CapitaLand

BECAUSE TOMORROW MATTERS

ANNUAL REPORT

2020

Underpinning the breadth of CapitaLand's activities is our continuous dialogue with our stakeholders which helps to shape our business as we aim to build sustainable communities. We place significance on our conversations and share our story with care and consideration for all involved. This annual report is part of that process and the motif we have chosen for this year's report reflects our focus on maintaining communication with our stakeholders with transparency and clarity.

> IN TIMES OF EXTRAORDINARY CHANGE, WE REMAIN STEADFAST IN OUR COMMITMENT TO SUSTAINABLE RETURNS AND OUTCOMES.

LEE CHEE KOON
GROUP CEO

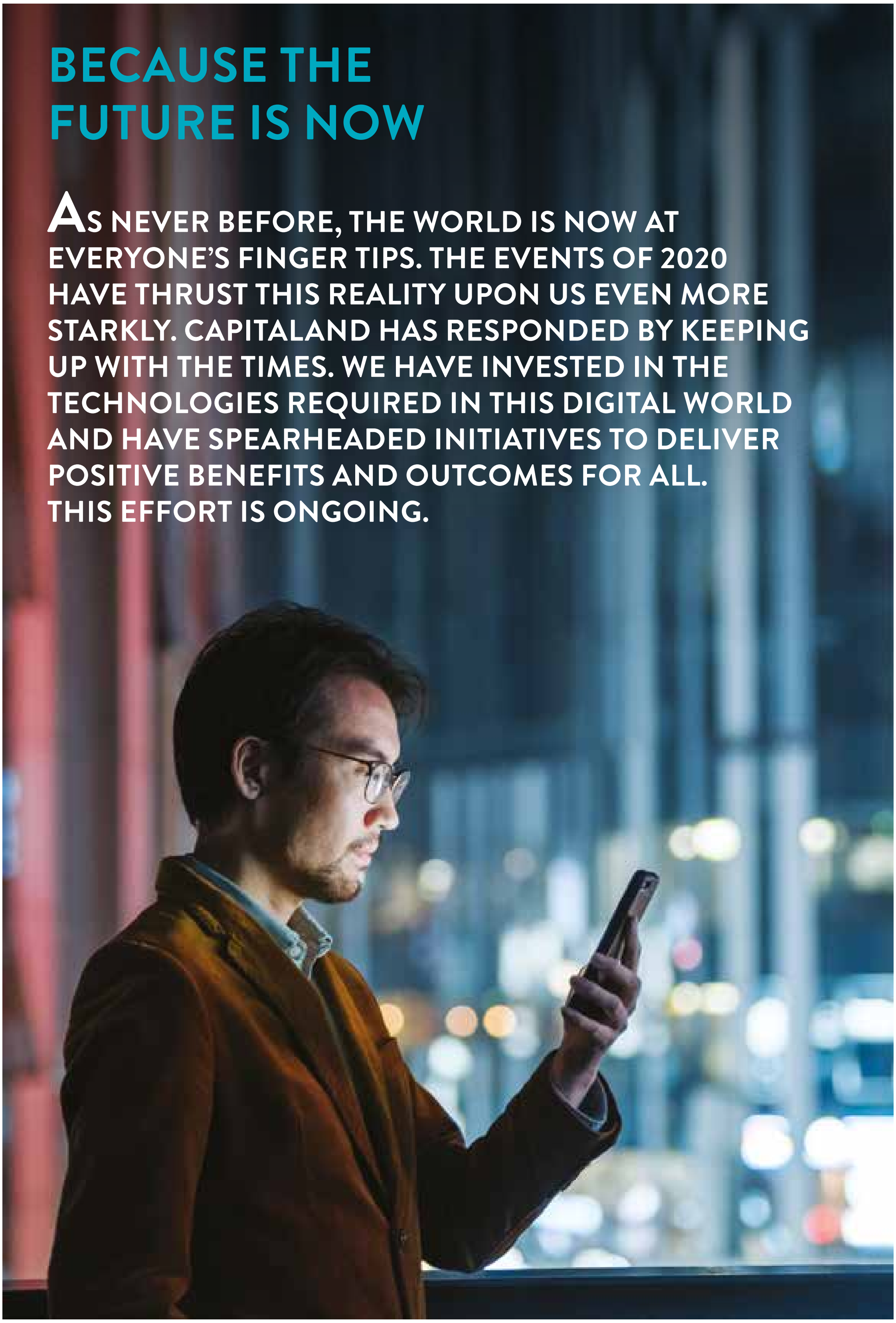
BECAUSE TOMORROW MATTERS

BECAUSE CHANGE IS THE ONLY CONSTANT

AGILITY AND ADAPTABILITY ARE ESSENTIAL TO OUR BUSINESS. WE ARE CONSTANTLY ALERT TO THE REALITY OF CHANGE AND READY TO MEET THE CHALLENGES THAT ARISE. WE ALSO KNOW THAT CHANGE CAN OFFER NEW OPPORTUNITIES FOR US TO EMBRACE.

BECAUSE THE FUTURE IS NOW

AS NEVER BEFORE, THE WORLD IS NOW AT EVERYONE'S FINGER TIPS. THE EVENTS OF 2020 HAVE THRUST THIS REALITY UPON US EVEN MORE STARKLY. CAPITALAND HAS RESPONDED BY KEEPING UP WITH THE TIMES. WE HAVE INVESTED IN THE TECHNOLOGIES REQUIRED IN THIS DIGITAL WORLD AND HAVE SPEARHEADED INITIATIVES TO DELIVER POSITIVE BENEFITS AND OUTCOMES FOR ALL. THIS EFFORT IS ONGOING.



BECAUSE WE MEAN BUSINESS

WE DO EVERYTHING TO ENSURE WE REMAIN RESILIENT FINANCIALLY. OUR DISCIPLINED AND PRUDENT CAPITAL MANAGEMENT STRATEGY KEEPS OUR BALANCE SHEET ROBUST AND PUTS US IN A STRONG POSITION TO SEIZE STRATEGIC AND BENEFICIAL OPPORTUNITIES AS THEY ARISE.

BECAUSE TOMORROW MATTERS...

CAPITALAND, AS A RESPONSIBLE GLOBAL COMPANY, BELIEVES THAT WHAT WE DO TODAY WILL IMPACT THE FUTURE. THUS, SUSTAINABILITY IS AT THE CORE OF EVERYTHING WE DO SO WE CAN CREATE VALUE FOR OUR PATRONS, NOT JUST FOR TODAY, BUT FOR GENERATIONS TO COME.

WHO WE ARE

CapitaLand Limited (CapitaLand) is one of Asia's largest diversified real estate groups. Headquartered and listed in Singapore, it owns and manages a global portfolio worth about S$132.5 billion as at 31 December 2020. CapitaLand's portfolio spans across diversified real estate classes which includes commercial, retail; business park, industrial and logistics; integrated development, urban development; as well as lodging and residential. With a presence across more than 230 cities in over 30 countries, the Group focuses on Singapore and China as its core markets, while it continues to expand in markets such as India, Vietnam, Australia, Europe and the USA.

CapitaLand has one of the largest real estate investment management businesses globally. It manages six listed real estate investment trusts (REITs) and business trusts as well as over 20 private funds. CapitaLand launched Singapore's first REIT in 2002 and today, its stable of REITs and business trusts comprises CapitaLand Integrated Commercial Trust, Ascendas Real Estate Investment Trust, Ascott Residence Trust, CapitaLand China Trust, Ascendas India Trust and CapitaLand Malaysia Mall Trust.

CapitaLand places sustainability at the core of what it does. As a responsible real estate company, CapitaLand contributes to the environmental and social well-being of the communities where it operates, as it delivers long-term economic value to its stakeholders.

VISION

To be a leading global enterprise that enriches people and communities through high-quality real estate products and services.

MISSION

CUSTOMERS
We create great customer value and experiences through high-quality products and services.

PEOPLE
We develop high-performing people and teams through rewarding opportunities.

INVESTORS
We deliver sustainable shareholder returns and build a strong global network of capital partners.

COMMUNITIES
We care for and contribute to the economic, environmental and social development of communities.

CONTENTS

CORE VALUES

WE ARE ONE

WINNING MINDSET

Be passionate in pursing excellence

Persevere & overcome difficulties

Be bold, courageous & resilient

ENTERPRISING

Be innovative & agile

Dare to be different & challenge the status quo

Continue to learn & grow

RESPECT

Be humble & show appreciation to one another

Be inclusive, collaborative & break down silos

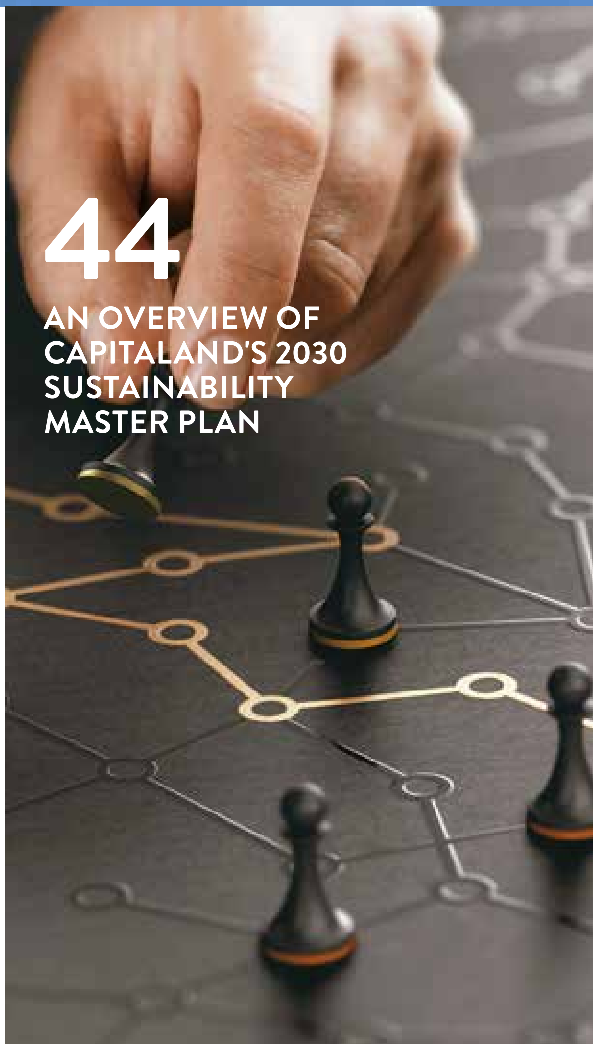
Embrace diversity as a global organisation

INTEGRITY

Be ethical & trustworthy

Do the right thing for the company

Care for our communities & environment

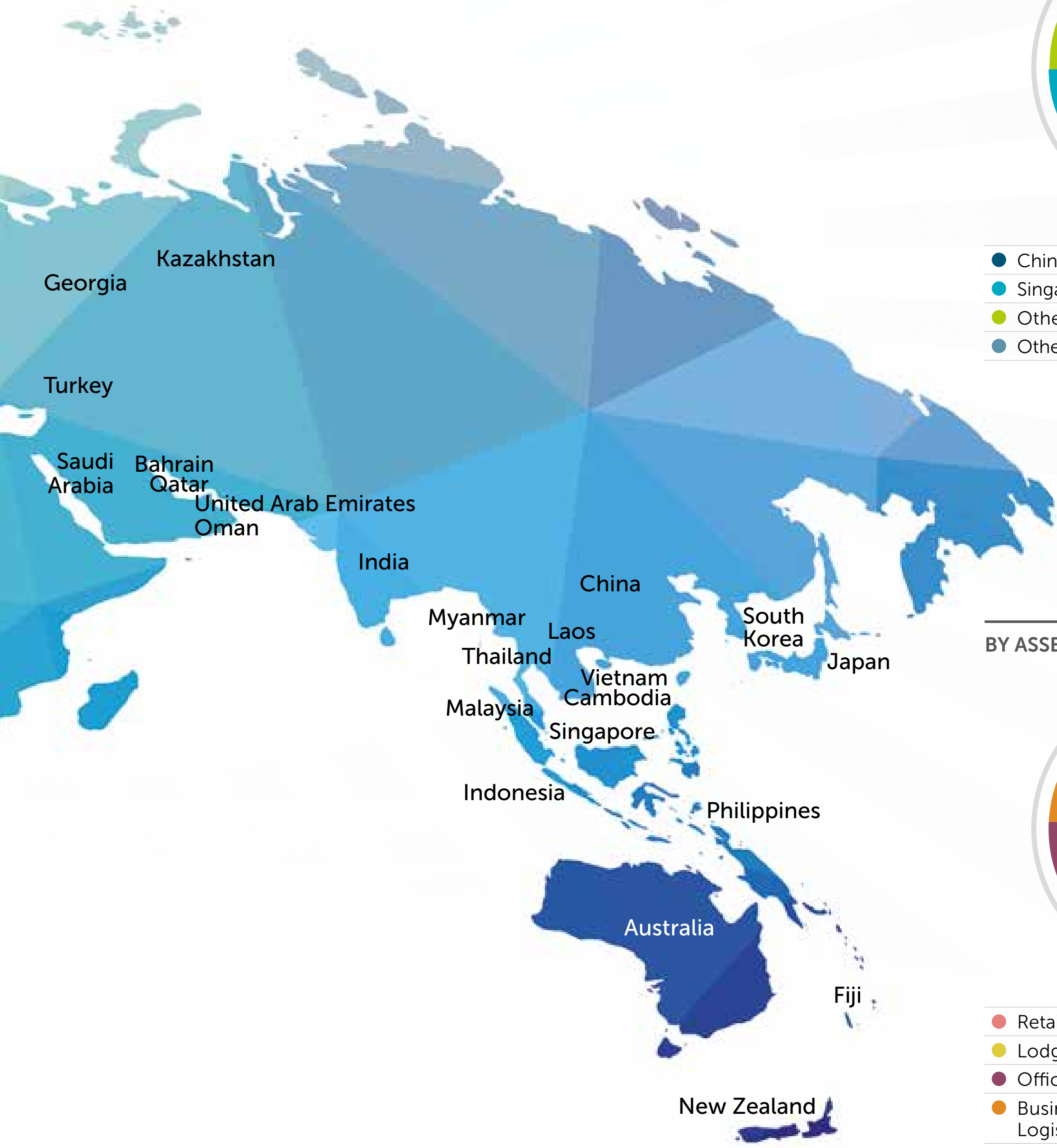


OUR GLOBAL PRESENCE

S$132.5
BILLION
REAL ESTATE ASSETS UNDER MANAGEMENT

OVER
30
COUNTRIES

MORE THAN
230
CITIES



AUM[1]: S$132.5 BILLION

BY GEOGRAPHY (%)

China[2]	41
Singapore	33
Other Developed Markets[3]	15
Other Emerging Markets[4]	11

BY ASSET CLASS (%)

Retail	27
Lodging[5]	27
Office	22
Business Park, Industrial & Logistics[6]	16
Residential, Commercial Strata & Urban Development	8

1 Refers to the total value of real estate managed by CapitaLand Group entities stated at 100% of property carrying value as of 31 December 2020.
2 Includes Hong Kong.
3 Excludes Singapore and Hong Kong.
4 Excludes China.
5 Includes multifamily and hotels.
6 Includes data centres.

OPERATIONS

TOTAL HOME UNITS CONSTRUCTED (SINCE 2000)
>114,000

CAPITASTAR MEMBERSHIPS
>14 million

NO OF SERVICED RESIDENCE UNITS SIGNED
>14,200

NO OF SERVICED RESIDENCE UNITS OPENED
>3,900

RETAIL LEASES
~14,600

OFFICE TENANTS
~1,760

BUSINESS PARK TENANTS
~3,140

FY 2020 KEY HIGHLIGHTS

FINANCIALS

TOTAL ASSETS
S$84.4 billion

EARNINGS BEFORE INTEREST & TAX
S$231.5 million

OPERATING PATMI
S$769.9 million

DIVIDEND PER SHARE
9 cents

NET DEBT TO EQUITY
0.68

GROSS DIVESTMENT VALUE
S$3.04 billion

5-YEAR FINANCIAL SUMMARY

	2016	2017[1]	2018	2019	2020
(A) INCOME STATEMENT (S$ MILLION)					
Revenue	5,252.3	4,618.2	5,602.4	6,234.8	**6,532.6**
Earnings before interest and tax (EBIT)	2,359.5	3,302.2	4,145.0	5,067.6	**231.5**
Profit/(Loss) attributable to shareholders (PATMI/(Net loss))	1,190.3	1,569.6	1,762.5	2,135.9	**(1,574.3)**
Operating PATMI	865.3	927.2	872.2	1,057.2	**769.9**
(B) BALANCE SHEET (S$ MILLION)					
Investment properties	18,998.4	36,479.4	39,446.0	48,731.9	**47,872.9**
Development properties for sale and stocks	4,837.1	3,977.0	5,128.6	7,725.1	**6,778.2**
Associates and joint ventures	12,617.3	10,205.4	10,179.6	12,996.2	**12,527.8**
Cash and cash equivalents	4,792.6	6,105.3	5,059.8	6,167.6	**9,175.4**
Other assets	4,495.4	4,772.1	4,833.6	6,725.1	**8,015.6**
Total assets	45,740.8	61,539.2	64,647.6	82,345.9	**84,369.9**
Equity attributable to owners of the Company	17,604.8	18,412.9	18,952.7	23,359.5	**22,306.1**
Total borrowings	14,852.4	21,694.9	23,633.9	31,411.1	**35,158.4**
Non-controlling interests and other liabilities	13,283.6	21,431.4	22,061.0	27,575.3	**26,905.4**
Total equities and liabilities	45,740.8	61,539.2	64,647.6	82,345.9	**84,369.9**
(C) FINANCIAL RATIOS					
Earnings per share (cents)	28.0	37.0	42.1	46.4	**(31.0)**
Net tangible assets per share (S$)	4.05	4.20	4.40	4.44	**4.09**
Return on equity[2] (%)	6.6	8.6	9.3	10.0	**(7.0)**
Return on total assets (%)	4.4	5.4	5.6	5.8	**(0.8)**
Debt equity ratio (net of cash) (times)	0.41	0.49	0.56	0.63	**0.68**
Net debt/Total assets (net of cash) (times)	0.25	0.28	0.31	0.33	**0.35**
Interest cover (times)	6.5	8.6	8.3	7.6	**0.7**
Interest service (times)	10.3	6.7	4.4	4.3	**3.3**
Dividend					
Ordinary dividend per share (cents)	10.0	12.0	12.0	12.0	**9.0**
Dividend cover (times)	2.8	3.1	3.5	3.9	**NM**

NM: Not meaningful

Notes

1 Comparatives for 2017 have been restated to take into account the retrospective adjustments relating to SFRS(I) 15 Revenue for Contracts with Customers.

2 Return on equity was computed based on PATMI/(Net loss) (after distribution to perpetual securities) over average equity attributable to owners of the Company.

GROUP BUSINESS STRUCTURE

CapitaLand

DEVELOPMENT			FUND MANAGEMENT	LODGING	
CAPITALAND SINGAPORE & INTERNATIONAL	CAPITALAND CHINA	CAPITALAND INDIA	CAPITALAND FINANCIAL	CAPITALAND LODGING	GROUP CENTRE OF EXCELLENCE
Residential	Residential & Urban Development	Business Park, Industrial & Logistics	Managers of 6 REITs & Business Trusts	Serviced Residence	Customer Services & Solutions
Commercial & Retail	Commercial & Retail		Managers of over 20 Private Funds	Hotel	Sustainability
Business Park, Industrial & Logistics	Business Park, Industrial & Logistics				Digital & Technology

MESSAGE TO SHAREHOLDERS

Dear Shareholders

It has been slightly more than a year since COVID-19 set off a global health pandemic which changed how we live and work. We were not left unscathed. Indeed, our various businesses were adversely impacted, some more deeply than others. COVID-19 disrupted the positive growth trajectory we were on but there are signs that the worst is over.

