDIARIES PROPERTY PORTFOLIO

As at 31 December 2023

## Notes

Any discrepancies in the tables between the listed figures are thereof due to rounding. For China integrated developments, malls and offices, GFA excludes carpark area and sold strata sales. For business parks, logistics and data centres, GFA is per the property titled certs, or planning permits.

## Status

- <sup>A</sup> Under Development  
<sup>B</sup> Future Development

- <sup>1</sup> Held through CapitalLand Malaysia Trust.  
<sup>2</sup> Properties were acquired from CLI in FY 2023.  
<sup>3</sup> Stipulated GFAs are estimated.  
<sup>4</sup> GFA includes under development and future development.  
<sup>5</sup> GFA of Valdor Logistics Hub is being finalised currently. For the time being, GFA and NLA are reported to be the same for FY 2023.  
<sup>6</sup> GFA of Glenmarie Distribution Centre is being finalised currently. For the time being, GFA and NLA are reported to be the same for FY 2023.  
<sup>7</sup> The floor area of Airlington Business Park stated is using NLA.  
<sup>8</sup> Asset held for sale in 2023.  
<sup>9</sup> Held through CapitalLand Ascott Trust.  
<sup>10</sup> Includes other stake not held through the Trust.



# SHAREHOLDING STATISTICS

As at 15 March 2024

Number of Issued Shares (including Treasury Shares)	: 5,203,195,792
Number and Percentage of Treasury Shares	: 125,233,986 or 2.47% <sup>1</sup>
Number of Issued Shares (excluding Treasury Shares)	: 5,077,961,806
Number and Percentage of Subsidiary Holdings <sup>2</sup>	: 0 or 0%
Class of Shares	: Ordinary Shares
Voting Rights	: One vote per share. The Company cannot exercise any voting rights in respect of the shares held by it as treasury shares.

## TWENTY LARGEST SHAREHOLDERS

As shown in the Register of Members and Depository Register

No.	Name	No. of Shares	% <sup>1</sup>
1	CAPITALAND GROUP PTE. LTD.	2,693,106,549	53.04
2	CITIBANK NOMINEES SINGAPORE PTE LTD	579,162,971	11.41
3	DBSN SERVICES PTE. LTD.	406,322,815	8.00
4	RAFFLES NOMINEES (PTE.) LIMITED	270,334,524	5.32
5	HSBC (SINGAPORE) NOMINEES PTE LTD	224,327,335	4.42
6	DBS NOMINEES (PRIVATE) LIMITED	158,113,757	3.11
7	BPSS NOMINEES SINGAPORE (PTE.) LTD.	41,625,681	0.82
8	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	28,576,093	0.56
9	PHILLIP SECURITIES PTE LTD	23,397,789	0.46
10	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	14,981,989	0.30
11	OCBC SECURITIES PRIVATE LIMITED	10,574,973	0.21
12	IFAST FINANCIAL PTE. LTD.	8,500,553	0.17
13	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	6,238,569	0.12
14	MAYBANK SECURITIES PTE. LTD.	5,583,044	0.11
15	UOB KAY HIAN PRIVATE LIMITED	4,996,127	0.10
16	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	3,912,304	0.08
17	SOCIETE GENERALE SINGAPORE BRANCH	3,718,545	0.07
18	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	3,621,267	0.07
19	DB NOMINEES (SINGAPORE) PTE LTD	3,464,552	0.07
20	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	3,125,227	0.06
	<b>Total</b>	<b>4,493,684,664</b>	<b>88.50</b>

### Notes:

- Percentage is calculated based on 5,077,961,806 issued shares, excluding treasury shares.
- "Subsidiary Holdings" is defined in the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967.

# SHAREHOLDING STATISTICS

As at 15 March 2024

## SUBSTANTIAL SHAREHOLDERS

As shown in the Register of Substantial Shareholders

Substantial Shareholders	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% <sup>4</sup>	No. of Shares	% <sup>4</sup>	No. of Shares	% <sup>4</sup>
CapitaLand Group Pte. Ltd.	2,693,106,549	53.04	-	-	2,693,106,549	53.04
CLA Real Estate Holdings Pte. Ltd.	-	-	2,693,106,549 <sup>1</sup>	53.04	2,693,106,549	53.04
TJ Holdings (III) Pte. Ltd.	-	-	2,693,106,549 <sup>1</sup>	53.04	2,693,106,549	53.04
Glenville Investments Pte. Ltd.	-	-	2,693,106,549 <sup>1</sup>	53.04	2,693,106,549	53.04
Mawson Peak Holdings Pte. Ltd.	-	-	2,693,106,549 <sup>1</sup>	53.04	2,693,106,549	53.04
Bartley Investments Pte. Ltd.	-	-	2,693,106,549 <sup>1</sup>	53.04	2,693,106,549	53.04
Tembusu Capital Pte. Ltd.	-	-	2,704,649,549 <sup>1,2</sup>	53.26	2,704,649,549	53.26
Temasek Holdings (Private) Limited	-	-	2,705,394,951 <sup>1,3</sup>	53.28	2,705,394,951	53.28

## DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares excluding Treasury Shares	% <sup>4</sup>
1 - 99	1,026	1.79	35,956	0.00
100 - 1,000	9,696	16.87	7,722,440	0.15
1,001 - 10,000	36,450	63.43	157,182,896	3.10
10,001 - 1,000,000	10,254	17.84	379,023,789	7.46
1,000,001 and above	43	0.07	4,533,996,725	89.29
<b>Total</b>	<b>57,469</b>	<b>100.00</b>	<b>5,077,961,806</b>	<b>100.00</b>

Based on the information available to the Company, approximately 46.5%<sup>4</sup> of the issued shares are held in the hands of the public as at 15 March 2024. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

### Notes:

- CapitaLand Group Pte. Ltd. ("CLG") is a wholly owned subsidiary of CLA Real Estate Holdings Pte. Ltd. ("CLA Real Estate"), which in turn is a wholly owned subsidiary of TJ Holdings (III) Pte. Ltd. ("TJIII"), which in turn is a wholly owned subsidiary of Glenville Investments Pte. Ltd. ("Glenville"), which in turn is a wholly owned subsidiary of Mawson Peak Holdings Pte. Ltd. ("Mawson"), which in turn is a wholly owned subsidiary of Bartley Investments Pte. Ltd. ("Bartley"), which in turn is a wholly owned subsidiary of Tembusu Capital Pte. Ltd. ("Tembusu"), which in turn is a wholly owned subsidiary of Temasek Holdings (Private) Limited ("Temasek"). CLA Real Estate, TJIII, Glenville, Mawson, Bartley, Tembusu and Temasek, respectively, are deemed to have an interest in the shares in which CLG has or is deemed to have an interest, by virtue of Section 4 of the Securities and Futures Act 2001 ("SFA").
- Tembusu is deemed to have an interest in the shares in which its subsidiaries (including but not limited to CLA Real Estate) have or are deemed to have an interest, by virtue of Section 4 of the SFA.
- Temasek is deemed to have an interest in the shares in which its subsidiaries and associated companies (including but not limited to CLA Real Estate) have or are deemed to have an interest, by virtue of Section 4 of the SFA.
- Percentage is calculated based on 5,077,961,806 issued shares, excluding treasury shares.