For FY 2020, the Group reported a net loss of S$1.6 billion, due largely to fair value write-downs (S$1.6 billion) and impairments (S$861 million), both of which were non-cash in nature.

However, despite the challenging operating environment, we continued to achieve satisfactory results at the operating level, reflecting the resilience of our diversified portfolio. Operating Profit after Tax and Minority Interests (Operating PATMI) was S$770 million (S$1.1 billion for FY 2019), and together with portfolio gains of S$154 million (S$436 million in FY 2019), we achieved a Cash PATMI of S$924 million (S$1.5 billion in FY 2019).

Our financial position remains strong; our gearing stood at 0.68x at year-end. That, coupled with the resilience of our cash profits, underpin the proposed dividend of 9 Singapore cents per share, totalling S$467.4 million and representing a payout ratio of 52%.

The impact of COVID-19 on our business has generally abated, as we see the positive turnaround in late 2020 continuing into 2021 in the markets we operate in. We are cautiously optimistic that the worst impact of the pandemic is behind us.

REFLECTING ON 2020

The headwinds faced in 2020 validated important aspects of our business and our strategy, and also acted as a driver to accelerate the re-positioning of CapitaLand.

NG KEE CHOE
Chairman

1. Financial Prudence

CapitaLand continues to practise financial prudence in managing and operating our business. When we merged with Ascendas-Singbridge (ASB) in 2019, we were able to demonstrate the benefits of this discipline by completing the transaction without having to seek additional financing from our minority shareholders. And following the combination, we committed to reducing our gearing and re-establishing our funding capacity and brought down our net debt-to-equity from a high of 0.73x to 0.63x within a six-month period.

In the face of the exceptional circumstances of 2020, this financial discipline benefitted not only the company itself, but also our tenants, partners, communities, and employees. The strength of our balance sheet and operating cashflow, enabled us to provide over S$340 million in rental rebate and marketing support for our tenants, as well as support for the wider community in the form of financial and healthcare assistance.

We also undertook an exercise to rationalise various businesses, automating and outsourcing functions where it made sense. CapitaLand's Board and senior management took a 5% to 15% reduction in their board fee and base salaries. By taking proactive steps to manage our costs, we achieved S$250.0 million in total cost savings for the year. Our net debt-to-equity was at a comfortable 0.68x as of 31 December 2020.

2. CapitaLand 3.0

The benefits of the Group's large and diversified portfolio were never more evident in 2020. During much of the first half of the year, when CapitaLand's retail, lodging and residential trading businesses bore the brunt of the pandemic's impact on the global economy, we were able to fall back on the resilient rental income of our office portfolio, as well as "new economy" business parks, industrial and logistics assets. Geographic diversification also mitigated the impact. For example, when China, a key core market, became the first country to re-open its economy after a two-month country-wide lockdown, its rapid recovery cushioned the impact to our overall portfolio, as other markets remained in different states of lockdown for longer periods.

LEE CHEE KOON
Group Chief Executive Officer

MESSAGE TO SHAREHOLDERS


One of 11 Grade A office buildings at Arlington Business Park in Reading, U.K.

Following the ASB combination, we re-organised our business into three key strategic growth pillars comprising Development, Fund Management and Lodging which sharpened our focus.

Development – The Group deployed more capital towards the new economy sectors. In FY 2020, we concluded the following major transactions amidst a challenging investment landscape:

- Acquisition of Arlington Business Park, in the United Kingdom (U.K.), consisting of 11 Grade A office buildings. This investment expanded CapitaLand's real estate assets under management in Europe to S$4.8 billion;
- Acquisition of 10.6 acres of Phase II land at International Tech Park Chennai (ITPC), India. This adds to 12.7 acres of ITPC Phase I, which we commenced construction in November 2020;
- The joint redevelopment of the Ascendas Xinsu business park in China together with CapitaLand China Trust (CLCT). This project spearheads the Group's commitment to grow its new economy investments in China to S$5 billion, from the current S$1.5 billion over the next few years;
- Joint-venturing with Mitsui & Co. Real Estate Ltd to develop and operate a logistics project in Greater Tokyo, marking the Group's first foray into Japan's logistics sector.

Fund Management – Our fund management business built on the momentum from 2019 with several strategic initiatives in 2020.

The first was the merger of CapitaLand Mall Trust and CapitaLand Commercial Trust to form CapitaLand Integrated Commercial Trust (CICT). CICT offers a complementary and diversified mix of commercial assets that provides it with good prospects for income growth.

The second was the expansion of the investment mandate of CLCT, which was renamed from CapitaLand Retail China Trust in January 2021. CLCT's mandate now stretches beyond retail, enabling it to more fully benefit from CapitaLand's diversified pipeline of commercial and new economy assets in China. Towards this end, with its expanded mandate, CLCT acquired five business parks and the remaining 49% stake of Rock Square mall from CapitaLand in November 2020.

In FY 2020, the Group generated S$306.2 million in fee income from managing six listed real estate investment trusts (REIT) and business trusts, as well as over 20 private funds, representing a year on year growth of 4.4%. Our Funds Under Management (FUM) grew to S$77.6 billion in FY 2020, 5.3% higher than that of FY 2019. As our FUM increases, fee income will grow correspondingly.

Lodging – Whilst the Group's lodging business endured an extremely challenging year, as global business and leisure travel was heavily disrupted, it also demonstrated the resilience of our asset-light, long-stay business model.

Our long-stay focused portfolio achieved a respectable average occupancy of around 50% for the year. This enabled the lodging business to deliver a positive operating cash flow for 2020.

New management contracts in 2020 gave us a record 14,200 new units across 71 properties that will be managed by us. This marks a fourth consecutive year of record growth. We will be adding new cities and countries under these new management contracts, and are well on track to meeting our 2023 target of 160,000 units.

In 2020, we opened more than 3,900 units in cities across Asia and beyond, adding to our operating inventory of approximately 69,700 units. In 2021, we are slated to open over 80 properties comprising about 17,000 units principally in the Asia Pacific region, which is expected to lead the global economic recovery.

International business and leisure travel will return when the pandemic is sufficiently brought under control and our lodging business will benefit from this recovery. In the meantime, we commence broadening our offerings in the long-stay lodgings to adjacent sub-segments such as student accommodation, corporate housing, and multifamily rental housing. Pursuant to this, we entered into a US$300 million joint venture to scale our multifamily asset portfolio in the USA. In January this year, Ascott Residence Trust kickstarted the Group's student accommodation portfolio buildup, acquiring a freehold property in Atlanta, Georgia, USA.

3. People, Sustainability and Digitalisation

The events of 2020 have proven to us that business decisions have to go beyond immediate gains, and have to be anchored on things that last. These include:

People

We continue to invest in our people. For example, we set aside S$5 million under CapitaLand's Building Capability Framework to enhance the digital skills and competencies of staff in Singapore, as the Group continues to build a competent, adaptable and future-ready workforce. Many employees proactively took courses to improve their digital literacy, especially in areas of data analytics, automation, artificial intelligence and digital communication.

In China, we launched "iXueTang", a web-based learning platform containing over 1,000 courses on a wide range of topics such as digital analytics, communications and business management so that CapitaLand's employees can learn remotely even with social distancing measures in place.

The total learning hours in digital-related courses increased by more than 20% on average across our operations.

Sustainability

In October 2020, we launched our 2030 Sustainability Master Plan to build upon the Group's sustainability achievements over the past 20 years and accelerate and expand our sustainability efforts. The Sustainability Master Plan is a strategic blueprint, encompassing the Group's environmental, social and governance (ESG) priorities, to ensure that CapitaLand remains a leading corporate sustainability steward.

The importance of this commitment to placing sustainability at the core of everything that we do stems from the belief that our financial health is inextricably tied to our environmental and social health, as well as our steadfast adherence to the principles of sound governance.

Recognising that partnerships can help us better to achieve our sustainability objectives, we launched the CapitaLand Sustainability X Challenge, the first sustainability-focused innovation challenge by a Singapore real estate company on a global scale. It invites like-minded sustainability innovators to participate in solving problems in areas of primary relevance to the Group, such as low carbon transition and healthy and safe buildings. Winning entries will be announced in June 2021 and invited to sandbox their solutions within the Group.

Digitalisation

Real estate has traditionally been a highly analogue business. To prepare ourselves for an increasingly digital global ecosystem, the Group took the opportunity in 2020 to accelerate its digitisation and digitalisation initiatives.

Internally, we have driven change to a new way of working. Over 100 dashboards were developed to enable faster data-driven decisions, from investments and operations to human resources, to improve accuracy and productivity. Dovetailing with our ESG commitments, we also committed to reducing our reliance on paper with digital workflow substitutes, and implementing paperless procedures.

Externally, CapitaLand's established digital platform, CapitaStar, with more than 13 million CapitaStar members in China and more than 1 million in Singapore, is ideally positioned to offer our retailers and customers omni-channel options, when conventional shopping routines are disrupted by the pandemic. In total, more than 2,700 retailers – over 550 in Singapore and 2,226 in China – were onboarded to the CapitaStar platform in FY 2020. We also launched our e-commerce platform, eCapitaMall and online food ordering platform, Capita3Eats in Singapore to further complement our digital retail platform, integrating well with our existing brick-and-mortar retail network.

The early results have been promising. In China, we generated more than RMB200 million (S$40 million) of online gross merchandise value in 2020, 10 times the value achieved in 2019.

Going forward, the Group plans to leverage CapitaStar to drive cross-border online sales, scale up our network of valuable B2C and B2B connections and increasingly monetise our online efforts. Recognising that this strategic opportunity is not limited to just the retail sector, we have also accelerated the development of our other digital platforms such as CapitaStar@Work for workspace and the Ascott Star Rewards (ASR) for lodging. Further harnessing the Group's unique digital ecosystem, CapitaStar members in Singapore who are also members of ASR can seamlessly exchange their CapitaStar STAR$® for ASR points and vice versa.

In October 2020, together with our industry partners, we committed up to S$10 million to set up the Smart Urban Co-Innovation Lab, Southeast Asia's first industry-led lab for smart cities solutions

MESSAGE TO SHAREHOLDERS

WE REMAIN COMMITTED TO CAPITALAND 3.0 AND TO THAT END, AS WE EMERGE FROM THE WORST OF THE PANDEMIC INTO RECOVERY, WE ARE READY TO FURTHER ACCELERATE OUR TRANSFORMATION.

development. This initiative allows participants to co-create and test innovation projects with local built environments and technology enterprises in a live environment at CapitaLand's 5G-enabled Singapore Science Park. Since its opening, we have welcomed more than 130 companies to the Smart Lab and formed 33 partnerships. The Lab has also enabled 14 trials of Smart City solutions in intelligent estate management. Another 15 problem statements have been released to the industry to co-innovate with us and our partners.

These initiatives mark the latest steps to transform and future proof the Group for a fast evolving digitalised economy.

From left: Ms Eunice Koh, Enterprise Singapore Assistant CEO, Mr Lee Chee Koon, CapitaLand Group CEO, Mr S Iswaran, Minister for Communications and Information and Mr Lew Chuen Hong, Infocomm Media Development Authority Chief Executive at the official opening of the Smart Urban Co-Innovation Lab

HOW ARE WE PREPARING FOR TOMORROW?

Our ability to deliver on our CapitaLand 3.0 strategy, announced in January 2019, has shown positive results. Harnessing the synergies from our combination with ASB, we grew our return on equity, improved our financial performance, and embarked on pivoting CapitaLand from a traditional development-focused business, to one that is more asset-light and fee income driven. We also accelerated the recalibration of our asset classes with a material increase in the new economy sectors.

The extraordinary challenges posed by COVID-19 in 2020 compelled us to take a pause to navigate through the pandemic. Nonetheless, we remain committed to CapitaLand 3.0 and to that end, as we emerge from the worst of the pandemic into recovery, we are ready to further accelerate our transformation. On 22 March 2021, we announced that we would restructure the Group's business by consolidating our investment management platforms as well as lodging business into "CapitaLand Investment Management" (CLIM), which is to be listed by introduction on the Singapore Exchange Securities Trading Limited, in the process creating Asia's largest real estate investment manager (REIM), and the third largest listed REIM company globally[1]. The real estate development business of the Group will be placed under private ownership, to be fully held by CLA Real Estate Holdings (CLA), CapitaLand's majority shareholder.

CLIM at its inception will be a fully integrated REIM with funds and property management capabilities across multiple asset classes and a spectrum of private and listed funds under its management. CLIM will be the manager of all six listed REITs and business trusts, as well as the unlisted funds currently managed by CapitaLand, and complemented by one of the world's foremost long-stay lodging platform. CLIM's focus will be on growing its funds under management and recurring fee income. Concurrently, the privatised development entity will develop and incubate projects as a key source of pipeline for CLIM, entrenching the mutually beneficial ecosystem within the Group.

1 Source: IPE Top 150 Real Estate Investment Managers 2020.

On the premise that existing CapitaLand's Eligible Shareholders (excluding CLA) will vote to approve the Scheme of Arrangement, they will directly hold approximately 48% of the issued shares of CLIM, which will be distributed by CapitaLand. CLA will own approximately 52% interest of CLIM through CapitaLand upon the listing of CLIM.

All shareholders will be receiving a scheme document and introductory document in or around the third quarter of 2021, with full information on our proposed restructuring and the details of the Extraordinary General Meeting and Scheme Meeting that we will call to seek your approval. We look forward to sharing more details with shareholders in due course, as we embark on this next important phase of CapitaLand's transformation journey.

ACKNOWLEDGEMENTS

We would like to extend our deepest gratitude to our shareholders, tenants, customers and partners for your continuing trust and collaboration which have given us the courage and motivation to face an unprecedented crisis.

To our staff, we appreciate your dedication to the company. We are proud of you for doing your best to keep our day-to-day businesses going during a time of extremely low visibility, and to even find time to support the communities around us. Thank you for your sacrifices.

Finally, we would like to thank our Board for guiding CapitaLand through a very challenging year. It was not easy this past year, and we are glad we made it through the darkest of times.

Group CEO's personal message on Mr Ng Kee Choe's retirement and Mr Miguel Ko's incoming chairmanship:

At the end of our coming Annual General Meeting in April 2021, Mr Ng Kee Choe will be retiring after serving more than 10 years on CapitaLand's Board, including eight years as Chairman of the Board. On behalf of the Group, we would like to extend our deepest gratitude to you, Chairman, for your strong and effective stewardship and the guidance you have given to the leadership team.

We would also like the take the chance to welcome Mr Miguel Ko, currently CapitaLand's Non-executive Deputy Chairman as CapitaLand's new Chairman. We are certain that we will benefit from your expertise and guidance.

Mr Ng Kee Choe's personal message on stepping down as Chairman:

It has been my privilege and an honour to have served CapitaLand since 2010, with the last eight as Board Chair. I deeply cherish the experience and the opportunity to journey with so many committed and talented members of the CapitaLand family. Much progress has been made in CapitaLand's transformation under Chee Koon. The Scheme of Arrangement briefly outlined above is an important strategic move and a significant milestone of CapitaLand's transformation journey. I am confident that under the stewardship of the Board to be led by Miguel and the management team headed by Chee Koon, CapitaLand will continue to advance strongly, and achieve greater success as it continues with its transformation. Finally, I thank all Shareholders for your patience, understanding and support during my Chairmanship.

Sincerely

Ng Kee Choe
Chairman

Lee Chee Koon
Group Chief Executive Officer

March 2021

OUR STAKEHOLDERS

We believe that a sustainable business requires an understanding of the views and interests of its key stakeholders. Therefore, we take a localised approach to identify and engage with stakeholders in each of our businesses and functions to ensure that sufficient attention and necessary support are provided to our stakeholders, to help us achieve collective success. Feedback from the ground is regularly provided to CapitaLand's senior management and Board, to encourage robust discussion that will lead to considered business decisions. Faced with the evolving situation of 2020, stakeholder engagement has taken an even higher priority, because the only way we can overcome such challenges is to work together. Our key stakeholders are categorised into four broad groups, namely: our People, our Investors, our Customers, and our Communities. Each group includes both current and potential stakeholders.

OUR PEOPLE

A company can only be as good as its employees. Hence, we place great importance in attracting, training, and retaining top talent to continually sharpen this competitive edge. We have a strong culture driven by our shared CapitaDNA, comprising CapitaLand's vision, mission, credo and core values. This binds our workforce together, creating a CapitaLand culture that promotes a winning mindset and enterprising spirit, whilst upholding not only respect for one another but integrity in our decisions as well.

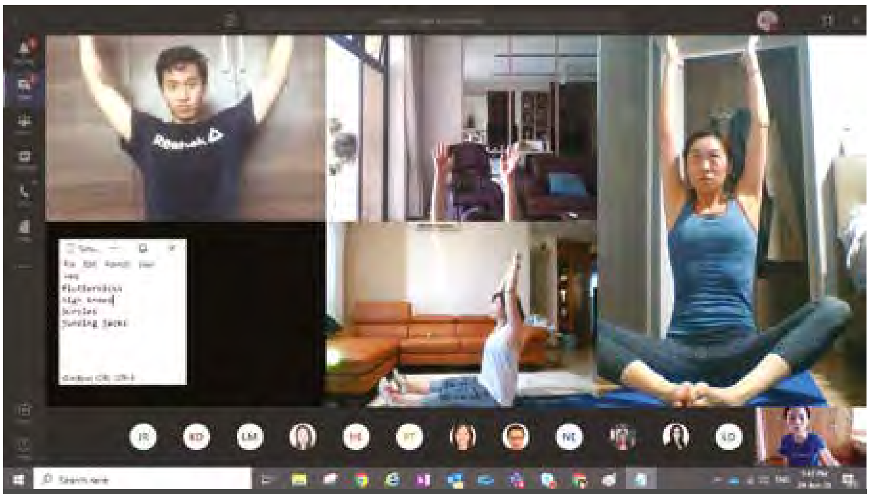
CapitaLand management (from top): Mr Lee Chee Koon, Mr Tan Seng Chai, Mr Lucas Loh and Mr Manohar Khiatani speaking at one of the virtual staff townhall sessions

Amidst the disruptions in 2020, we continued to hold our employee townhalls, albeit virtually, to ensure our people remained engaged. During these sessions, employees were encouraged to pose questions to senior management of CapitaLand who would respond to them "live". We also conducted company-wide pulse surveys to ensure that we were on top of changes happening in our workforce due to COVID-19, so that we could better support them. For the latest global pulse survey conducted in December 2020, an average of 83% of the survey participants accorded Ratings 4 and 5, the highest two ratings across all categories, which broadly included how our people felt at work and how they rated the company's support for them.

Furthermore, we took active steps to protect our people. From our Business Continuity Plan (BCP) command post at Singapore's headquarters, we mobilised our global network to secure Personal Protective Equipment (PPE) for our frontline staff at our properties and businesses. Alternative and flexible work arrangements were also swiftly implemented and adjusted to the changing situation and local regulations, to reduce risks of possible COVID-19 transmission.

In a show of togetherness, we rolled out targeted financial assistance initiatives to support our employees whose families may have been impacted by any COVID-19 disruptions. CapitaLand's Board and senior management also took a five to fifteen per cent reduction in their board fees and base salaries during the year as a display of solidarity and commitment to stand alongside our stakeholders through COVID-19 challenges.

Putting our people first was crucial in ensuring our business continuity. The resilience and unity of our people enabled CapitaLand to navigate through unfamiliar territory in 2020 and thus support the rest of our stakeholders.


Our employees attending a virtual exercise class conducted by one of our own colleagues during a regular Wellness Wednesday session organised for all staff

OUR INVESTORS

Through our market-leading investor relations programme, we maintain high levels of engagement with our shareholders and investor community (institutional and retail investors, sell-side analysts, proxy providers, capital partners etc.) to ensure our stakeholders are equipped with accurate and timely information to make sound judgements about our company and to cultivate people's trust and confidence in CapitaLand. We strive to disclose information that pertains not only to our financials and operations but also to environmental, social and governance (ESG) matters, which has increasingly become a deciding factor for many investment mandates. This engagement is managed via multiple touchpoints, including one-on-one meetings, our Investor Relations website, investor roadshows and participation in industry conferences and forums. To ensure that our business decisions are aligned with the interests of our stakeholders, investors' feedback and relevant market analyses are also regularly considered by CapitaLand's Board and senior management.

In 2020, COVID-19 restricted physical interactions with our stakeholders but the acceleration of the digital medium allowed us to reach out to more people than before. During the year, we met with more than 700 investors through one-on-one meetings, conferences and non-deal road shows, mostly via virtual means. The total number of attendees exceeded that of 2019 by more than 30%. We also conducted public webcasts when we announced our half and full year financial results, allowing questions to be posed to our senior management team. In October, we held our first-ever sustainability-themed non-deal roadshow which was conducted virtually to over 100 attendees from 70 institutions.

Our Annual General Meeting (AGM) for 2020 was held in June after some delays due to the COVID-19 situation. We were grateful to see more than 200 shareholders in virtual attendance and all resolutions duly passed via proxy votes. Post the AGM, we held our flagship retail investor engagement event - "Kopi with CapitaLand", in collaboration with Securities Investors Association (Singapore), to provide retail investors with a platform for any follow-up questions from the AGM.

CapitaLand's investor relations effort is paired with a robust media and public communications strategy, which includes proactive company updates

FINANCIAL CALENDAR
Financial Year Ending
31 Dec 2020

4 May 2020
Announcement of First Quarter Business Updates

7 Aug 2020
Announcement of Second Quarter Financial Results

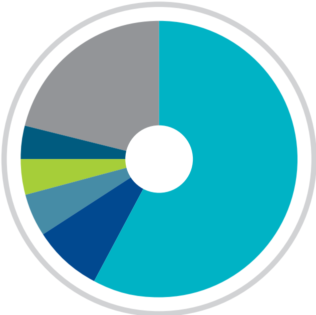
3 Nov 2020
Announcement of Third Quarter Business Updates

24 Feb 2021
Announcement of Full Year Financial Results

From left: Mr Lee Chee Koon (Group CEO) and Mr Ng Kee Choe (Chairman) at our first virtual AGM on 29 June 2020

OUR STAKEHOLDERS

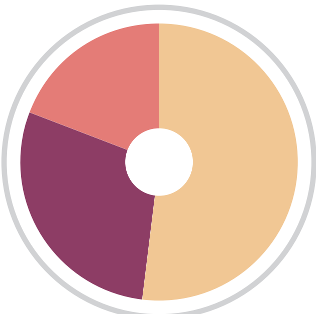
SHAREHOLDER BASE BY GEOGRAPHICAL DISTRIBUTION AS AT 31 DEC 2020



Singapore	58%
North America	8%
Europe (ex UK)	5%
UK	4%
Asia (ex Singapore)	4%
Rest of World/Unidentified holdings	21%

Note
Shareholder base excludes treasury shares.

SHAREHOLDER BASE BY INVESTOR TYPE AS AT 31 DEC 2020 (%)



Strategic (Temasek)	52%
Institutions	29%
Retail*	19%

Note
Shareholder base excludes treasury shares.
* Return on equity was computed based on PATMI (after distribution to perpetual securities) over average equity attributable to owners of the Company.

via news releases and information on the CapitaLand website, as well as on social media platforms such as Instagram, Facebook, Twitter, LinkedIn and YouTube; and CapitaLand's weekly lifestyle blog, INSIDE.

Throughout 2020, the Group's stakeholders were kept updated on CapitaLand's latest COVID-19 measures and future-ready initiatives through the COVID-19 media room on the website, which received over 17,000 page views across the year.

CapitaLand ensures that any material information is filed with Singapore Exchange (SGX) and uploaded onto our corporate website in a timely manner and sent as email alerts to subscribers to our mailing list. We also provide different opportunities for the investment community, the media and public to contact us directly by email, phone or via the "Contact Us' page on our website. Our IR policy, which provides more information on our communications framework, is available on our website at www.capitaland.com.

From left: Mr Andrew Lim (Group CFO), Mr Lee Chee Koon (Group CEO) and Ms Grace Chen (Head, Investor Relations) speaking to our retail shareholders during "Kopi with CapitaLand" held virtually

OUR CUSTOMERS

Across CapitaLand's multi-faceted real estate businesses, our customer base is diverse and includes our tenants, shoppers, lodging customers, and home buyers amongst others. We keep our business agile by actively repositioning and aligning ourselves with the latest market trends and the profiles of our customers.

In the face of 2020's challenges, it was even more important that we stayed close to our customers to understand their changing needs. When movement became increasingly restricted and shops were ordered to shut, we were able to swiftly provide solutions, such as omnichannel and "livestream" platforms, accessible through our CapitaStar app, creating a digital conduit between retailers and shoppers. These solutions also came with attractive onboarding incentives to encourage tenants to remain relevant in these transformative times. During the lockdowns in Singapore and China, our residential sales offices were closed. To reach out to our potential customers, we leveraged technology to bring our home offerings to them. In China, we launched "Homes" – a feature on CapitaStar's WeChat for house hunters to book viewing appointments online. In Singapore, we engaged with our customers through virtual apartment viewings.

Besides providing operational support, CapitaLand has voluntarily provided additional monetary support to our tenants, through rental rebates and waivers, as well as by releasing up to one-month security deposits to offset rent, and pass on government property tax relief. This was in addition to any mandated rental rebates by the government, and totalled more than S$340 million in FY 2020.

Across the countries in which we operate, CapitaLand has been enhancing our safety measures to create a safe environment for our customer groups. These include temperature screening, health and travel declarations for visitors and guests at our properties, increased frequency of cleaning and disinfection and deployed measures such as anti-microbial coating and autonomous UV disinfection robots. We also provided isolation rooms and delineated escort routes to minimise the contact of suspected COVID-19 cases with the general public. Many of the recommended guidelines from local authorities were already in place at our properties globally. This allowed us to ride into re-opening phases after lockdowns smoothly.

One of the livestream sales sessions on the CapitaStar platform in China


CapitaLand taps innovative tech solutions to implement safety measures at CapitaLand malls, including the application of anti-microbial coating for high contact areas

The CapitaLand x Shopee collaboration is part of CapitaLand's efforts to accelerate digitalisation of our Singapore retailers through diversified retail strategies

OUR COMMUNITIES

CapitaLand's business is more than its "brick-and-mortar". At the heart of our actions, we aim to create a positive impact in the communities in which we operate. In 2020, more than 2,600 staff contributed over 24,600 volunteer hours in community support activities such as delivering meals and distributing hand sanitisers to vulnerable communities globally.

CapitaLand, through its philanthropic arm, has pledged more than S$6 million to support over 160,000 people impacted by COVID-19 pandemic globally to help meet their needs for healthcare, food security and social assistance. More than S$2 million was donated to support various initiatives to reach out to vulnerable groups such as underpriviledged children and vulnerable elderly affected by COVID-19 in Singapore.

Mr Lee Chee Koon, Group CEO, delivering meals to the vulnerable communities during the circuit breaker in Singapore

CapitaLand staff distributing hand sanitisers at the #BYOBclean event in support of Temasek Foundation's nationwide initiative

A RMB10 million fund was set up in January 2020 to support China's nationwide medical and healthcare related efforts in the fight against COVID-19. Contributions from like-minded corporate partners grew the fund to RMB20 million. Medical supplies and aids were donated to over 15 hospitals in China to cope with immediate healthcare needs during the relief phase.

The Ascott Limited (Ascott) provided complimentary accommodation to frontline healthcare workers in some key cities globally. In partnership with CapitaLand Hope Foundation (CHF), Ascott launched the #StayHomeWithAscott campaign. US$200,000 was donated to Save the Children's global food security and assistance programmes to benefit about 13,000 underprivileged children affected by the pandemic.

As a testament to our efforts, CapitaLand was presented with an 'Organisation of Good' Award at the President's Volunteerism and Philanthropy Awards 2020 for our contributions to the community in Singapore during COVID-19.

Singapore

In addition to delivering meals, staff volunteers also:

- conducted virtual engagement sessions with the elderly;
- helped the elderly stay connected with their families using tablets;
- distributed hand sanitisers and;
- made mask pouches for children and youths with special needs and frontline staff from special education schools.

China

- The healthcare fund also made a joint donation of RMB1 million with Sino-Singapore Guangzhou Knowledge City Investment and Development Co. Ltd, towards COVID-19 relief efforts in Guangzhou, benefitting over 200,000 people;
- Provided about 6,000 children and teachers at 23 CapitaLand Hope Schools in China with preventive supplies worth RMB500,000;
- RMB400,000 worth of bursary were given out to support 359 underprivileged students from CapitaLand Hope Schools.

India

- CapitaLand has been investing in the future of children through initiatives such as sponsoring three Abhyasikas, a free after-school programme benefitting underprivileged children living in slums and providing underprivileged children with schoolbags and stationery kits.

Vietnam

- CapitaLand has been actively providing support for children from four CapitaLand Hope Schools through initiatives such as donations of milk, schoolbags, learning tools and scholarships.

OUR BOARD OF DIRECTORS


NG KEE CHOE


MIGUEL KO


LEE CHEE KOON


TAN SRI AMIRSHAM BIN A AZIZ


GOH SWEE CHEN


KEE TECK KOON


STEPHEN LEE CHING YEN


GABRIEL LIM MENG LIANG


ANTHONY LIM WENG KIN


CHALY MAH CHEE KHEONG


DR PHILIP NALLIAH PILLAI

OUR BOARD OF DIRECTORS

NG KEE CHOE, 76

CHAIRMAN
NON-EXECUTIVE INDEPENDENT DIRECTOR

- Bachelor of Science (Honours), University of Singapore

Date of first appointment as a Director
16 April 2010
Date of appointment as Chairman
1 May 2012
Date of last reelection as a Director
12 April 2019
Length of service as a Director (as at 31 December 2020)
10 years 8 months

Board committees served on
- Executive Resource and Compensation Committee (Chairman)
- Nominating Committee (Member)
- Strategy, Investment and Finance Committee (Chairman)

Present principal commitments
- China Development Bank (Member of the International Advisory Council)
- Corporate Governance Advisory Committee (Member)
- Fullerton Financial Holdings Pte Ltd (Director)
- Tanah Merah Country Club (Chairman)
- Temasek Trust Ltd. (Director)

Past directorships in other listed companies held over the preceding five years
- AusNet Services (Chairman)
- PT Bank Danamon Indonesia, Tbk (President-Commissioner)

Awards
- The Distinguished Service Award by the Singapore National Trades Union Congress in 2013
- The Meritorious Service Medal at the Singapore National Day Awards 2012
- The Public Service Star at the Singapore National Day Awards 2001

MIGUEL KO, 68

DEPUTY CHAIRMAN (CHAIRMAN-DESIGNATE)
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 Board of Accountancy, New Hampshire, USA

Date of first appointment as a Director
6 August 2019
Date of appointment as Deputy Chairman
6 August 2019
Date of last reelection as a Director
29 June 2020
Length of service as a Director (as at 31 December 2020)
1 year 4 months

Board committees served on
- Executive Resource and Compensation Committee (Member)
- Strategy, Investment and Finance Committee (Member)

Present principal commitments
- CLA Real Estate Holdings Pte. Ltd. (formerly known as Ascendas-Singbridge Pte. Ltd.) (Deputy Chairman (Non-Executive))
- Temasek International Advisors Pte Ltd (Corporate Advisor)

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[1] (Chairman)
- Samsonite International S.A.

Awards
- Lifetime Achievement Award in 2012 (China Hotel Investment Conference in 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)

1 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.

LEE CHEE KOON, 46

GROUP CHIEF EXECUTIVE OFFICER
EXECUTIVE NON-INDEPENDENT DIRECTOR

- Bachelor of Science in Mechanical Engineering (First Class Honours), National University of Singapore
- Master of Science in Advanced Mechanical Engineering (Distinction), Imperial College London, UK

Date of first appointment as a Director
1 January 2019
Date of last reelection as a Director
12 April 2019
Length of service as a Director (as at 31 December 2020)
2 years

Present directorships in other listed companies
- Managers of Ascott Residence Trust[2]

Present principal commitments
- EDBI Pte Ltd (Director)
- Emerging Stronger Taskforce (Member)

Past directorships in other listed companies held over the preceding five years
- CapitaLand Commercial Trust Management Limited (Manager of CapitaLand Commercial Trust[3])
- CapitaLand Retail China Trust Management Limited (Manager of CapitaLand Retail China Trust)

Awards
- Business China Young Achiever Award in 2017
- National Order of Merit (Chevalier de l'Ordre National du Mérite) in 2016

2 Managers of Ascott Residence Trust comprising Ascott Residence Trust Management Limited (Manager of Ascott Real Estate Investment Trust, or "Ascott Reit") and Ascott Business Trust Management Pte. Ltd. (Trustee-Manager of Ascott Business Trust, or "Ascott BT"). Ascott Residence Trust is a stapled group comprising Ascott Reit and Ascott BT with effect from 31 December 2019.

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

TAN SRI AMIRSHAM BIN A AZIZ, 70

NON-EXECUTIVE INDEPENDENT DIRECTOR

- Bachelor of Economics (Honours), University of Malaya, Malaysia
- Certified Public Accountant

Date of first appointment as a Director
30 July 2012
Date of last reelection as a Director
29 June 2020
Length of service as a Director (as at 31 December 2020)
8 years 5 months

Board committees served on
- Audit Committee (Member)
- Risk Committee (Chairman)

Present directorship in other listed company
- Hap Seng Plantations Holdings Berhad

Present principal commitments
- Glenealy Plantations Sdn Bhd (Director)
- RAM Holdings Berhad (Chairman)
- RAM Rating Services Berhad (Chairman)
- Wearnes-StarChase Limited (Director)

Past directorship in other listed company held over the preceding five years
- Bursa Malaysia Berhad (Chairman)

Awards
- Global Hall of Fame by the International Association of Outsourcing Professionals 2009
- Asian Bankers Lifetime Achievement Award 2008

OUR BOARD OF DIRECTORS

GOH SWEE CHEN, 60

NON-EXECUTIVE INDEPENDENT DIRECTOR

- Bachelor of Science in Information Science, Victoria University of Wellington, NZ
- Master of Business Administration, University of Chicago, USA

Date of first appointment as a Director
1 September 2017
Date of last reelection as a Director
30 April 2018
Length of service as a Director (as at 31 December 2020)
3 years 4 months

Board committees served on
- Executive Resource and Compensation Committee (Member)
- Nominating Committee (Member)

Present directorships in other listed companies
- Singapore Airlines Limited
- Woodside Energy Ltd

Present principal commitments
- Global Compact Network Singapore (President)
- Institute for Human Resource Professionals Limited (Chairman)
- Legal Service Commission (Member)
- Nanyang Technological University (Chairman)
- National Arts Council (Chairman)
- Singapore Power Ltd (Director)
- The Centre for Liveable Cities (Director)

Award
- Distinguished Alumni Award, Chicago Booth, University of Chicago, USA 2018

KEE TECK KOON, 64

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
22 September 2014
Date of last reelection as a Director
29 June 2020
Length of service as a Director (as at 31 December 2020)
6 years 3 months

Board committees served on
- Risk Committee (Member)
- Strategy, Investment and Finance Committee (Member)

Present directorship in other listed company
- Raffles Medical Group Ltd

Present principal commitments
- Angsana Fund Investment Committee of Singapore Labour Foundation (Member)
- Changi Airport Group (Singapore) Pte. Ltd. (Director)
- Mandai Park Holdings Pte. Ltd. (Director)
- NTUC Enterprise Co-operative Limited (Director and Board Advisor)
- NTUC Income Insurance Co-operative Limited (Deputy Chairman)
- NTUC Fairprice Co-operative Limited (Director)

STEPHEN LEE CHING YEN, 74

NON-EXECUTIVE INDEPENDENT DIRECTOR

- Master of Business Administration, Northwestern University, USA

Date of first appointment as a Director
1 January 2013
Date of last reelection as a Director
12 April 2019
Length of service as a Director (as at 31 December 2020)
8 years

Board committees served on
- Executive Resource and Compensation Committee (Member)
- Nominating Committee (Chairman)

Present directorship in other listed company
- The Shanghai Commercial & Savings Bank Limited (Deputy Chairman and Managing Director)

Present principal commitments
- Dr Goh Keng Swee Scholarship Fund (Board Member)
- G2000 Apparel (S) Private Limited (Director)
- Great Malaysia Textile Investments Pte Ltd (Managing Director)
- Kidney Dialysis Foundation (Director)
- M+S Pte. Ltd. (Deputy Chairman)
- Marina South Investments Pte. Ltd. (Director)
- MS Property Management Pte. Ltd. (Director)
- NTUC-ARU (Administration & Research Unit) (Member of the Board of Trustees)
- Ophir-Rochor Investments Pte. Ltd. (Director)
- Shanghai Commercial Bank Ltd (Chairman)
- Singapore University of Social Sciences (Chancellor)
- Temasek Holdings (Private) Limited (Director)
- Tripartite Alliance Limited (Chairman)

Past directorships in other listed companies held over the preceding five years
- SIA Engineering Company Limited (Chairman)
- Singapore Airlines Limited (Chairman)

Awards
- The Order of Nila Utama (First Class) at the Singapore National Day Awards 2015
- The Distinguished Comrade of Labour Award by the Singapore National Trade Union Congress in 2015
- The Distinguished Service Order at the Singapore National Day Awards 2006
- The Public Service Star at the Singapore National Day Awards 1998

GABRIEL LIM MENG LIANG, 45

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
11 August 2017
Date of last reelection as a Director
29 June 2020
Length of service as a Director (as at 31 December 2020)
3 years 5 months

Board committees served on
- Audit Committee (Member)
- Risk Committee (Member)

Present principal commitments
- East Asian Institute (Member of the Management Board)
- Ministry of Trade and Industry (Permanent Secretary)
- National Healthcare Group Pte Ltd (Director)
- National Research Foundation (Director)
- St. Joseph's Institution International Ltd (Member of the Board of Governors)
- St. Joseph's Institution International Elementary School Ltd (Member of the Board of Governors)

OUR BOARD OF DIRECTORS

ANTHONY LIM WENG KIN, 62

NON-EXECUTIVE INDEPENDENT DIRECTOR
(LEAD INDEPENDENT DIRECTOR-DESIGNATE)

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

Date of first appointment as a Director
11 August 2017
Date of last reelection as a Director
30 April 2018
Length of service as a Director (as at 31 December 2020)
3 years 5 months

Board committees served on
- Audit Committee (Chairman)
- Strategy, Investment and Finance Committee (Member)

Present directorship in other listed company
- DBS Group Holdings Ltd.

Present principal commitments
- CapitaLand Hope Foundation (Director)
- Institute of International Education, Scholar Rescue Fund Selection Committee (Member)

Past directorship in other listed company held over the preceding five years
- Vista Oil & Gas S.A.B. de C.V.