## ADDITIONAL INFORMATION

### VALUE ADDED STATEMENT

	2023 S\$ million	2022 S\$ million
<b>Value added from:</b>		
Revenue earned	2,784	2,876
Less: Bought in materials and services	(953)	(1,028)
<b>Gross value added</b>	<b>1,831</b>	1,848
Share of results of associates and joint ventures	273	531
Foreign exchange gain/(loss) (net)	*	(132)
Other operating (expenses)/income (net)	(133)	580
	140	979
<b>Total value added</b>	<b>1,971</b>	2,827
<b>Distribution:</b>		
To employees in wages, salaries and benefits	843	793
To government in taxes and levies	237	414
To providers of capital in:		
- Net interest on borrowings	420	379
- Dividends to shareholders	927	772
	2,427	2,358
<b>Balance retained in the business:</b>		
Depreciation and amortisation	142	147
Revenue reserves net of dividends to shareholders	(746)	88
Non-controlling interests	152	209
	(452)	444
<b>Non-production cost:</b>		
(Writeback)/Allowance for doubtful receivables	(4)	25
<b>Total distribution</b>	<b>1,971</b>	2,827
<b>Productivity analysis:</b>		
Value added per employee (S\$'000) #	209	226
Value added per dollar of employment cost (S\$)	2.2	2.3
Value added per dollar sales (S\$)	0.7	0.6

\* Less than \$1 million

# Based on 2023 average headcount of 8,749 (2022: 8,182).

## ADDITIONAL INFORMATION

### INTERESTED PERSON TRANSACTIONS

Interested person transactions carried out during the financial year which fall under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited are as follows:

Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S\$ million	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) <sup>1</sup> S\$ million
	<b>Transactions with CapitaLand Group Pte. Ltd. and its associates:</b>	
Immediate holding company and associates of controlling shareholder of the Company		
Purchase of goods and services	8	-
Sale of goods and services	68	-
Waiver of amounts owing to interested parties	3	-
<b>Transactions with Temasek Holdings (Private) Limited and its associates:</b>		
Controlling shareholder of the Company		
Sale of goods and services	*	-
<b>Transactions with Starhub Ltd and its associates:</b>		
Associates of controlling shareholder of the Company		
Purchase of goods and services	1	-
<b>Transactions with SATS Ltd and its associates:</b>		
Associates of controlling shareholder of the Company		
Purchase of goods and services	*	-
<b>Transactions with CapitaLand Ascott Trust &amp; its associates:</b>		
Associates of the Company		
Sale of goods and services	1	-

\* Less than S\$1 million

<sup>1</sup> The Company does not have an interested person transactions mandate under Rule 920 of the Listing Manual.

## DIRECTORS SEEKING REELECTION

The following information relating to Mr Anthony Lim Weng Kin, Mr Lee Chee Koon, Ms Judy Hsu Chung Wei and Ms Belita Ong, each of whom is standing for reelection as a Director at the 2024 Annual General Meeting (AGM) of the Company, is provided pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