CHALY MAH CHEE KHEONG, 65

NON-EXECUTIVE INDEPENDENT DIRECTOR

- Bachelor of Commerce, University of Melbourne, Australia
- Fellow, Institute of Chartered Accountants, Australia
- Fellow, Certified Practising Accountants, Australia
- Fellow, Institute of Singapore Chartered Accountants

Date of first appointment as a Director
1 February 2017
Date of last reelection as a Director
29 June 2020
Length of service as a Director (as at 31 December 2020)
3 years 11 months

Board committees served on
- Audit Committee (Member)
- Strategy, Investment and Finance Committee (Member)

Present directorship in other listed company
- Netlink NBN Management Pte Ltd (Manager of Netlink NBN Trust) (Chairman)

Present principal commitments
- Flipkart Private Limited (Director)
- Monetary Authority of Singapore (Director)
- National Jobs Council (Member)
- National University of Singapore (Member of the Board of Trustees)
- Non-Resident High Commissioner of the Republic of Singapore to the Independent State of Papua New Guinea
- SG Eco Fund (Board of Trustee)
- Singapore Accountancy Commission (Chairman)
- Singapore Tourism Board (Chairman)
- Surbana Jurong Private Limited (Chairman)

Award
- The Public Service Medal at the Singapore National Day Awards 2014

DR PHILIP NALLIAH PILLAI, 73

NON-EXECUTIVE INDEPENDENT DIRECTOR

- Bachelor of Laws (First Class Honours), University of Singapore
- LLM (Master of Laws) & SJD (Doctor of Juridical Sciences), Harvard Law School, USA
- Advocate & Solicitor, Singapore
- Solicitor, England & Wales

Date of first appointment as a Director
25 April 2014
Date of last reelection as a Director
12 April 2019
Length of service as a Director (as at 31 December 2020)
6 years 8 months

Board committees served on
- Audit Committee (Member)
- Nominating Committee (Member)

Present directorship in other listed company
- Hotung Investment Holdings Limited

Present principal commitments
- SMRT Corporation Ltd (Director)
- SMRT Trains Ltd. (Director)

Award
- The Public Service Medal at the Singapore National Day Awards 2003

OUR LEADERSHIP

LEE CHEE KOON

JASON LEOW

LEE CHEE KOON

GROUP CHIEF EXECUTIVE OFFICER
CAPITALAND GROUP

Lee Chee Koon is the Group Chief Executive Officer (CEO) of CapitaLand Group and serves on its board of directors. Chee Koon was appointed as President and Group CEO of CapitaLand in September 2018.

Under Chee Koon's leadership, the Group acquired Ascendas-Singbridge (ASB) in 2019, which saw CapitaLand diversifying into the business park, industrial and logistics real estate segment and gaining significant scale in India – now one of CapitaLand's core geographies. Following the acquisition, CapitaLand became one of Asia's largest diversified real estate companies.

Prior to becoming Group CEO, Chee Koon was Group Chief Investment Officer (CIO) and was responsible for identifying growth opportunities and capital allocation across the Group. Since joining CapitaLand in 2007, he has held several appointments within the Group, which includes his role as CEO of The Ascott Limited (Ascott) and Managing Director (MD) for Ascott in China.

Chee Koon was presented with the Business China Young Achiever Award by Singapore's Prime Minister Lee Hsien Loong in 2017, for his contributions towards strengthening Singapore-China relations through Ascott. In 2016, he was also conferred the prestigious National Order of Merit (Chevalier de l'Ordre National du Mérite) by the President of the French Republic for Ascott's contributions to France.

Chee Koon holds a First Class Honours degree in Mechanical Engineering from the National University of Singapore (NUS). He also holds a Master of Science degree in Mechanical Engineering from Imperial College London, United Kingdom.

Directorships and Professional Memberships
- Executive, Non-independent Director, CapitaLand Limited
- Non-executive, Non-independent Director, Ascott Residence Trust Management Limited (ARTML)
- Director, CapitaLand Hope Foundation (CHF)
- Director, EDBI Pte Ltd

JASON LEOW

PRESIDENT, SINGAPORE & INTERNATIONAL
CAPITALAND GROUP

Jason Leow is President, Singapore & International of CapitaLand Group. He oversees the businesses within CapitaLand's core markets of Singapore, Vietnam, as well as other international markets (excluding China and India).

Jason's career with CapitaLand started over 26 years ago in 1994, of which he spent 13 years growing the Group's businesses in China from 2001 to 2014. Jason was the CEO of CapitaLand China from 2009 to 2014. Under his leadership, the China team streamlined and grew the residential and integrated development businesses, including the development and operations of eight Raffles City projects in China. In 2014, he returned to Singapore and took on the role of CEO and Executive Director of CapitaLand Mall Asia. In 2017, Jason was appointed Group Chief Operating Officer (COO) of CapitaLand Group and was responsible for efficient and cost-effective support services for business operations across geographies and asset classes globally. Prior to his current appointment, Jason was CapitaLand's President (Asia[1] & Retail) of which, in addition to overseeing the growth of primarily Singapore, Malaysia and Indonesia, as well as Vietnam markets, he also managed retail operations across the Group.

Jason holds an Executive Master of Business Administration from Fudan University and in 2007, he attended the Advanced Management Program at Harvard Business School.

Directorships and Professional Memberships
- Member, Institute of Singapore Chartered Accountants
- Member, Board of Yellow Ribbon Singapore
- Committee Member, Home Detention Advisory Committee 4
- Committee Member, NTUC-U Care Fund Board of Trustees

1 Asia (ex-China)

LUCAS LOH

JONATHAN YAP

LUCAS LOH

PRESIDENT, CHINA
CAPITALAND GROUP

Lucas Loh is President, China of CapitaLand Group. He is concurrently the CEO of CapitaLand China, a position he has held since 2014. Lucas oversees the Group's businesses that spread across the five core city clusters of Beijing, Tianjin; Shanghai, Hangzhou, Suzhou, Ningbo; Guangzhou, Shenzhen; Chengdu, Chongqing, Xi'an; and Wuhan.

Lucas joined CapitaLand in September 2001 and has been based in China for 16 years since 2004. He has been credited for leading the team in China and accelerating the business growth and income. Under Lucas' leadership, CapitaLand successfully completed and opened four Raffles City integrated developments, including Raffles City Chongqing, which opened in September 2019.

Prior to his appointment as CEO of CapitaLand China, Lucas was the Deputy CEO cum CIO of CapitaLand China, and Regional General Manager (GM) for South China, which built up his deep expertise in Guangzhou, Shenzhen and Datansha. Lucas was also responsible for driving the company's real estate financial business, including the Raffles City China Income Ventures (formerly known as Raffles City China Fund) and the establishment of the US$1.5 billion Raffles City China Investment Partners III.

Lucas holds a Bachelor of Science in Estate Management from NUS. He also holds a Master of Business Administration from Oklahoma City University and attended the Advanced Management Program at Harvard Business School in 2013.

Directorships and Professional Memberships

- Non-executive, Non-independent Director, CapitaLand China Trust Management Limited (CLCTML)
- Non-executive Director, Lai Fung Holdings Limited
- Council Member, Singapore-Zhejiang Economic and Trade Council
- Council Member, Singapore-Jiangsu Cooperation Council
- Council Member, Singapore-Guangdong Collaboration Council
- Council Member, Singapore-Sichuan Trade and Investment Committee
- Corporate Member, Singapore Chamber of Commerce and Industry in China (Shanghai Chapter)

JONATHAN YAP

PRESIDENT, CAPITALAND FINANCIAL
CAPITALAND GROUP

Jonathan Yap is President, CapitaLand Financial of CapitaLand Group. Jonathan oversees the Group's fund platform which includes six listed trusts with a total market capitalisation of approximately S$34 billion as of 31 December 2020, as well as over 20 private funds. He also oversees the Group's India business.

CapitaLand's fund platform, valued at approximately S$77.6 billion of fund assets under management (AUM) as of 31 December 2020, makes CapitaLand the largest real estate investment manager in Asia and one of the Top 10 globally. The Group is on track to further grow Fund AUM to S$100 billion by year 2024. CapitaLand's business in India is committed to growing its AUM to S$7 billion in 2024.

Prior to joining CapitaLand in July 2019, Jonathan was the Group COO and Group Chief Financial Officer (CFO) of ASB. As Group COO, he oversaw ASB's operations in Korea and expansion into new markets. In his capacity as Group CFO, Jonathan supervised the finance, corporate strategy and development, and enterprise risk management functions of ASB. Jonathan started working at ASB since its formation in June 2015 and was concurrently the CIO as well as the Head of Real Estate Funds for the first two years of the company.

Before ASB's formation, Jonathan was with Ascendas Pte Ltd. He was appointed CEO, India from 2010 to 2015, CEO, India Funds from 2007 to 2014 and CEO, India Operations from 2004 to 2007. During which, he led the listing of the award winning Ascendas India Trust on the Singapore Exchange. He was also the Assistant Group CEO for Overseas Funds & India of Ascendas Pte Ltd from 2012 to 2015.

OUR LEADERSHIP

MANOHAR KHIATANI

Jonathan holds a Bachelor of Science in Estate Management (Honours) and a Master of Science in Project Management, NUS.

Directorships and Professional Memberships

- Non-executive, Non-independent Director, CapitaLand Integrated Commercial Trust Management Limited (CICTML)
- Non-executive Director, Ascendas Property Fund Trustee Pte Ltd
- Non-executive, Non-independent Director, CapitaLand Malaysia Mall REIT Management Sdn. Bhd. (CMRM)
- Non-executive, Non-independent Director, CapitaLand Commercial Trust Management Limited (CCTML)[2] (Until 14th Jan 2021)
- President, REIT Association of Singapore
- Member, Management Board of Institute of South Asian Studies

MANOHAR KHIATANI

SENIOR EXECUTIVE DIRECTOR
CAPITALAND GROUP

Manohar Khiatani is the Senior Executive Director of CapitaLand Group. His key responsibilities include assisting CapitaLand's Group CEO in several strategic projects, group-wide initiatives as well as CapitaLand's businesses in India and business/industrial parks. He also oversees the Group Centre of Excellence for Customer Services & Solutions. Concurrent with his CapitaLand's responsibilities, Manohar is Special Advisor to the Chairman of Singapore Economic Development Board (EDB).

Prior to joining CapitaLand in July 2019 (following the combination with ASB), Manohar was the Deputy Group CEO of ASB. In that role, he oversaw several of ASB's businesses and corporate functions.

Before joining Ascendas in May 2013, Manohar was the CEO of JTC Corporation (JTC), Singapore's lead agency to plan and develop industrial infrastructure. At JTC, he spearheaded the development of specialised infrastructure solutions for various sectors and positioned the organisation as an industrial infrastructure innovator.

Prior to his career at JTC, Manohar was the Deputy MD at EDB, which he first joined in 1986. At EDB, Manohar played an instrumental role in the development and transformation of important sectors in Singapore's economy such as aerospace, marine and offshore, electronics, precision engineering, logistics, infocomms and media, and clean technology. Manohar also led EDB's operations in the Americas and Europe. Between 1994 and 1999, Manohar served as the MD of Preussag SEA, a diversified German conglomerate, where he was responsible for developing the group's business in South East Asia. He returned to EDB in 1999.

Manohar holds a Master of Naval Architecture from the University of Hamburg, Germany. He also attended the Advanced Management Program at the Harvard Business School in 2006.

Directorships and Professional Memberships

- Deputy Chairman and Non-executive Director, Ascendas Property Fund Trustee Pte Ltd
- Non-executive, Non-independent Director, Ascendas Funds Management (S) Limited
- Non-executive, Independent Director, SIA Engineering Company Limited
- President, EDB Society
- Board Member, Building and Construction Authority
- Board Member, Institute of Real Estate and Urban Studies
- Vice Chairman, South Asia Business Group, Singapore Business Federation
- Malaysia-Singapore Business Council Member, Singapore Business Federation
- Advisory Council Member, Singaporean-German Chamber of Industry and Commerce

2 As a result of CCT's merger with CapitaLand Mall Trust (CMT) to form CICT, CCT was delisted from Singapore Exchange Securities Trading Limited on 3 November 2020.


ANDREW LIM


TAN SENG CHAI

ANDREW LIM

GROUP CHIEF FINANCIAL OFFICER
CAPITALAND GROUP

Andrew Lim is the Group CFO of CapitaLand Group. In his role, he has direct oversight of the functions of group finance, financial reporting and controls, treasury, tax, risk management, investor relations, and the administrative matters of the internal audit department of CapitaLand.

Andrew is also responsible for Group Strategic Investments, including mergers and acquisitions at the Group level. He also oversees the Group Centre of Excellence for Sustainability.

Prior to joining CapitaLand in January 2017, Andrew served as MD and Head of South East Asia Advisory Coverage, Real Estate and Hospitality at HSBC, which he worked for 12 years.

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

Directorships and Professional Memberships

- Non-executive, Non-independent Director, CICTML
- Non-executive, Non-independent Director, Ascendas Funds Management (S) Limited
- Non-executive, Non-independent Director, CCTML[3]
- Non-executive, Non-independent Director, ARTML
- Non-executive, Non-independent Director, CLCTML
- Non-executive, Non-independent Director, CMRM
- Non-executive Director, Sport Singapore (Singapore Sports Council) (Commenced 1 Oct 2020)
- President, Real Estate Investment Trust Association of Singapore (May 2018 - Sep 2020)
- Member, Institute of Singapore Chartered Accountants' CFO Committee
- Member, Accounting for Sustainability Circle of Practice in Asia

TAN SENG CHAI

CHIEF CORPORATE & PEOPLE OFFICER
CAPITALAND GROUP

Tan Seng Chai is the Chief Corporate & People Officer of CapitaLand Group. He is responsible for human capital management and development, building a leadership and talent pipeline to support the organisation and businesses. Seng Chai oversees the Group's corporate functions including Group Human Resource & Administration, Group Communications, Group Legal & Secretariat, Group Procurement, and Global Shared Services & Business Process. He is also responsible for the Group's Organisational Development function including Corporate Social Responsibilities.

Seng Chai was previously the Group Chief People Officer, a role he assumed since 1 January 2018. His previous appointments within the Group included Group Chief Corporate Officer (CCO), Deputy CCO and Chief Human Resource Officer.

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

Seng Chai was awarded the IHRP Master Professional Certification by the Institute for Human Resource Professionals in December 2020 for his active contributions to the HR industry.

Seng Chai holds an honours degree in Civil & Structural Engineering and a Master of Science in Industrial & System Engineering from NUS.

Directorship

- Executive Director, CHF

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OUR LEADERSHIP

KEVIN GOH

HE JIHONG

KEVIN GOH

CHIEF EXECUTIVE OFFICER, LODGING
CAPITALAND GROUP;
CHIEF EXECUTIVE OFFICER
THE ASCOTT LIMITED

Kevin Goh is CEO, Lodging of CapitaLand Group and is responsible for the growth of CapitaLand's lodging business. He is concurrently the CEO of Ascott. Kevin also oversees the Group Centre of Excellence for Digital & Technology.

Under his leadership, Ascott continued its global expansion in 2020 despite the COVID-19 pandemic, adding over 14,200 new units across 71 properties and opening of over 3,900 units in 25 properties. He also played an instrumental role in the combination of Ascott Residence Trust (ART) and Ascendas Hospitality Trust in December 2019, which has resulted in the creation of the largest hospitality trust in Asia-Pacific.

Kevin was previously the COO of Ascott, a role he assumed in December 2016, where he oversaw operational aspects of the serviced residence business and new growth opportunities. Prior to this, he was Ascott's MD for North Asia since 2013, where he spearheaded Ascott's investments and operations in China, Japan and Korea. After joining Ascott China in 2007, Kevin was based in China for over 10 years. During his stay in China, he served as Regional GM for South & East China, Vice President for Asset Management and Vice President for Corporate Services.

Prior to joining Ascott, Kevin was with Accenture, one of Fortune 500's largest global management consulting, technology services and outsourcing companies. Throughout his seven-year career with Accenture, he worked on various systems implementation projects in the telecommunications and high-technology industries in both Singapore and Australia.

Kevin was awarded the prestigious Medal of Commendation at the NTUC Singapore May Day Awards 2020 for his strong advocate for productivity improvement and upgrading of employees' capabilities to ensure a dynamic and digitally savvy workforce.

Kevin holds a Bachelor of Mechanical Engineering (Honours) from NUS and is a Chartered Financial Analyst charterholder.

Directorships and Professional Memberships

- Non-Executive, Non-independent Director (ARTML)

HE JIHONG

CHIEF EXECUTIVE OFFICER,
DATA CENTRE AND CHIEF CORPORATE
STRATEGY OFFICER
CAPITALAND GROUP

He Jihong is CEO, Data Centre of CapitaLand Group. She provides leadership to grow the Data Centre asset class that will enable CapitaLand to ride the growth of the digital business in the new economy. Jihong is concurrently the Chief Corporate Strategy Officer of CapitaLand Group. She identifies strategic business focus areas and works closely with businesses in formulating corporate strategies to ensure long-term sustainable business results for the Group. She is also responsible for identifying new business trends and establishing new platforms for the Group.

Prior to joining CapitaLand in July 2019, Jihong was the CIO of ASB. Under her leadership, the company expanded its footprint outside of Asia-Pacific and established its presence in the United Kingdom and the United States through multibillion-dollar portfolio acquisitions. Before her appointment as CIO, Jihong served as the Chief Strategy Officer, where she led the development and execution of corporate strategies and transformation plans. She also led the identification and establishment of various business platforms in new economy sectors, including e-commerce logistics and data centres.

Prior to joining ASB, Jihong was MD at Temasek International where she focused on identifying and developing new business enterprises that have the potential to be global, regional or domestic champions. Her career spans across various industries including international management consultancies and multinational companies across geographies where she developed business strategies, implemented turnaround plans and instituted organisational changes.

Jihong holds a Master of Business Administration from the University of British Columbia, Canada.

LYNETTE LEONG

KNG HWEE TIN

LYNETTE LEONG

CHIEF SUSTAINABILITY OFFICER
CAPITALAND GROUP

Lynette Leong is the Chief Sustainability Officer of CapitaLand Group. She is responsible for the Group's sustainability strategy and policies, and integrating them into its business and operations to drive strategic environmental, social and governance (ESG) efforts and deliver long-term economic value to CapitaLand's stakeholders.

Lynette joined CapitaLand Group in October 2007 and served as the CEO and Executive Director of CCTML, the Manager of CapitaLand Commercial Trust (CCT)[4], until November 2017. Under her leadership, CCT grew to become the largest office landlord in Singapore with a prestigious commercial portfolio. Its assets under management increased from approximately S$4 billion in 2007 to more than S$10 billion in 2017 and achieved a total return in excess of 120% notwithstanding the global financial crisis, in addition to winning multiple awards for corporate governance, investor relations and environmental sustainability.

Lynette was CEO at CapitaLand Commercial from November 2017 to April 2019 and later, as Chief Business Innovation Officer of CapitaLand Group. In these positions, Lynette was responsible for growing a global office operating platform leveraging innovations relating to the future of work. She also played a key leadership role in the integration of CapitaLand and ASB.

Prior to joining CapitaLand, Lynette held pivotal roles in international real estate acquisitions, fund management and banking & finance for over 15 years: CEO, Korea at Ascendas Pte Ltd; Director at the London, New York, Chicago and Asian offices of LaSalle Investment Management; and Senior Officer at Standard Chartered Bank.

Lynette holds a Master of Science in Real Estate and a Bachelor of Science in Estate Management from NUS.

Directorships and Professional Memberships

- Board Member, National Environment Agency of Singapore
- Advisory Board Member, Singapore Management University's Lee Kong Chian School of Business
- Advisory Committee Member, NUS's School of Design and Environment
- Board Member and 2nd Vice President, Singapore Green Building Council (commences 1 April 2021)

KNG HWEE TIN

CHIEF EXECUTIVE OFFICER, FINANCE & CORPORATE SERVICES
CAPITALAND CHINA

Kng Hwee Tin is CEO, Finance & Corporate Services, CapitaLand China. She oversees all finance, treasury, tax and corporate services functions such as human resources, corporate communications, legal, secretariat, general procurement, and risk & compliance for the Group's business in China.

Prior to joining CapitaLand in October 2019, Hwee Tin was with OCBC Bank for more than 30 years, where her last appointment was the Executive Director and CEO of OCBC Wing Hang Bank (China) Limited. Based in Shanghai, she was responsible for the strategic and operational management of the bank. In 2016, she led the merger of OCBC Bank (China) and Wing Hang Bank (China) Limited.