NAME OF DIRECTOR	ANTHONY LIM WENG KIN	LEE CHEE KOON	JUDY HSU CHUNG WEI	BELITA ONG
Date of first appointment as a Director	3 June 2021	1 July 2019 <sup>1</sup>	1 June 2021	1 January 2024
Date of last reelection as a Director	Not Applicable	29 April 2022	29 April 2022	Not applicable
Age	65	49	60	66
Country of principal residence	Singapore	Singapore	Singapore	United States
The Board's comments on the reelection	Based on the recommendation of the Nominating Committee, the Board is satisfied that Mr Lim will continue to bring invaluable insights beneficial to the Company and the Board. Mr Lim's credentials, experience, background, knowledge and expertise continue to provide and complement the diversity of skill sets which are relevant to the Company and his perspectives contribute to the Board's deliberations.	Based on the recommendation of the Nominating Committee, the Board is satisfied that Mr Lee will continue to bring invaluable insights beneficial to the Company and the Board. Mr Lee is the Group Chief Executive Officer (CEO) of the Company. His knowledge of, and inside perspective on, all aspects of the Company's businesses is beneficial to, and contributes to, the Board's deliberations.	Based on the recommendation of the Nominating Committee, the Board is satisfied that Ms Hsu will continue to bring invaluable insights beneficial to the Company and the Board. Ms Hsu's credentials, experience, background, knowledge and expertise continue to provide and complement the diversity of skill sets which are relevant to the Company and her perspectives contribute to the Board's deliberations.	Based on the recommendation of the Nominating Committee, the Board is satisfied that Ms Ong will continue to bring invaluable insights beneficial to the Company and the Board. Ms Ong's credentials, experience, background, knowledge and expertise continue to provide and complement the diversity of skill sets which are relevant to the Company and her perspectives contribute to the Board's deliberations.
Whether appointment is executive, and if so, the area of responsibility	Non-executive	Executive. Mr Lee is the Group CEO and oversees the business of the Company	Non-executive	Non-executive
Job title	<ul style="list-style-type: none"> <li>Lead Independent Director</li> <li>Non-Executive Independent Director</li> <li>Executive Resource and Compensation Committee (Member)</li> <li>Nominating Committee (Member)</li> <li>Strategy and Sustainability Committee (Chairman)</li> </ul>	<ul style="list-style-type: none"> <li>Group CEO</li> <li>Executive Non-Independent Director</li> <li>Executive Committee (Member)</li> <li>Strategy and Sustainability Committee (Member)</li> </ul>	<ul style="list-style-type: none"> <li>Non-Executive Independent Director</li> <li>Executive Resource and Compensation Committee (Chairman)</li> <li>Risk Committee (Member)</li> </ul>	<ul style="list-style-type: none"> <li>Non-Executive Independent Director</li> <li>Executive Resource and Compensation Committee (Member)</li> <li>Risk Committee (Member)</li> </ul>
Professional qualifications	<ul style="list-style-type: none"> <li>Bachelor of Science, National University of Singapore</li> <li>Advanced Management Program, Harvard Business School, USA</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Science in Mechanical Engineering, National University of Singapore</li> <li>Master of Science in Advanced Mechanical Engineering, Imperial College London, UK</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Science in Microbiology, University of British Columbia, Canada</li> <li>Master of Business Administration in Finance, University of British Columbia, Canada</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Arts (Honours) in Mathematics and Economics, University of Cambridge, UK</li> <li>Master of Arts in Mathematics and Economics, University of Cambridge, UK</li> </ul>

<sup>1</sup> Mr Lee Chee Koon was a Director of the Company (then known as CapitaLand Financial Limited) for a brief period from 1 May 2018 to 15 September 2018, when it was a wholly-owned subsidiary of CapitaLand Limited (now known as CapitaLand Group Pte. Ltd.).

## DIRECTORS SEEKING REELECTION

## DIRECTORS SEEKING REELECTION

NAME OF DIRECTOR	ANTHONY LIM WENG KIN	LEE CHEE KOON	JUDY HSU CHUNG WEI	BELITA ONG
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> <li>President (Americas) of GIC Private Limited, retired in 2017 after 19 years of service</li> </ul>	<ul style="list-style-type: none"> <li>Group CEO of the Company (June 2021 to Present)</li> <li>President and Group CEO of CapitaLand Limited<sup>^</sup> (September 2018 to June 2021)</li> <li>Group Chief Investment Officer of CapitaLand Limited<sup>^</sup> (January 2018 to September 2018)</li> <li>CEO of The Ascott Limited (June 2013 to December 2017)</li> </ul>	<ul style="list-style-type: none"> <li>CEO of Consumer, Private and Business Banking, Standard Chartered Bank (Singapore) Limited (January 2021 to Present)</li> <li>Regional CEO for ASEAN and South Asia, Standard Chartered Bank (Singapore) Limited (June 2018 to December 2020)</li> <li>CEO of Singapore and ASEAN Markets, Standard Chartered Bank (Singapore) Limited (November 2017 to June 2018)</li> <li>CEO of Singapore, Standard Chartered Bank (Singapore) Limited (October 2015 to October 2017)</li> <li>Global Head of Wealth Management, Standard Chartered Bank (December 2009 to September 2015)</li> </ul>	<ul style="list-style-type: none"> <li>Chairman of Dalton Investments LLC (January 2020 to Present)</li> <li>Chief Executive Officer of Dalton Investments LLC (January 2011 to December 2019)</li> </ul>
Shareholding interest in the listed issuer and its subsidiaries	109,954 shares of the Company (direct interest) 1,000 shares of the Company (deemed interest)	4,252,753 shares of the Company (direct interest)  Share awards comprising up to 4,887,791 shares of the Company granted under the CapitaLand Investment Performance Share Plan 2021 and CapitaLand Investment Restricted Share Plan 2021, subject to vesting/delivery conditions and/or achievement of pre-determined targets, as applicable	39,744 shares of the Company (direct interest)	1,000 shares of the Company (direct interest)
Any relationship (including immediate family relationships) with any existing Director, existing executive officer, the listed issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries	Nil	Nil	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes

<sup>^</sup> CapitaLand Limited was delisted from the Official List of the Singapore Exchange Securities Trading Limited on 21 September 2021.

## DIRECTORS SEEKING REELECTION

## DIRECTORS SEEKING REELECTION

NAME OF DIRECTOR	ANTHONY LIM WENG KIN	LEE CHEE KOON	JUDY HSU CHUNG WEI	BELITA ONG
Other principal commitments including directorships				
Past (for the last 5 years)	<p><u>Public Listed Company</u></p> <ul style="list-style-type: none"> <li>CapitaLand Limited<sup>^</sup> (Director)</li> </ul>	<p><u>Public Listed Companies</u></p> <ul style="list-style-type: none"> <li>CapitaLand China Trust Management Limited (Manager of CapitaLand China Trust) (Director)</li> <li>CapitaLand Commercial Trust Management Limited (Manager of CapitaLand Commercial Trust<sup>#</sup>) (Director)</li> <li>CapitaLand Limited<sup>^</sup> (Director)</li> <li>Managers of Ascott Residence Trust<sup>@</sup> (Director)</li> </ul> <p><u>Non-Listed Companies</u></p> <ul style="list-style-type: none"> <li>EDBI Pte. Ltd. (Director)</li> <li>Lifelong Learning Institute Pte. Ltd. (Director)</li> </ul> <p>Various other entities within the CapitaLand group under which the appointments were made as part of Mr Lee's duties and responsibilities as Group CEO of CapitaLand Limited<sup>^</sup> and the Company.</p> <p><u>Other</u></p> <ul style="list-style-type: none"> <li>Future Economy Council (Member)</li> </ul> <p><sup>#</sup> CapitaLand Commercial Trust was delisted from the Official List of the Singapore Exchange Securities Trading Limited on 3 November 2020.</p> <p><sup>^</sup> CapitaLand Limited was delisted from the Official List of the Singapore Exchange Securities Trading Limited on 21 September 2021.</p> <p><sup>@</sup> Managers of Ascott Residence Trust (now known as CapitaLand Ascott Trust) comprising Ascott Residence Trust Management Limited (now known as CapitaLand Ascott Trust Management Limited) (Manager of Ascott Real Estate Investment Trust (now known as CapitaLand Ascott Real Estate Investment Trust), or "CLAS Reit") and Ascott Business Trust Management Pte. Ltd. (now known as CapitaLand Ascott Business Trust Management Pte. Ltd.) (Trustee-Manager of Ascott Business Trust (now known as CapitaLand Ascott Business Trust), or "CLAS BT"). Ascott Residence Trust (now known as CapitaLand Ascott Trust) is a stapled group comprising CLAS Reit and CLAS BT with effect from 31 December 2019.</p>	<p><u>Public Listed Company</u></p> <ul style="list-style-type: none"> <li>CapitaLand Limited<sup>^</sup> (Director)</li> </ul> <p><u>Government/Statutory Boards</u></p> <ul style="list-style-type: none"> <li>Urban Redevelopment Authority (Board Member)</li> <li>Workforce Singapore (Board Member)</li> </ul> <p><u>Others</u></p> <ul style="list-style-type: none"> <li>Standard Chartered Bank (Singapore) Limited (Board Chair and Director)</li> <li>Standard Chartered Holdings (Singapore) Private Limited (Director)</li> </ul>	<p>Nil</p>
	<p><sup>^</sup> CapitaLand Limited was delisted from the Official List of the Singapore Exchange Securities Trading Limited on 21 September 2021.</p>		<p><sup>^</sup> CapitaLand Limited was delisted from the Official List of the Singapore Exchange Securities Trading Limited on 21 September 2021.</p>	