During her tenure with OCBC, she established its premier banking business, implementation of Basel II requirements for credit risk, launch of the bank's risk policies framework, as well as execution of key initiatives to strengthen the board's governance.

Her financial industry experience spans a wide spectrum of banking activities, and across both international and China practices. She is equipped with strong cognizance of cross-cultural nuances.

Hwee Tin holds a Master of Business Administration degree from NUS, where she was accorded the Saw Gold Medal in Finance in recognition of her outstanding achievements. She completed the Advanced Management Programme at Harvard Business School in 2016 and an Executive Development Programme at Wharton School at the University of Pennsylvania in 2004.

4 As a result of CCT's merger with CapitaLand Mall Trust (CMT) to form CICT, CCT was delisted from Singapore Exchange Securities Trading Limited on 3 November 2020.

OUR LEADERSHIP

TAN YEW CHIN

TAN YEW CHIN

CHIEF EXECUTIVE OFFICER
CAPITALAND SINGAPORE

Tan Yew Chin is CEO, CapitaLand Singapore. He is responsible for CapitaLand's retail, residential and workspace (including business parks and commercial) businesses in Singapore.

Before this appointment, Yew Chin was CEO, Business Park & Commercial, CapitaLand Singapore, Malaysia & Indonesia from July 2019 to June 2020. Prior to joining CapitaLand in July 2019, Yew Chin was CEO, Singapore & South East Asia, ASB, where he oversaw investment and development management and asset management in Singapore, Malaysia, Indonesia and Vietnam.

Yew Chin has more than 30 years of real estate experience across the fields of investment, development and asset management. He was one of the pioneers who helped set up Technology Park Pte Ltd – the predecessor of Arcasia Land and Ascendas – in 1990, and was instrumental in establishing and growing the Singapore portfolio. Yew Chin started his career in 1987 with Colliers Goh and Tan, where he was responsible for managing a portfolio of residential, industrial and commercial properties.

Yew Chin holds a Bachelor of Science (Building) from NUS.

OUR AWARDS & ACCOLADES

The haul of seven accolades mark CapitaLand's largest crop of accolades at the annual EdgeProp Singapore Excellence Awards that recognise the best residential developments in Singapore

CORPORATE EXCELLENCE

CapitaLand Limited

BCA Green Mark Platinum Champion Award 2020
- Green Mark Platinum Champion

Carbon Clean 200™ 2020
- Ranked #101

Champions of Good 2020
- Awardee

Community Chest Awards 2020
- Charity Platinum Award
- Community Spirit - Gold Award

Dow Jones Sustainability Index
- Constituent of World Index & Asia-Pacific Index

Euromoney Real Estate Awards 2020
- Best Overall Developer (Singapore), ranked #1
- Best Mixed Sector Developer (Singapore), ranked #1
- Best Retail/Shopping Sector Developer (Singapore), ranked #1
- Best Office/Business Sector Developer (Singapore), ranked #1

Forbes' World's Best Employers 2020
- Constituent

FTSE4Good Index Series 2020
- Constituent

Global 100 Most Sustainable Corporations in the World 2020
- Ranked #63

Global Real Estate Sustainability Benchmark 2020
- Global & Asia Leader in 'Diversified – Listed' category

GradSingapore – Singapore's 100 Leading Graduate Employers 2020
- Most Popular Graduate Employer (Property and Real Estate Sector), ranked #1
- Most Popular Graduate Employer (All Sectors), ranked #47

Great Place to Work and Great Place to Learn
- Great Place to Work 2020 certification (Singapore & India)
- Great Place to Learn 2020 certification (Singapore)

Most Attractive Employers in Singapore 2020 by Universum
- Constituent

MSCI Global Sustainability Index 2020
- Constituent – MSCI World ESG Leaders Index
- Constituent – MSCI World Social Responsible Investment Index

President's Volunteerism and Philanthropy Awards 2020
- Organisation of Good

Randstad Employer Brand Research Award 2020
- Top 75 Companies to Work for in Singapore

Singapore Governance and Transparency Index 2020
- Ranked #4

The Edge Billion Dollar Club 2020
- Overall Leader (Real Estate Industry Sector)

The Straits Times – Singapore's Best Employers 2020
- Constituent

The Sustainability Yearbook 2020
- Sustainability Yearbook Member

CHINA

2020 Mall-China Awards
- Shopping Mall Industry Enterprise – Excellent Management

China Commercial Real Estate Industry Annual Conference 2020
- China Commercial Digital Innovation Enterprise

China Real Estate Outstanding 100 Award 2020
- Best Foreign Real Estate Enterprises
- Top Real Estate Enterprises for Anti-Epidemic Donations

China Top 100 Commercial Real Estate and Commercial Performance Awards 2020
- Top 100 Players for Commercial Real Estate in China, ranked #2
- Top 30 Commercial Real Estate Developers in China (Operational Strength), ranked #1
- Top 30 Commercial Real Estate Developers in China (Creativity), ranked #3
- Top 30 Commercial Real Estate Developers in China (Brand Value), ranked #3
- Top 30 Commercial Real Estate Developers in China (Management Strength), ranked #6

OUR AWARDS & ACCOLADES

- Top 20 Commercial Real Estate Developers in China (Shopping Mall Operators), ranked #4
- Top 20 Commercial Real Estate Developers in China (Commercial Operators), ranked #5

China's Corporate Citizenship Excellence Award
- 5 Stars

Enterprise Citizens Committee of China Federation of Social Work 2020
- Top 60 Corporate Citizen Responsibility Brands in China

Global RLI Awards 2020
- RLI International Shopping Centre – Raffles City Chongqing

International Corporate Social Responsibility Award 2020
- Sustainable Development with Outstanding Contribution

Leju Finance and Economics Research Institute
- Top 10 China Commercial Real Estate Brands

SINGAPORE AND INTERNATIONAL

Singapore

BCA Quality Excellence Award 2020
- Quality Champion – Platinum (Developer)

BCA Green Mark Award
- Platinum – 21 Collyer Quay
- Platinum – Asia Square Tower 2
- Platinum – Bugis+
- Platinum – Capital Tower
- Platinum – JCube
- Platinum – Rochester Commons
- Gold^{PLUS} – Bukit Panjang Plaza
- Gold^{PLUS} – Raffles City Singapore
- Gold – Lot One Shoppers' Mall

BCA Universal Design Mark Award
- Gold^{PLUS} (Design) – Sengkang Grand Mall & Residences
- Gold^{PLUS} (Design) – One Pearl Bank
- Gold^{PLUS} – Funan

EdgeProp Singapore Excellence Awards 2020
- Top Developer
- Innovation Excellence (Residential Uncompleted, Non-Central) – Sengkang Grand Residences
- Top Development (Residential Uncompleted, Non-Central) – Sengkang Grand Residences
- Top Development (Residential Completed, Central) – Victoria Park Villas
- Top Development (Residential Uncompleted, Central) – One Pearl Bank
- Design Excellence (Residential Uncompleted, Central) – One Pearl Bank
- Landscape Excellence (Residential Uncompleted, Central) – One Pearl Bank

Expat Living Readers' Choice Awards 2020
- Gold (Best Shopping Centre) – ION Orchard

Global RLI Awards 2020
- Most Innovative Retail & Entertainment Project – Jewel Changi Airport

IPA Property Awards
- Best Public Service Interior – ONE@Changi City

Marketing Excellence Awards 2020
- MARKies Award (Most Effective Use – Experiential) – ION Orchard

Marketing Events Awards Singapore 2020 by MARKETING Magazine
- Gold (Best Retail / Shopper Event) – Plaza Singapura
- Silver (Best Venue Experience) – Plaza Singapura

Mob-Ex Loyalty and Engagement Awards 2020
- Best Use of Experiential / Live Marketing – ION Orchard

National Arts Council
- Patron of the Arts Award – ION Orchard

Nikkei Asia Award
- Entertainment and Retail Complex – Jewel Changi Airport

Prix Versailles 2020
- Special Prize Interior (Shopping Malls) – Jewel Changi Airport

SIA Architecture Awards 2020
- Building of the Year and Design – Jewel Changi Airport
- Merit (Design) – Funan

Singapore Good Design Award 2020
- Platinum (Experience Design & Architecture) – Jewel Changi Airport
- Experience Design - CapitaSpring Show Suite

Singapore Tatler Best of Singapore 2020
- Best Luxury Shopping Experience – ION Orchard

Singapore Tourism Awards 2020
- Best Attraction Experience - Jewel Changi Airport
- Best Shopping Mall Experience - Jewel Changi Airport
- Breakthrough Contribution to Tourism - Jewel Changi Airport

TEA Thea Award
- Outstanding Achievement for Airport Destination Experience – Jewel Changi Airport

Tripadvisor Travellers' Choice Award 2020
- Winner – ION Orchard

ULI Asia Pacific Awards for Excellence
- Winner – Funan

Vietnam

ANPHABE – Top 100 Best Places to Work in Vietnam
- Top Foreign Real Estate Developer

Vietnam Outstanding Property Awards 2020
- Top 10 Property Developers

Malaysia

FIABCI World Prix d'Excellence Awards 2020
- World Gold Winner (Retail) – Melawati Mall

International

BCA SGBuilds Awards 2020
- SGBuilds Award (Developer) – The Stature Jakarta

Green Building Council Indonesia Certification
- GBCI Gold Certification (Design Recognition) - The Stature Jakarta

LEED by U.S Green Building Council
- LEED Gold certification – Gallileo

INDIA

BCA SGBuilds Award 2020
- SGBuilds Star Award (Developer) – International Tech Park Pune, Kharadi (Block 1)

British Safety Council Certification
- Constituent

Great Place To Work® 2020 Certification
- Constituent

Indian Green Building Council Certification
- Platinum - aVance Hinjawadi, Pune

iNFHRA's FM Excellence Conference & Awards 2019-2020
- 1st Runner Up (Innovation & Technology) – International Tech Park Chennai, Taramani

Pune Municipality Corporation's Annual Landscape Competition
- Best Landscape Award – International Tech Park Pune, Hinjawadi

US Green Building Council Certification
- Leadership in Energy and Environmental Design for Existing Buildings (Platinum) - International Tech Park Chennai, Taramani (Zenith Building)

LODGING

The Ascott Limited

Business Traveller Middle East Awards 2020
- Best Serviced Apartments Company in the Middle East

Travel Weekly Asia 2020 Readers' Choice Awards
- Best Serviced Residence Group – Asia Pacific

World Travel Awards 2020
- Asia's Leading Serviced Apartment Brand 2020
- Hong Kong's Leading Serviced Apartment Brand 2020
- Malaysia's Leading Serviced Apartment Brand 2020
- Middle East's Leading Serviced Apartment Brand 2020
- Saudi Arabia's Leading Serviced Apartment Brand 2020
- Singapore's Leading Serviced Apartment Brand 2020
- Vietnam's Leading Serviced Apartment Brand 2020

Ascott China

8th TopDigital Award 2020
- Best Brand Campaign in Private Database Establishment Category

Ascott The Residence

Business Traveller Asia-Pacific Awards 2020
- Best Serviced Residence Brand in Asia-Pacific

DestinAsian 2020 Readers' Choice Awards
- Best Serviced Residence Brand

World Travel Awards 2020
- Philippines' Leading Serviced Apartment Brand 2020

The Crest Collection

World Travel Awards 2020
- Europe's Leading Serviced Apartment Brand 2020

Citadines Apart'hotel

World Travel Awards 2020
- France's Leading Serviced Apartment Brand 2020
- Germany's Leading Serviced Apartment Brand 2020

Quest Apartment Hotels

World Travel Awards 2020
- Oceania's Leading Serviced Apartment Brand 2020

Serviced Apartment Awards 2020
- Best Marketing or Branding Campaign – 'Work, Play, Sleep Repeat'

Ascott Global Reservations

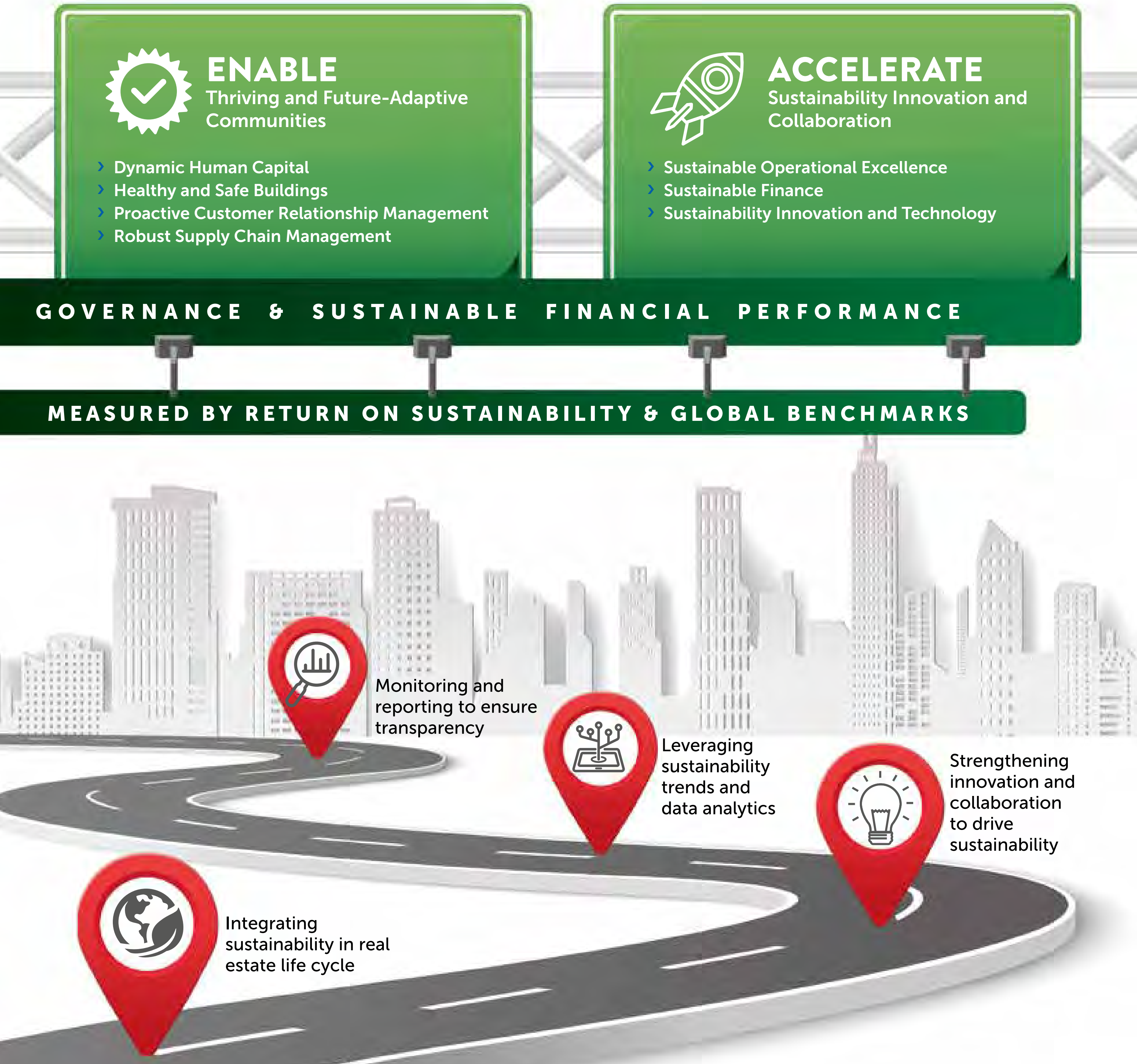
20th CCAS International Contact Centre Awards 2020
- Silver Award for the Customer Experience (CX) Mystery Shopper - Web Chat Category
- Bronze Award for the Customer Experience (CX) Mystery Shopper - Email Category

For the full list of awards and accolades, please visit: www.capitaland.com/awards

AN OVERVIEW OF CAPITALAND'S 2030 SUSTAINABILITY

At CapitaLand, we place sustainability 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.

MASTER PLAN



1 Adapted from the six capitals defined by the International Integrated Reporting Council (IIRC). Read more from https://integratedreporting.org/what-the-tool-for-better-reporting/get-to-grips-with-the-six-capitals/.

SUSTAINABILITY

BOARD STATEMENT

CapitaLand places sustainability at the core of what we do. As a responsible real estate company, CapitaLand contributes to the environmental and social well-being of the communities where we operate, as we deliver long-term economic value to our stakeholders.

The CapitaLand Board sets the Group's risk appetite, which determines the nature and extent of material risks that the Group is willing to take to achieve our strategic and business objectives. The risk appetite incorporates environment, social and governance (ESG) factors such as fraud, corruption and bribery, environment, health and safety.

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.

SUSTAINABILITY COMMITMENT

In 2020, we unveiled CapitaLand's 2030 Sustainability Master Plan to elevate the Group's commitment to global sustainability in the built environment given our presence in more than 230 cities and over 30 countries. The Master Plan focuses on three key pillars to drive CapitaLand's sustainability efforts in the ESG pillars, enabling the Group to create a larger positive impact for the environment and society.

- Build portfolio resilience and resource efficiency,
- Enable thriving and future-adaptive communities as well as
- Accelerate sustainability innovation and collaboration

We identified five pathways to achieve our sustainability objectives and will adapt our strategies as technologies evolve and new scientific data become available:

1. Integrate sustainability in CapitaLand's real estate life cycle

From the earliest stage of our investment process, to design, procurement, construction, operations and redevelopment or divestment, sustainability targets will be embedded in policies, processes, best practices, and key performance indicators of our business operations.

2. Strengthen innovation and collaboration to drive sustainability

We will continue to source globally for new ideas and technologies to meet our sustainability ambitions and work with like-minded partners to create shared values.

3. Leverage sustainability trends and data analytics

This allows CapitaLand to track critical performance and progress in water usage, waste management, energy consumption, carbon emission, and health and safety. These measurements along with social indicators are key to driving performance improvement across our operating properties and development projects.

4. Monitor and report progress to ensure transparency

As we track our sustainability progress, we will continue to validate our performance by external assurance and align our Global Sustainability Report to international standards.

5. Increase engagement and communication with key stakeholders

It is key to build awareness among our employees, investors, customers and communities, and collectively effect transformational change to achieve our 2030 targets.

Push boundaries of change

To push the boundaries of change, CapitaLand will transit to a low-carbon business that is aligned with climate science. In November 2020, we had our carbon emissions reduction targets approved by the Science Based Targets initiative (SBTi) for a 'well-below 2°C' scenario. The targets are in line with the goals of the Paris Agreement to keep global temperature rise well below 2°C in this century. CapitaLand is also developing a new metric, Return on Sustainability, in addition to the regular financial return to measure the Group's ESG impact.

CapitaLand has also launched the inaugural CapitaLand Sustainability X Challenge (CSXC), the first sustainability-focused innovation challenge by a Singapore-headquartered real estate company that globally sources for emerging sustainability technologies and solutions in the built environment. The CSXC covers seven challenge statements and reflect the key themes and goals in CapitaLand's 2030 Sustainability Master Plan.

CapitaLand aims to be a leader in sustainable finance and secure S$6 billion through sustainable finance by 2030. Proceeds and interest rate savings from CapitaLand's efforts in sustainable finance can also be used to drive more sustainability initiatives and innovations within the company.

Measured against global benchmarks

CapitaLand was one of the first companies in Singapore to voluntarily publish an annual Global Sustainability Report and externally assure the entire report. 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 are also a signatory to the United Nations (UN) Global Compact and our Global Sustainability Report serves as our Communication on Progress, which will be made available at www.unglobalcompact.org when published.

For our efforts, we are listed in the Global 100 Most Sustainable Corporations Index, Dow Jones Sustainability World Index and Asia-Pacific Index, Global Real Estate Sustainability Benchmark (Global Sector Leader, Diversified- Listed), FTSE4Good Index Series, MSCI Global Sustainability Indexes and The Sustainability Yearbook.

CapitaLand Global Sustainability Report 2020 will be published by 31 May 2021. It will continue to be prepared in accordance with the Global Reporting Initiative Standards: Core option. We will continue to apply the Guiding Principles of the International Integrated Reporting Framework and ISO 26000:2010 Guidance on Social Responsibility, and reference the UN Sustainable Development Goals (UN SDGs) and the Taskforce on Climate Related Financial Disclosure. We also plan to align our sustainability report to the Sustainability Accounting Standards Board (SASB). It will continue to be externally assured to AA1000 Assurance Standard.

The report will cover the Group's global portfolio and employees, including our listed real estate investment trusts (REITs) and business trusts - CapitaLand Integrated Commercial Trust, Ascendas Real Estate Investment Trust, Ascott Residence Trust, CapitaLand China Trust, Ascendas India Trust and CapitaLand Malaysia Mall Trust, unless otherwise indicated.

BOARD, TOP MANAGEMENT AND STAFF COMMITMENT AND INVOLVEMENT

CapitaLand's sustainability management comes under the purview of the CapitaLand Sustainability Council. Reporting to the CapitaLand Board, the Council comprises selected CapitaLand independent board directors and members of the CapitaLand Executive Committee. It is supported by the Group Sustainability Office and various work teams to drive continued progress and improvement in the areas of ESG. CapitaLand's Sustainability Council is chaired by Ms Goh Swee Chen, who is also the president of Global Compact Network Singapore (local chapter of the UN Global Compact).

The work teams comprise representatives from CapitaLand business units and corporate functions. Each business unit also has its own Environmental, Health and Safety (EHS) Committee to drive initiatives in countries where we operate with support from various departments. CapitaLand Board is also updated regularly through the Risk Committee and Audit Committee on matters relating to sustainability risks and business malpractice incidents. The Board is also updated on the sustainability management performance of the Group, key material issues identified by stakeholders and the planned follow-up measures.

CapitaDNA
Vision, Mission, Credo and Core Values

CORE VALUES

WINNING MINDSET | ENTERPRISING | RESPECT | INTEGRITY

COMMITMENT TO OUR STAKEHOLDERS

We create great customer value and experiences through high-quality products and services	We deliver sustainable shareholder returns and build a strong global network of capital partners	We develop high-performing people and teams through rewarding opportunities	We care for and contribute to the economic, environmental and social development of communities
			
FOR OUR **CUSTOMERS** Tenants, shoppers, home owners, residents	FOR OUR **INVESTORS** including business partners	FOR OUR **PEOPLE** Staff	FOR OUR **COMMUNITIES** Government agencies/ NGOs, general public, the environment, suppliers/contractors

SUSTAINABILITY

STRATEGIC SUSTAINABILITY MANAGEMENT STRUCTURE

Board of Directors

CapitaLand Sustainability Council
Strategic oversight of ESG policies and integration

CapitaLand Management Council
Strategic management of ESG implementation across the Group

Various Sustainability Work Teams
Involving business units and corporate departments, covering:
- Investments
- Environment, health and safety
- Innovation
- Stakeholder engagement
- Enterprise risk management

All Staff

MATERIALITY

CapitaLand has a regular review, assessment and feedback process in relation to ESG topics. Key to this is an annual Group-wide Risk and Control Self-Assessment exercise which entails the identification, assessment and documentation of material risks and corresponding internal controls. These material risks include fraud and corruption, environmental (e.g. climate change), health and safety, and human capital risks which are ESG-relevant.

We identify and review material issues that are most relevant and significant to us and our stakeholders. These are prioritised based on the likelihood and potential impact of issues affecting business continuity and development. For external stakeholders, priority is given to issues important to the society and applicable to CapitaLand. For more information on stakeholder engagement, please refer to the Social and Relationship Capital, Human Capital and Environmental Capital chapters in the upcoming CapitaLand Global Sustainability Report 2020.

PRIORITISATION OF ESG MATERIAL ISSUES

Environmental	Social/Labour Practices	Governance
Critical		
› Energy efficiency › Climate change and emissions reduction › Water management	› Occupational health and safety › Employment › Stakeholder engagement › Supply chain management	› Compliance › Business ethics › Products and services[1]
Moderate and emerging		
› Building materials › Construction and operational waste › Biodiversity	› Diversity › Human rights	

1 This includes customer health and safety.

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

The Guiding Principles of the International Integrated Reporting Council Framework were referenced in this report, and the material ESG issues are grouped into six Capitals – Environmental, Manufactured, Human, Social and Relationship, Organisational, and Financial. This is also mapped against eight UN SDGs that are most aligned with our CapitaLand Sustainability Master Plan 2030 targets, and where CapitaLand can achieve the greatest positive impact. For more information, please refer to the CapitaLand Global Sustainability Report 2020 which will be published by 31 May 2021.

Capitals	Material ESG issues	What we do	2020 value created
Environmental Capital › Carbon emissions › Energy management › Water stewardship › Waste and resource management **Manufactured Capital** › Environmentally sustainable, healthy, safe and accessible quality buildings › Innovative and sustainable construction methods and technologies (SDG 3, 7, 9, 11, 12 and 13)	› Energy efficiency › Climate change and emissions reduction › Water management › Building materials › Construction and operational waste › Biodiversity › Stakeholder engagement › Product safety and customer well-being	CapitaLand is committed to › Reduce water consumption, reuse water and prevent water pollution, especially in countries where the availability of clean water and sanitation are of concern › Transit to low-carbon business and reduce energy consumption through improved energy efficiency and increase use of renewable energy › Green our global operational portfolio by 2030 › Actively embrace innovation to ensure commercial viability without compromising the environment for future generations › Future-proof our developments by addressing the risks of climate change right from the design stage › Preserve the biodiversity of our sites as well as the wider area where possible › Build safe, accessible, vibrant and quality real estate developments to enhance the lives of our shoppers, tenants, serviced residence and hotel guests, homeowners and members of the community	› Carbon emissions reduction targets approved by the Science Based Targets initiative (SBTi) for a 'well-below 2°C' scenario › Achieved 36 green building ratings for our new development projects and existing buildings › S$265 million in utilities cost avoidance since 2009, arising from 38.9% and 53.4% energy and water reduction (per m^2 from base year 2008) respectively[1] › 54.8% reduction in carbon emissions intensity since 2008[1]

1 Data provided is for the period from 1 January to 30 September 2020. The full year data from 1 January to 31 December 2020 will be available in CapitaLand Global Sustainability Report 2020.

SUSTAINABILITY

Capitals	Material ESG issues	What we do	2020 value created
Manufactured Capital › Environmentally sustainable, healthy, safe and accessible quality buildings › Innovative and sustainable construction methods and technologies **Human Capital** › Health and safety › Job creation and security › Learning and development › Benefits and remuneration (SDG 3 and 8)	› Occupational health and safety › Supply chain management › Employment › Diversity › Human rights	› CapitaLand believes that regardless of ethnicity, age or gender, staff can make a significant contribution based on their talent, expertise and experience. We adopt consistent, equitable, and fair labour policies and practices in rewarding as well as developing staff under the direct hire of CapitaLand. › CapitaLand is a signatory to the UN Global Compact › CapitaLand aims to provide a work environment that is safe and contributes to the general well-being of our staff › Occupational health and safety of our stakeholders is of utmost importance to CapitaLand. This includes all our staff, tenants, contractors, suppliers and the communities that use our properties	› Global workforce • more than 90 nationalities working within the Group • males and females at a ratio of 47:53 • 69.8% of CapitaLand's global workforce was aged between 30 and 50 › More than 36% of senior management were women › Over 43 training hours per staff › Zero staff fatality or permanent disability › 12 main contractors appointed for new development projects were both ISO 14001 and OHSAS 18001/ ISO 45001 certified and/or carry out EHS legal compliance audit on-site
Social and Relationship Capital › Stakeholder relations › Social licence to operate › Community development • Cross-sectoral Partnership (SDG 1, 2, 4, 8, 17)	› Stakeholder engagement › Products and services (include customer health and safety)	› CapitaLand is committed to building safe, accessible, vibrant and quality real estate developments to enhance the lives of our shoppers, tenants, serviced residence and hotel guests, homeowners and members of the community › CapitaLand is committed to activities that are aligned with our focus on community investment. We engage our stakeholders, raising awareness in the areas of philanthropy, environment, health and safety › Promote sustainability within the tenant community › Integrate CapitaLand's ESG performance with financial metrics	› CapitaLand committed about S$100 million to support our stakeholders, including our retail tenants; as well as to help the governments and healthcare communities impacted by COVID-19 in the various markets where we operate. › CapitaLand partnered with the Singapore National Environment Agency to roll out 11 reverse vending machines (RVM) at our Singapore malls since August 2020. As of 31 December 2020, these RVMs collected more than 287,000 drink containers. › Retained ISO 14001 and ISO 45001 certification in 15 countries › Launched CapitaLand Sustainability X Challenge to crowd-source the world for best sustainability innovations

Capitals	Material ESG issues	What we do	2020 value created
Organisational Capital › Leadership and culture › Corporate Governance › Risk Management	› Compliance › Business ethics › Stakeholder engagement	› CapitaLand is a signatory to the UN Global Compact › CapitaLand's Supply Chain Code of Conduct influences its supply chain to operate responsibly in the areas of anti-corruption, human rights, health and safety, as well as environmental management › All staff are required to make an annual declaration to uphold CapitaLand's core values and not to engage in any corrupt or unethical practices › Requires third-party service providers and vendors to adhere to anti-bribery and anti-corruption provisions › Requires main contractors to ensure no child labour and forced labour at CapitaLand project sites	› Refer to Corporate Governance section › No reported incident relating to discrimination, child labour or forced labour in CapitaLand
Financial Capital › Sustainable financing › Earnings › Equity › Investments › Assets		› Combination of operating income from investment properties and trading properties, disciplined capital recycling and growth of fee income › Calibrated balance across product platforms and geographies	› CapitaLand raised S$1.2 billion of loans through sustainable financing[2] › Refer to Financial Performance Review section

2 This figure does not include sustainable finance raised by CapitaLand's stable of REITs and business trusts.

FINANCIAL PERFORMANCE REVIEW

PERFORMANCE OVERVIEW

CapitaLand Limited recorded a net loss of S$1,574.3 million in FY 2020 against a profit of S$2,135.9 million in FY 2019. The loss was mainly attributed to the revaluation of investment properties, and impairment taken for certain residential projects and equity investments, which are non-cash in nature, and principally stemmed from the extraordinary events relating to the COVID-19 pandemic that materially affected the Group's businesses.

Our retail and lodging businesses were most severely disrupted, where non-essential retail trades were unable to operate, and the occupancy of our lodging assets fell due to travel restrictions. Tenant support measures in various markets, including government-mandated landlord obligations, and the Group's own initiatives, have also adversely impacted on the Group's financial performance for the year.

Despite the challenging backdrop, the Group registered a healthy Cash PATMI# of S$923.8 million (FY 2019: S$1,492.8 million), underpinned by the resilience and diversification of our business across geographies and asset classes.

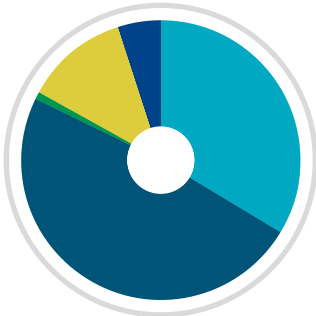
REVENUE

Revenue for FY 2020 grew 4.8% on account of higher handover from the residential projects in China and Vietnam, full year consolidation of results for Raffles City Chongqing (RCCQ) and Ascendas Pte Ltd and Singbridge Pte. Ltd.'s (collectively known as "ASB") portfolio acquired in June 2019. The increase was partially offset by the recognition of rental rebates of approximately S$229.5 million granted to our tenants, as well as lower performance for our shopping malls and lodging businesses amid the COVID-19 pandemic. The residential projects which contributed to the revenue in FY 2020 were mainly One Pearl Bank in Singapore, La Riva in Guangzhou, Jing'an One in Shanghai, Century Park (East) in Chengdu and Raffles City Residences in Chongqing as well as Feliz en Vista and d'Edge Thao Dien in Vietnam.

Collectively, the Group's two core markets of Singapore and China accounted for 76.4% of the Group's revenue. In terms of revenue contribution by asset class, our trading business, comprising residential, commercial strata and urban development, constituted 47.5% of the total revenue in FY 2020, while our investment properties, comprising office, retail, business park, logistics and industrial, as well as lodging properties, which are recurring in nature, accounted for 52.5% of total revenue.

Cash PATMI is defined as sum of operating PATMI, portfolio gains and realised fair value gains.

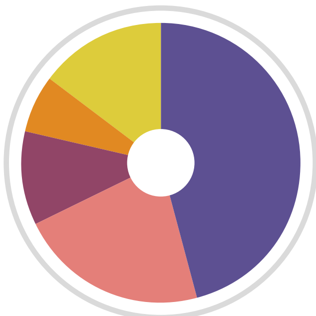
2020 REVENUE BY STRATEGIC BUSINESS UNITS



S$6.5B[1]

CL Singapore and International	34.9%
CL China	50.4%
CL India	0.7%
CL Lodging	12.5%
CL Financial	5.0%

2020 REVENUE BY ASSET CLASS



S$6.5B[2]

Residential, commercial strata and urban development	47.5%
Retail	22.7%
Office	11.2%
Business park, industrial and logistics	6.8%
Lodging	15.1%

2020 REVENUE BY GEOGRAPHICAL LOCATION

S$6.5B

Singapore	24.5%
Other developed markets (exclude Singapore and Hong Kong)	13.3%
Other emerging markets (exclude China)	10.3%
China (includes Hong Kong)	51.9%

1 Includes Corporate and Others of -3.5% or -S$224.8 million which was not reflected in the chart. Amount mainly related to intercompany eliminations.
2 Includes Corporate and Others of -3.3% or -S$219.3 million which was not reflected in the chart. Amount mainly related to intercompany eliminations.

EARNINGS BEFORE INTEREST AND TAX (EBIT) ANALYSIS

The Group reported an EBIT of S$231.5 million for FY 2020, 95.4% lower as compared to the S$5,067.6 million in FY 2019. Excluding the impact of revaluation and impairment, which are non-cash in nature, the Group registered EBIT of S$3,578.6 million, 8.3% lower than FY 2019 due to lower asset recycling gains amid the pandemic.

The details of the Group's EBIT are as follows:

	FY 2020 S$ million	FY 2019 S$ million	Variance %
Operating profits	3,326.7	3,223.3	3
Portfolio gains[1]	251.9	679.8	(63)
Non-cash items:			
Revaluation (losses)/gains	(2,470.6)	1,195.0	NM
Impairments	(876.5)	(30.5)	NM
EBIT	**231.5**	**5,067.6**	**(95)**

NM : Not meaningful
1 Includes realised revaluation gains/losses arising from the revaluation of investment properties to agreed selling prices of properties.

Operating profits for the year grew 3.2% to S$3,326.7 million (FY 2019: S$3,223.3 million) mainly attributed to the full year contribution from ASB's portfolio acquired in 2019, as well as higher handover from residential projects in China and Vietnam.

Portfolio gains realised from asset recycling during the year amounted to S$251.9 million which arose mainly from the divestments of five business park properties and two malls in China, an office building in Korea, two lodging properties in China and Japan, three malls in Japan, two joint ventures in China and Australia, as well as a gain from dilution of the Group's interest in Ascendas Real Estate Investment Trust.

The COVID-19 pandemic dampened the economic and operating environment in many countries, and as a consequence, negatively impacted the Group's investment property portfolio's performance, particularly our mall, office and lodging properties. As such, the appraised value of our investment properties registered a decline of S$2,470.6 million in FY 2020 (FY 2019: gain of S$1,195.0 million). The revaluation losses were limited to a few assets most impacted by COVID-19, namely RCCQ, CapitaMall Westgate, Tianjin International Trade Centre, ION Orchard and Jewel Changi Airport, while the valuation of the rest of the portfolio remained resilient.

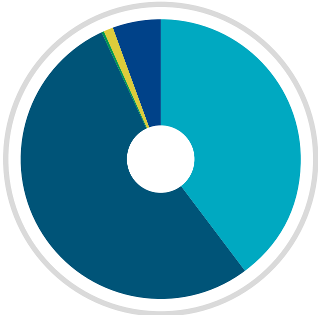
During the year, the Group also assessed and made a net impairment amounting to S$876.5 million (FY 2019: S$30.5 million) mainly in respect of our investment in Lai Fung Holdings Limited, a mixed-use site in Xinpaifang CBD in Chongqing and goodwill on Quest.

For the Group's two core markets, Singapore recorded an EBIT of S$389.5 million (FY 2019: S$1,953.3 million) while China EBIT was S$139.4 million (FY 2019: S$2,288.2 million). In terms of asset class, residential and commercial strata property sales contributed a profit of S$1,252.0 million (FY 2019: S$992.2 million) while the Group's investment property portfolio reported a loss of S$1,020.5 million (FY 2019: profit of S$4,075.4 million) mainly due to the impact of revaluation and impairment, as well as lower contribution from mall and lodging properties amid the pandemic. Excluding the impact of revaluation and impairment, EBIT was S$3,578.6 million, and the breakdown by asset class is shown on the chart in the following page.

In addition, about 48.6% (FY 2019: 53.1%) of the Group's EBIT before depreciation and amortisation (EBITDA) was from developed markets comprising Singapore, Europe, United Kingdom, USA, Australia, New Zealand, Japan, South Korea and Hong Kong. Excluding the impact of revaluation and impairment, EBITDA was S$3,758.3 million, and the breakdown by geographical location is shown on the chart in the following page.

FINANCIAL PERFORMANCE REVIEW

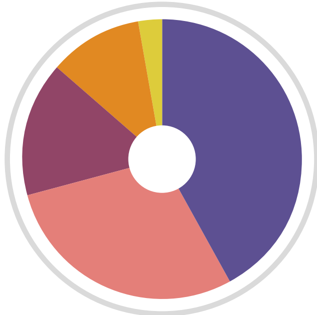
2020 EBIT[1] BY STRATEGIC BUSINESS UNITS



S$3,578.6[3]M

CL Singapore and International	40.0%
CL China	53.4%
CL India	0.3%
CL Lodging	1.2%
CL Financial	5.3%

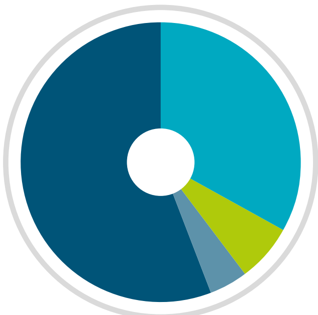
2020 EBIT[1] BY ASSET CLASS



S$3,578.6M

Residential, commercial strata and urban development	42.2%
Retail	28.7%
Office	15.7%
Business park, industrial and logistics	10.8%
Lodging	2.6%

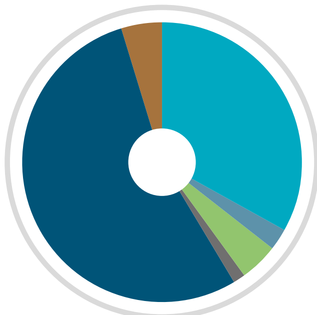
2020 EBIT[1] BY GEOGRAPHICAL LOCATION



S$3,578.6M

Singapore	33.2%
Other developed markets (exclude Singapore and Hong Kong)	6.6%
Other emerging market (exclude China)	4.4%
China (includes Hong Kong)	55.8%

2020 EBITDA[2] BY GEOGRAPHICAL LOCATION



S$3,758.3M

Singapore	33.1%
Europe developed markets[4], Australia and New Zealand	2.6%
Japan, South Korea & Hong Kong	4.5%
USA	1.3%
China	53.9%
Other Asia[5]	4.6%

1 EBIT comprised operating EBIT, protfolio gains and realised fair value gains.
2 EBITDA is defined as EBIT[1] before depreciation and amortisation.
3 Includes Corporate and Others of -0.2% or -S$6.3 million which was not reflected in the chart. Amount mainly related to intercompany eliminations.
4 Includes United Kingdom, France, Germany, Spain, Belgium and Ireland.
5 Excludes Singapore, China, Japan, South Korea and Hong Kong.