## DIRECTORS SEEKING REELECTION

## DIRECTORS SEEKING REELECTION

NAME OF DIRECTOR	ANTHONY LIM WENG KIN	LEE CHEE KOON	JUDY HSU CHUNG WEI	BELITA ONG
Other principal commitments including directorships (continued)				
Present	<p><u>Public Listed Company</u></p> <ul style="list-style-type: none"> <li>DBS Group Holdings Ltd. (Director)</li> </ul> <p><u>Others</u></p> <ul style="list-style-type: none"> <li>CapitaLand Hope Foundation (Director)</li> <li>Institute of International Education (Member of Scholar Rescue Fund Selection Committee)</li> <li>Non-Resident Ambassador of the Republic of Singapore to the Republic of Colombia</li> <li>Queensway Secondary School (Member of School Advisory Committee)</li> </ul>	<p><u>Non-Listed Companies</u></p> <ul style="list-style-type: none"> <li>CapitaLand Group Pte. Ltd.<sup>^</sup> (Director)</li> <li>CapitaLand India Pte. Ltd.* (Director)</li> <li>CapitaLand International Pte. Ltd.* (Director)</li> <li>CapitaLand Mall Asia Limited* (Director)</li> <li>CLI Singapore Pte. Ltd.* (Director)</li> <li>CLI PE Pte. Ltd.* (Director)</li> <li>The Ascott Limited* (Director)</li> </ul> <p><u>Others</u></p> <ul style="list-style-type: none"> <li>CapitaLand Hope Foundation (Director)</li> <li>National Parks Board (Board Member)</li> <li>St. Joseph's Institution International Ltd (Member of the Board of Governors)</li> <li>St. Joseph's Institution International Elementary School Ltd (Member of the Board of Governors)</li> </ul> <p><sup>^</sup> Previously known as CapitaLand Limited, which was delisted from the Official List of the Singapore Exchange Securities Trading Limited on 21 September 2021.</p> <p><sup>*</sup> Entities within the CapitaLand Investment Limited group under which appointments are held by Mr Lee as part of his responsibilities as Group CEO of the Company.</p>	<p><u>Non-Listed Companies</u></p> <ul style="list-style-type: none"> <li>Hype Records Pte Ltd (Director)</li> <li>Trust Bank Singapore Limited (Chairman)</li> </ul>	<p><u>Non-Listed Company</u></p> <ul style="list-style-type: none"> <li>Dalton Investments LLC (Chairman)</li> </ul> <p><u>Others</u></p> <ul style="list-style-type: none"> <li>Federal Reserve Bank of New York (Member of Investor Advisory Committee on Financial Markets)</li> <li>Elings Park Foundation (Director)</li> </ul>

## DIRECTORS SEEKING REELECTION

### INFORMATION REQUIRED

Disclosure on the following matters concerning each Director standing for reelection as a Director at the AGM:

NAME OF DIRECTOR	ANTHONY LIM WENG KIN	LEE CHEE KOON	JUDY HSU CHUNG WEI	BELITA ONG
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No

## DIRECTORS SEEKING REELECTION

## DIRECTORS SEEKING REELECTION

NAME OF DIRECTOR	ANTHONY LIM WENG KIN	LEE CHEE KOON	JUDY HSU CHUNG WEI	BELITA ONG
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—				
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,  in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No