PATMI

Overall, the Group recorded a net loss of S$1,574.3 million in FY 2020 against a profit of S$2,135.9 million in FY 2019. The loss was mainly attributed to the revaluation of investment properties, as well as impairment of projects and equity investments totaling S$2.5 billion, which are non-cash in nature. Operating PATMI for FY 2020 was S$769.9 million, 27.2% lower year-on-year. The lower operating PATMI was due to the adverse market conditions resulting from the COVID-19 pandemic which impacted the Group's operations across businesses and geographies, partially mitigated by the full year contribution from the ASB portfolio acquired in June 2019.

The breakdown of the Group's PATMI is shown below:

	FY 2020 S$ million	FY 2019 S$ million	Variance %
Operating profits	769.9	1,057.2	(27)
Portfolio gains[1]	153.9	435.6	(65)
Non-cash items:			
Revaluation (losses)/gains	(1,636.7)	674.7	NM
Impairments	(861.4)	(31.6)	NM
PATMI	**(1,574.3)**	**2,135.9**	**(174)**

NM : Not meaningful
1 Includes realised revaluation gains/losses arising from the revaluation of investment properties to agreed selling prices of properties.

In terms of total assets by asset class, investment properties and trading properties accounted for 84.9% and 15.1% of the Group's total assets respectively. On an effective share basis, the proportion of investment properties to trading properties was about 79% and 21% respectively. The Group's diversified asset mix provided a varied source of income to the Group as our investment property portfolio continues to generate stable recurring income, supplemented by a significant contribution from our trading properties.

DIVIDENDS

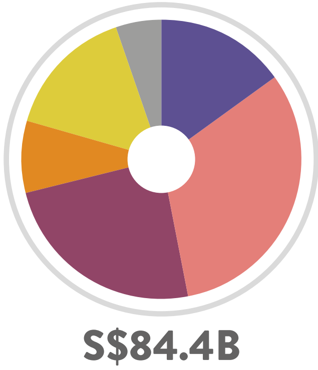
The Board is proposing a tax-exempt ordinary dividend of 9.0 Singapore cents per share. This amounts to a payout of approximately S$467.4 million which represents a dividend payout ratio of 52.0% of FY 2020's Cash PATMI[2], higher than the average ratio of 41.4% in the preceding four financial years. On a per share basis, it translates into gross yield of 2.7% on the Company's last transacted share price as of 31 December 2020.

ASSETS

As of 31 December 2020, the Group's total assets were S$84.4 billion, with Singapore and China collectively accounting for approximately 80.8%. The increase in total assets of S$2.1 billion over the prior year was mainly attributable to higher cash balances and prepayment for land purchase in China, partially offset by fair value losses recognised on our portfolio of investment properties and handover of units for our residential projects.

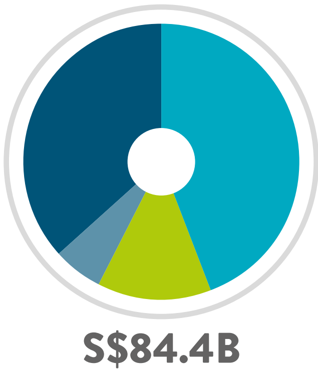
2 Cash PATMI is defined as operating PATMI, portfolio gains and realised fair value gains.

2020 TOTAL ASSETS BY ASSET CLASS



Residential, commercial strata and urban development	15.1%
Retail	31.9%
Office	24.3%
Business park, industrial and logistics	8.4%
Lodging	15.1%
Corporate and Others	5.2%

2020 TOTAL ASSETS BY GEOGRAPHY



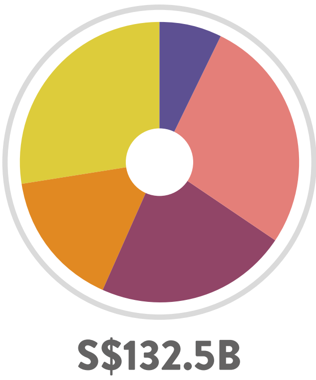
Singapore	44.2%
Other developed markets (exclude Singapore and Hong Kong)	13.4%
Other emerging markets (exclude China)	5.8%
China (includes Hong Kong)	36.6%

FINANCIAL PERFORMANCE REVIEW

REAL ESTATE ASSETS UNDER MANAGEMENT (RE AUM)[1]

As at 31 December 2020, CapitaLand's real estate assets under management (RE AUM) was at S$132.5 billion which represents a 0.4% year-on-year increase. The increase is mainly due to the acquisition of business park properties in USA and United Kingdom, new lodging management contracts secured during the year and the appreciation of RMB against SGD, partially offset by fair value losses from the revaluation of the investment property portfolio.

2020 RE AUM BY ASSETS CLASS



Residential, commercial strata and urban development	7.3%
Retail	27.3%
Office	22.3%
Business park, industrial and logistics	15.7%
Lodging	27.4%

2020 RE AUM BY GEOGRAPHY

Singapore	32.9%
Other developed markets (exclude Singapore and Hong Kong)	15.1%
Other emerging markets (exclude China)	11.0%
China (includes Hong Kong)	41.0%

Borrowings

As at 31 December 2020, the Group's gross debt stood at S$35.2 billion. With a cash balance of S$9.2 billion, the net debt as at 31 December 2020 was S$26.0 billion and the Group's net debt-to-equity ratio was 0.68 times (FY 2019: 0.63 times). The net debt position increased marginally by S$0.7 billion mainly due to additional loans taken to fund the Group's investments and ongoing development expenditure for projects under construction, partially offset by higher cash balances.

Shareholders' Equity

As at 31 December 2020, issued and paid-up ordinary share capital (excluding treasury shares) of the Company comprised 5.2 billion shares at S$9.7 billion (FY 2019: S$9.3 billion). The increase in share capital of S$0.4 billion was due to issuance of 140.3 million new shares at an issue price of S$2.767 pursuant to the Group Scrip Dividend Scheme. The Group's total reserves decreased from S$14.0 billion in FY 2019 to S$12.6 billion in 2020. The decrease was mainly due to S$1.6 billion net loss for the year, partially mitigated by gain on translation of foreign operations by S$0.8 billion arising from the depreciation of SGD against RMB, partially offset by appreciation of SGD against USD during the year.

As at 31 December 2020, the Group's total shareholders' funds was S$22.3 billion (FY 2019: S$23.4 billion) and net assets value per share was S$4.30 (FY 2019: S$4.64).

1 This refers to the value of all real estate managed by CapitaLand Group entities stated at 100% of the property carrying value.

TREASURY HIGHLIGHTS

	2020	2019
Bank Facilities And Available Funds (S$ million)		
Bank facilities available[1]	**33,077**	30,316
Amount utilised for loans	**22,457**	18,825
Available and unutilised	**10,620**	11,491
Cash and cash equivalents	**9,175**	6,168
Unutilised facilities and funds available for use	**19,795**	17,659
Debt Securities Capacity (S$ million)		
Debt securities capacity[2]	**30,379**	30,014
Debt securities issued (net of debt securities purchased)	**11,646**	11,902
Unutilised debt securities capacity	**18,733**	18,112
Leverage Ratios (S$ million)		
Gross debt[3]	**35,158**	31,411
Cash and cash equivalents	**9,175**	6,168
Net debt	**25,983**	25,243
Equity	**38,292**	40,283
Net debt equity ratio (times)	**0.68**	0.63
Total assets (net of cash)	**75,195**	76,178
Net debt/Total assets (net of cash) (times)	**0.35**	0.33
Secured Debt Ratio (S$ million)		
Secured debt	**10,993**	10,722
Percentage of secured debt	**31%**	34%
Interest Cover Ratio (S$ million)		
Earnings before net interest, tax, depreciation and amortisation[4]	**565**	5,650
Net interest expense	**815**	741
Interest cover ratio (times)	**0.7**	7.6
Interest Service Ratio (S$ million)		
Operating cashflow before interest and tax	**2,978**	3,480
Net interest paid	**911**	801
Interest service ratio (times)	**3.3**	4.3

1 Committed and uncommitted facilities in place.
2 Includes outstanding bond issuances and capital market programmes established.
3 Debt includes S$684 million and S$1,055 million of lease liabilities under SFRS(I)16 for 2019 and 2020 respectively.
4 Exclude share of taxes from associates and joint ventures.

TREASURY HIGHLIGHTS

OVERVIEW

The Group maintains a prudent capital structure and actively reviews its cashflows, debt maturity profile and overall liquidity position on an ongoing basis. The main sources of the Group's operating cashflows are derived from residential sales, fees and rental income from its commercial and retail, business parks, industrial and logistics developments, funds management and lodging businesses. To support its funding requirements, investment needs and growth plans, the Group actively diversifies its funding sources by putting in place a combination of bank facilities and capital market issuances.

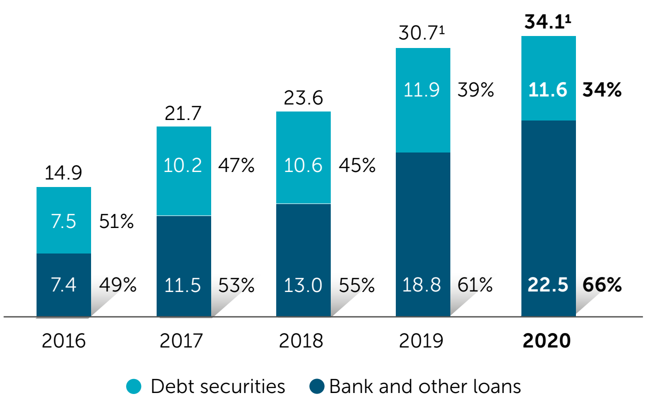
The Group's total gross debt of S$35.2 billion was higher compared to S$31.4 billion as at 31 December 2019. Net debt as at 31 December 2020 was S$26.0 billion compared to S$25.2 billion as at 31 December 2019. The higher gross and net debt were mainly due to additional loans taken to fund the Group's investments and ongoing development expenditure for projects. Coupled with a lower equity base, the Group's net gearing as at end 2020 was higher at 0.68 times as compared to 0.63 times as at end 2019.

Finance costs for the Group were S$913.1 million for the year ended 2020. This was about 9% higher compared to S$839.1 million in 2019. The higher finance costs were mainly due to the increase in the Group's borrowings and the full year funding impact from the completion of the acquisition of the Ascendas Pte Ltd and Singbridge Pte. Ltd.'s portfolio in June 2019. Average cost of borrowings was lower at 3.0% for 2020 as compared to 3.2% for 2019.

Sources of Funding

As at year end, 66% of the Group's total debt was funded by bank borrowings and the balance 34% was raised through capital market issuances. The Group continues to seek diversified and balanced sources of funding to ensure financial flexibility and mitigate concentration risk.

SOURCES OF FUNDING (S$ billion)



1 Debt excludes S$684 million and S$1,055 million of lease liabilities under SFRS(I)16 for 2019 and 2020 respectively.

Available Lines by Nationality of Banks

The Group has built up an extensive and active relationship with a network of more than 45 banks of various nationalities. Diversity has allowed the Group to tap into the strength and support from financial institutions in pursuing its strategic growth and presence globally, thus enhancing its competitiveness in core markets and enabling the Group to develop other markets where appropriate.

As at end 2020, the Group was able to achieve 99.5% of its funding from committed facilities. The balance 0.5% was funded by flexible uncommitted short-term facilities.

As part of its financial discipline, the Group constantly reviews its portfolio to ensure that a prudent portion of committed funding is put in place to match each investment's planned holding period. Committed financing is secured whenever possible to ensure that the Group has sufficient financial capacity and certainty of funding to support its operations, investments and future growth plans.

AVAILABLE LINES BY NATIONALITY OF BANKS

Singapore	46%
China and Hong Kong	20%
Japan	16%
Europe	12%
Others	6%

Debt Maturity Profile

The Group has proactively built up sufficient cash reserves and credit lines to meet its short-term debt obligations, to support its refinancing needs and to pursue opportunistic investments. The Group maintains a healthy balance sheet and has unutilised bank facilities of about S$10.6 billion. To ensure financial discipline, the Group constantly reviews its loan portfolio so as to mitigate any refinancing risks, avoid concentration and extend its maturity profile where possible. In reviewing the maturity profile of its loan portfolio, the Group also takes into account any divestment or investment plans, interest rate outlook and the prevailing credit market conditions.

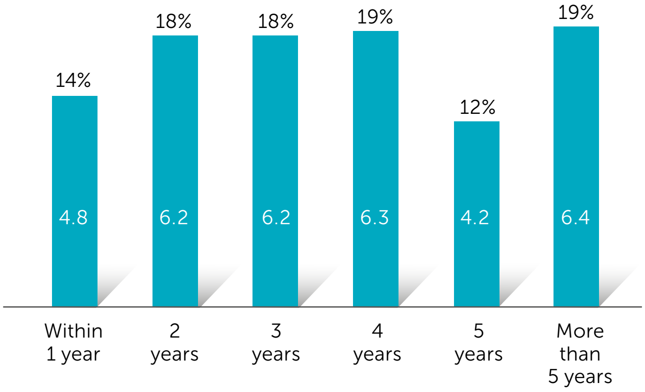
Interest Rate Profile

The Group manages its finance costs by maintaining a prudent mix of fixed and floating rate borrowings. As at 31 December 2020, the fixed rate borrowings constituted 63% of the portfolio, with the balance on floating rate basis. As finance costs constitute a major component of the Group's overall costs, a high percentage in fixed rate funding offers funding cost certainty, although a slightly higher floating rate was maintained in 2020 to lower borrowing costs in the low interest rate environment. In managing the interest rate profile, the Group takes into account the interest rate outlook, holding periods of its investment portfolio, certainty of its planned divestments and operating cashflow generated from its various business units.

Interest Cover Ratio and Interest Service Ratio

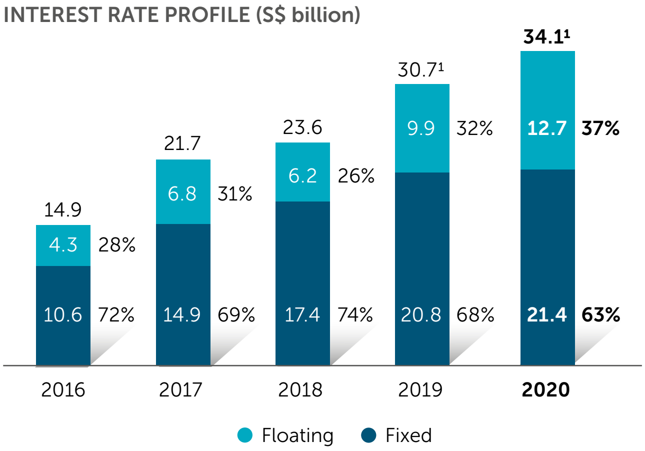
The Interest Cover Ratio ("ICR") and Interest Service Ratio ("ISR") were 0.7 times and 3.3 times respectively. ICR was lower at 0.7 times compared to 7.6 times in 2019, mainly attributed to the revaluation losses of investment properties, impairment for selected residential projects and investments, lower gains from asset recycling and lower contributions from retail and lodging operations due to the impact from COVID-19. This was partially mitigated by the full year contribution from business park, logistics and industrial portfolio which were acquired in 2019 as well as higher contribution from residential projects in China and Vietnam. ISR was lower at 3.3 times compared to 4.3 times in 2019 mainly due to lower cashflow generated from operations as a result of weaker operating environment arising from the COVID-19 pandemic. Excluding the unrealised revaluation and impairment losses due to COVID-19 pandemic which are non-cash in nature, the Group's ICR would have been 4.8 times for 2020.

DEBT MATURITY PROFILE (S$ billion)



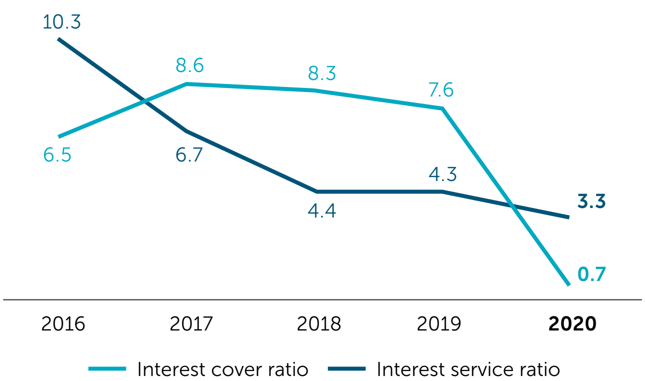
1 Debt excludes S$1,055 million of lease liabilities under SFRS(I)16 for 2020.
2 Convertible bonds are reflected as held till final maturity.

INTEREST RATE PROFILE (S$ billion)



1 Debt excludes S$684 million and S$1,055 million of lease liabilities under SFRS(I)16 for 2019 and 2020 respectively.

INTEREST COVER RATIO AND INTEREST SERVICE RATIO (Times)



OPERATIONAL HIGHLIGHTS DEVELOPMENT

CapitaLand's development business aims to generate sustainable superior returns through a diversified core portfolio of real estate asset classes and geographies. We also build resilience by balancing the desired risk-return ratio between our investments in developed and emerging markets, and applying our asset management and operational expertise to these investments, including the use of advanced technologies and digitalisation.

Each of CapitaLand's four core markets – Singapore, China, India and Vietnam – encompasses an integrated suite of real estate capabilities and a comprehensive, localised footprint built up over decades of experience. This gives us a sustainable competitive advantage in these four markets, enabling us to move with agility and to build scale. At the same time, the Group actively explores investment opportunities across asset classes in key gateway cities in other developed and international markets. The Group has a meaningful portfolio of investment properties in developed markets such as Australia, Europe, Japan and the United States. By balancing investments in emerging and developed markets, the Group seeks to strengthen the resilience and diversified risks of our overall portfolio.

In FY 2020, the benefits of this strategy became apparent when real estate asset classes such as Lodging and Retail bore the brunt of the disruptions caused by various levels of COVID-19 lockdowns, while performance across the Workspace[1] asset classes remained generally stable in comparison. Our diverse geographical spread also played a part in dispersing concentration risks. Our two largest markets, China and Singapore, made significant progress from well-coordinated COVID-19 controls and supportive government stimulus. Overall, this inbuilt resilience via our diversification strategy helped to offset the impact of the pandemic on our businesses. CapitaLand ended the year with a healthy cash PATMI of S$924 million, comprising income derived from our operations, as well as gains from divesting some portfolio assets.

PORTFOLIO RECONSTITUTION PROGRESS ON TRACK DESPITE THE CHALLENGING TRANSACTION LANDSCAPE IN 2020

During the year, global transaction volume decreased as investors awaited clarity on the COVID-19 situation and the economic outlook ahead, preferring to take a wait-and-see approach toward investment and divestment decisions. This slowed our normally robust pace in asset recycling initially. Divestments across the Group barely reached S$1 billion for the first three quarters of the year. Groupwide investment volumes for FY 2020 were slightly ahead, at S$3.7 billion[2], mainly driven by Ascendas Reit, whose businesses remained relatively unaffected by the pandemic, allowing the REIT to continue expanding internationally.

However, by 4Q 2020, there were rising signs of optimism as the rollout of COVID-19 vaccines began to support a cautious return to a more normal life. The rebound in real estate activities allowed the Group to restart our asset recycling programme and reach our annual divestment target of S$3 billion in December 2020. While a gross divestment amount of S$3.0 billion was half of that achieved in FY 2019, we were able to achieve healthy premiums of 9% on average, for the divested assets, as liquidity for high-quality, core real estate products continued to be strong. Amongst the key assets divested were three shopping malls in Japan, one office in South Korea, as well as a portfolio of five business parks and a 49% stake in Rock Square mall in China that were divested to CapitaLand China Trust (CLCT) (previously CapitaLand Retail China Trust).