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# CORPORATE INFORMATION

As at 15 March 2024

## BOARD OF DIRECTORS

**Miguel Ko**  
Chairman

**Lee Chee Koon**  
Group CEO

**Anthony Lim Weng Kin**  
Lead Independent Director

**Chaly Mah Chee Kheong**  
**Kee Teck Koon**  
**Gabriel Lim Meng Liang**  
**Judy Hsu Chung Wei**  
**David Su Tuong Sing**  
**Helen Wong Siu Ming**  
**Tan Sri Abdul Farid Alias**  
**Belita Ong**

## BOARD COMMITTEES

**Audit Committee**  
**Chaly Mah Chee Kheong**  
Chairman

**David Su Tuong Sing**  
**Helen Wong Siu Ming**  
**Tan Sri Abdul Farid Alias**

**Executive Committee**  
**Miguel Ko**  
Chairman

**Lee Chee Koon**  
**Chaly Mah Chee Kheong**  
**Kee Teck Koon**

**Executive Resource and Compensation Committee**  
**Judy Hsu Chung Wei**  
Chairman

**Miguel Ko**  
**Anthony Lim Weng Kin**  
**Belita Ong**

**Nominating Committee**  
**Gabriel Lim Meng Liang**  
Chairman

**Miguel Ko**  
**Anthony Lim Weng Kin**

## Risk Committee

**Kee Teck Koon**  
Chairman

**Gabriel Lim Meng Liang**  
**Judy Hsu Chung Wei**  
**Helen Wong Siu Ming**  
**Tan Sri Abdul Farid Alias**  
**Belita Ong**

## Strategy and Sustainability Committee

**Anthony Lim Weng Kin**  
Chairman

**Miguel Ko**  
**Lee Chee Koon**  
**David Su Tuong Sing**  
**Helen Wong Siu Ming**

## COMPANY SECRETARIES

**Michelle Koh Chai Ping**  
**Hon Wei Seng**

## REGISTERED ADDRESS

168 Robinson Road  
#30-01 Capital Tower  
Singapore 068912  
Tel : +65 6713 2888  
Fax : +65 6713 2999

## SHARE REGISTRAR

**Boardroom Corporate & Advisory Services Pte. Ltd.**  
1 Harbourfront Avenue  
Keppel Bay Tower #14-07  
Singapore 098632  
Tel : +65 6536 5355  
Fax : +65 6536 1360

## AUDITORS

**KPMG LLP**  
12 Marina View, #15-01  
Asia Square Tower 2  
Singapore 018961  
Tel : +65 6213 3388  
Fax : +65 6225 0984  
(Engagement Partner since financial year ended 31 December 2022  
Lim Pang Yew, Victor)

## PRINCIPAL BANKERS

**Agricultural Bank of China Limited**

**Bank of China**

**CIMB Bank Berhad**

**DBS Bank Ltd.**

**Industrial and Commercial Bank of China Limited**

**Mizuho Bank, Ltd.**

**MUFG Bank, Ltd.**

**Oversea-Chinese Banking Corporation Limited**

**Sumitomo Mitsui Banking Corporation**

**The Hongkong and Shanghai Banking Corporation Limited**

**United Overseas Bank Limited**

## For Investors and Analysts:

**Grace Chen**

Head, Investor Relations

Email: groupir@capitaland.com

## For Media:

**Michele Ng**

Head, Group Communications

Email: ask-us@capitaland.com

Tel : +65 6713 2888

Fax : +65 6713 2999

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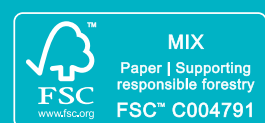
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**CAPITALAND INVESTMENT LIMITED**  
Company Registration Number: 200308451M  
Incorporated in the Republic of Singapore

168 Robinson Road  
#30-01 Capital Tower  
Singapore 068912  
Tel: +65 6713 2888  
Fax: +65 6713 2999  
Email: [groupir@capitaland.com](mailto:groupir@capitaland.com)

[www.capitalandinvest.com](http://www.capitalandinvest.com)



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