FY 2020 DIVESTMENT HIGHLIGHTS

La Park Mizue, Vivit Minami-Funabashi and CO-OP Kobe Nishinomiya Higashi in Japan

- The three matured malls were divested in November 2020, above valuation, for JPY21.99 billion (S$283.6 million[3]).

ICON Yeoksam in South Korea

- Divested in August 2020 for KRW142.2 billion (S$165.1 million[4]), 16.9% above valuation.
- CapitaLand remains the asset manager and will continue to receive fee income.

Five business park properties and Rock Square mall in China

- Entered into an agreement to divest for RMB8,130 million (S$1,653.1 million) on a 100% basis to CLCT in November 2020.
- The property value was 2.9% premium to CapitaLand's valuation in December 2019.

1 Comprises Office and Business Park, Industrial and Logistics asset classes.
2 Excludes the logistics property in Greater Tokyo, Japan and the Multifamily property in Austin, Texas due to confidentiality clauses.
3 Based on the exchange rate of JPY 1 to S$0.0129.
4 Based on the exchange rate of KRW 1 to S$0.001161.

On the investment front, we continued to seek attractive opportunities to reposition CapitaLand for sustainable growth. We acquired Arlington Business Park, a prime freehold business park in the United Kingdom (U.K.) in February 2020. We also added to our investments in International Tech Park Chennai in India, acquiring development land for Phase 2 of this project.

In 4Q 2020, we announced three development projects. The first relates to CapitaLand's 49:51 joint venture (JV) with CLCT to redevelop Ascendas Xinsu Portfolio, which was one of the five business park properties divested to CLCT. In November 2020, we also made our first entry into Japan's logistics sector, via a JV with Mitsui & Co. Real Estate to develop and operate a four-storey modern logistics facility in Greater Tokyo. In December 2020, we announced the programmatic JV to acquire and develop multifamily assets totalling US$300 million (approximately S$416.1 million) in gross asset value. The S$860 million of the total investments committed via JVs allows CapitaLand to tap third-party expertise and capital to grow our portfolio in a capital efficient manner.

Across the Group and including the above-mentioned investments, a total of S$3.4 billion was invested in business parks and logistics assets. This comprised approximately 93% of the total investments (around S$3.7 billion) made by CapitaLand and our sponsored investment vehicles in FY 2020, allowing the Group to continue our pivot towards new economy sectors.

INVESTMENT HIGHLIGHTS IN FY 2020

Arlington Business Park in Reading, U.K.

- Acquired for £129.3 million (S$226.9 million[1]).
- Comprises 11 Grade A office buildings totalling about 367,000 square feet (sq ft) of net lettable area (NLA).

International Tech Park Chennai, Radial Road in India

- Purchased an adjoining plot of land for Phase 2 for INR2.6 billion (S$48.3 million[2]).
- Commenced construction of two buildings of Phase 1 offering 2.6 million sq ft of premium Grade A office space for IT and ITeS companies in November 2020. The two buildings are expected to be operational by 4Q 2022 and 2Q 2024, respectively.

Development of a logistics property in Greater Tokyo, Japan

- First foray into Japan's logistics sector, through a JV arrangement with Mitsui & Co. Real Estate Ltd, with CapitaLand as the majority partner.
- The logistics facility will have a gross floor area (GFA) of about 24,000 square metres (sqm) when it is expected to complete in 4Q 2022.

Ascendas Xinsu Portfolio in Suzhou, China

- CapitaLand and CLCT will form a JV to acquire the portfolio for RMB2,265 million (S$460.6 million[3]).
- Six locations of total GFA 373,334 sqm situated in the well-established Suzhou Industrial Park with 61 buildings, including business parks and industrial portion.

Arlington Business Park, U.K.

Ascendas Xinsu Portfolio, Suzhou

1 Based on the exchange rate of £1.00 to S$1.755.
2 Based on the exchange rate of INR1 to S$0.01949.
3 On a 100% basis.

FY 2020 KEY OPERATIONAL HIGHLIGHTS

Residential

CapitaLand's residential development activities are focused on three of its core markets, namely Singapore, China and Vietnam. In FY 2020, the Group's trading income corresponded to approximately 48% of the Group's Operating PATMI. This represented a healthy level of contributions despite the closures of sales offices during the lockdown months, as well as generally cautious investment sentiments.

In China, sales take-up rates in FY 2020 continued to be robust, with approximately 96.6% of the Group's launched units across first- and second-tier cities such as Shanghai, Chengdu and Xian sold as of 31 December 2020. The total sales value in FY 2020 exceeded that of FY 2019 by around 12%. Over 4,000 units are set to be launched in FY 2021.

In Singapore, CapitaLand's two launched residential projects, One Pearl Bank and Sengkang Grand Residences, showed a healthy improvement in take-up rate since the country entered Circuit Breaker in April 2020 and reopened in the second half of the year. Around 220 units were sold in FY 2020, generating S$334 million in value. About 48% of the total units have been sold since the two projects were launched in FY 2019. Overall, around 88% of the total launched units have been snapped up and the Group will progressively launch over 600 units still in the pipeline. Additionally, CapitaLand also expects to launch CanningHill Piers, the residential component of the redevelopment at the former Liang Court, in 2021. This highly anticipated project, a 50:50 JV with City Developments Limited, will add approximately 700 units to CapitaLand's residential pipeline in Singapore.

In Vietnam, sales activities have remained muted as the Group has almost fully sold its residential inventory. Due to COVID-19, the Group experienced delays in securing completion permits for units sold previously. This resulted in over 200 units returned by buyers during the year, which the Group then put up for resale at higher prices. Nonetheless, the outcome was the recording of negative sales comprising 172 units corresponding to approximately S$49 million in value in FY 2020.

In terms of residential handovers, a total of 6,024 units corresponding to RMB15.8 billion in value were completed in China in FY 2020.

This was approximately 12% and 28% higher than the number of units and sales value, respectively, compared with FY 2019. Around 5,400 units with a value of approximately RMB10.5 billion, which were sold, are expected to be handed over from 1Q 2021 onwards.

For Vietnam, the handovers in FY 2020 comprised a total of 1,315 units corresponding to S$401 million in value. This was approximately three times the number of units and sales value achieved in the previous year. Over 710 units with a value of approximately S$272 million are expected to be handed over from 1Q 2021 onwards.

FY 2020 Residential Sales Performance by Key Markets

	FY 2019 Sales (Number of Units)	FY 2020 Sales (Number of Units)	FY 2020 vs FY 2019	FY 2019 Sales Value (Million)	FY 2020 Sales Value (Million)	FY 2020 vs FY 2019
China[1]	5,268	5,100	↓ (3%)	RMB13,213	RMB14,767	↑ 12%
Singapore[2]	501	220	↓ (56%)	S$661	S$334	↓ (49%)
Vietnam[3]	186	-172	NM	S$100	-S$50	NM

Notes:
- Above data is on 100% basis and as of 31 December 2020 unless otherwise stated.
- NM: Not meaningful.

1 Includes strata units in integrated development and considers only projects being managed. Sales value includes carpark, commercial and value added tax.
2 Units sold and sales value are based on options issued accounted for aborted units.
3 Sales value excludes value added tax.

FY 2020 Residential Handover Performance (China and Vietnam)

	FY 2019 Handover (Number of Units)	FY 2020 Handover (Number of Units)	FY 2020 vs FY 2019	FY 2019 Handover Value (Million)	FY 2020 Handover Value (Million)	FY 2020 vs FY 2019
China[1]	5,390	6,024	▲ 12%	RMB12,325	RMB15,819	▲ 28%
Vietnam[2]	446	1,315	▲ 195%	S$130	S$401	▲ 208%

Notes:
- Above data is on 100% basis and as of 31 December 2020 unless otherwise stated.
1 Includes strata units in integrated development and considers only projects being managed. Handover value includes carpark and commercial, and excludes value added tax.
2 Handover value excludes value added tax.

Retail

CapitaLand's retail portfolio makes up 27% of the Group's total real estate assets under management (AUM). More than 87% of the 72 malls are located in China and Singapore. We also have retail presence in Malaysia, with most of the seven assets there held by CapitaLand Malaysia Mall Trust. In addition, we have two shopping malls in Japan (after the divestment of La Park Mizue and Vivit Minami-Funabashi in Greater Tokyo, and CO-OP Kobe Nishinomiya Higashi in Greater Osaka in November 2020).

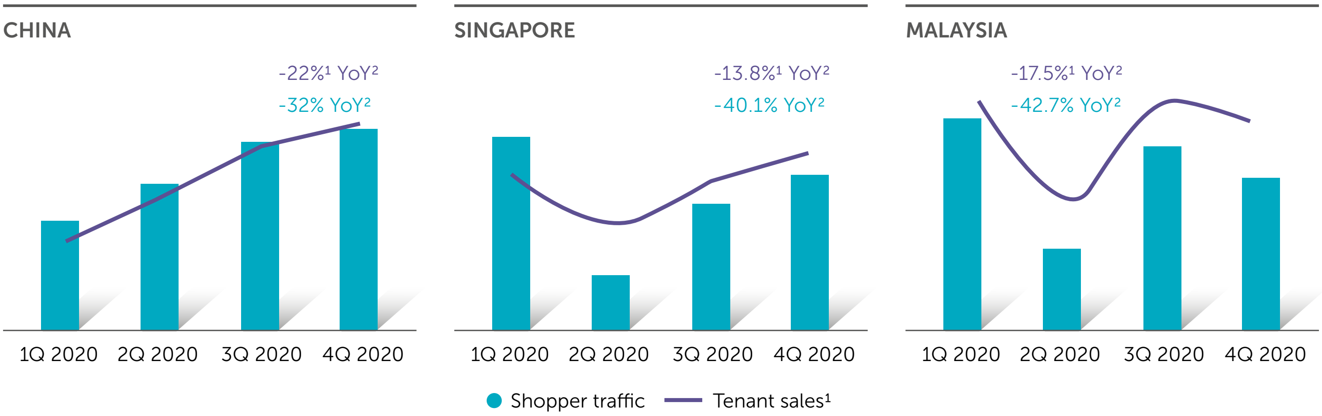
At the onset of COVID-19, retail became one of the hardest-hit sectors as social distancing was imposed successively across geographies as the pandemic worsened. Shopping malls were forced to shut during periods of lockdown, significantly impacting our malls' shopper traffic and tenant sales. In our key retail markets of China, Singapore and Malaysia, shopper traffic and tenant sales fell significantly as movement controls introduced in the first half of the year ranged from full to partial lockdowns. Operationally, we readily passed on government cash grants and rebates and provided our own financial and marketing support to impacted businesses.

Additionally, our efforts in digitalising our operations over the years allowed our retail businesses to continue functioning even in lockdown situations. Because work was already well underway pre-COVID-19, we were able to swiftly augment our existing digital platform, the CapitaStar app, into a holistic omni-channel lifestyle rewards programme for shoppers; as well as an end-to-end unified offline-to-online retail ecosystem provider for retailers to tap onto digital commerce infrastructures with MarTech capabilities to continuously drive brand equity and sales optimisation opportunities for retail and F&B. The results were promising. By the end of FY 2020, we had onboarded more than 2,700 tenants based in China and Singapore, a record in CapitaStar's history, and saw our membership base increase from close to 12 million in FY 2019 to 14 million in FY 2020. We also began to recognise marked growth in our online gross merchandise value with incremental sales.

By 4Q 2020, retail in China had experienced its third quarter of sequential recovery. Although FY 2020 shopper traffic and tenant sales were still 32% and 22% behind that of FY 2019, 4Q 2020 shopper traffic and tenant sales were 84% and 129% higher, when compared with the performance of 1Q 2020. Similarly, while Singapore saw a year-on-year decrease of 40.1% and 13.8% in shopper traffic and tenant sales, respectively in FY 2020, 4Q 2020 performance showed that shopper traffic and tenant sales had recovered to about 67% and 93%, respectively, compared to the same period last year. For our retail portfolio in Malaysia, the recovery progress made in 3Q 2020 was held back by a nationwide movement control order (MCO) in 4Q 2020, due to a COVID-19 resurgence in the 4Q 2020.

OPERATIONAL HIGHLIGHTS
DEVELOPMENT

Overall, retail occupancy continued to be resilient, at above 88% on average across the portfolio. For the whole of 2020 up to the first quarter of 2021, more than 200 new stores were opened in Singapore and close to 590 in China. CapitaLand continues to see its digitally-enabled retail operations and strategic locations as the key differentiating factors for our malls. We will continue building our expertise to increase our overall network effect and our accessibility to customers and tenants, both physically and online.



1 Change in tenants' sales per sqm (for China) and sq ft (for Singapore and Malaysia).
2 FY 2020 versus FY 2019.

Retail[1]	Singapore	China	Malaysia	Japan[2]
Number of operating properties	19	44	7	2
Committed occupancy rate[3]	97.8%	89.0%	88.2%	99.6%
NPI yield on valuation[4]	4.4%	4.0%	3.8%	4.5%
Change in Shopper traffic (FY 2020 vs FY 2019)	(40.1%)	(32%)[5]	(42.7%)	(14.7%)[6]
Change in Tenants' sales (per sq ft/sqm) (FY 2020 vs FY 2019)	(13.8%)	(22%)[5]	(17.5%)	(14.0%)[6]

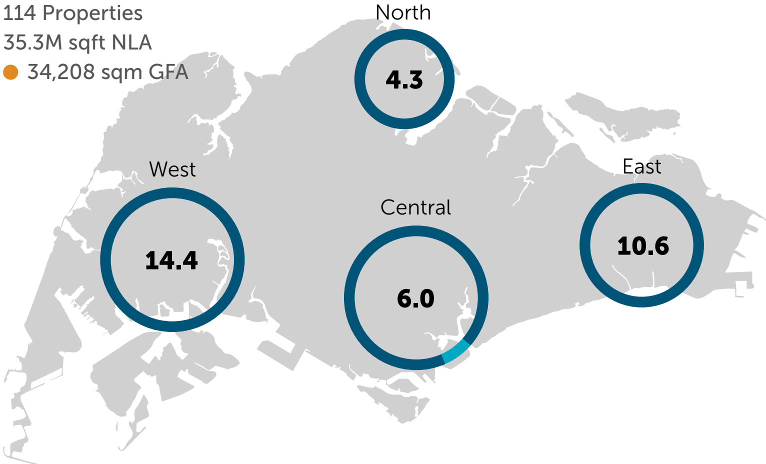
Notes: Above data as of 31 December 2020 unless otherwise stated.
1 Includes operational properties and retail components of integrated developments that are owned and managed by CapitaLand Group. Based on same-mall basis that compares the performance of the same set of property components, which opened/acquired prior to 1 January 2019.
2 Excludes three properties divested in 2020.
3 Committed occupancy rates for retail components only.
4 Based on valuations as of 31 December 2020.
5 Excludes one master-leased mall. Tenants' sales from supermarkets and department stores are excluded.
6 Adjusted for non-trading days. Olinas Mall was largely closed between 8 April to 31 May 2020 due to the "State of Emergency" implemented by the Japanese Government. Excludes Seiyu & Sundrug due to no disclosure from tenants.

Workspace

CapitaLand's workspace portfolio consists of office assets as well as business parks, industrial and logistics assets which were acquired as part of Ascendas-Singbridge in 2019. Due to our sizeable and complementary workspace footprint, particularly in our core markets of Singapore, China and India, we are uniquely positioned to capture a wide range of locational and workspace requirements. In 2020, this segment of CapitaLand's business remained largely resilient even as remote working was imposed partially or totally across the globe due to social distancing requirements.

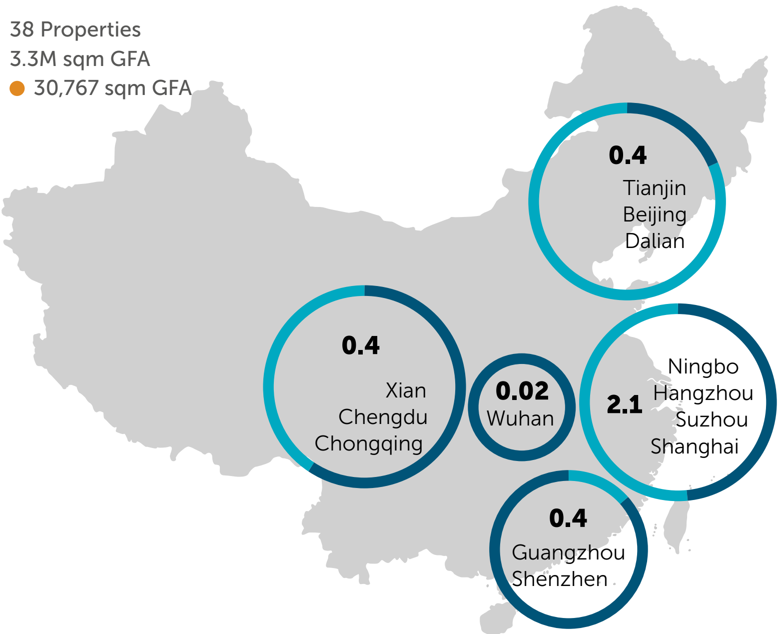
SINGAPORE

114 Properties
35.3M sqft NLA
● 34,208 sqm GFA



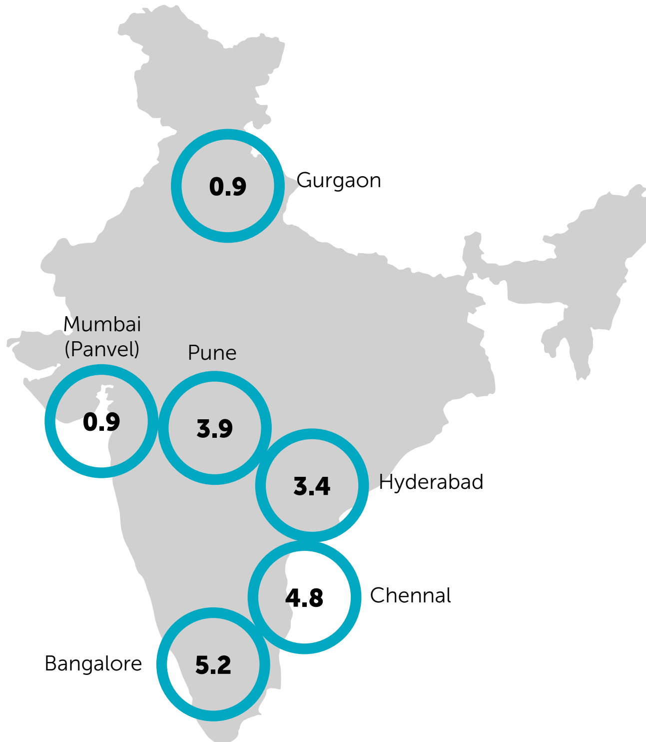
CHINA'S 5 CORE CITY CLUSTERS

38 Properties
3.3M sqm GFA
● 30,767 sqm GFA



INDIA'S 6 KEY CITIES

53 Operating Properties
19.1M sqft completed area[1]
● 3,828 sqm GFA



Note:
Numbers in circles indicate NLA/GFA (mn sqft/sqm).
Figures as of 31 December 2020.

- Coworking Space
- Office NLA/GFA
- Business Park, Logistics and Industrial NLA/GFA

1 India has additional 26.7mn sqft under various stages of construction and development potential across existing and newly acquired business and logistics parks. This excludes forward purchase agreements.

OPERATIONAL HIGHLIGHTS
DEVELOPMENT

While the number of people returning to their workspaces differed across our various markets, overall office committed occupancy across our core and international markets remained at a healthy 85%. For our business park, industrial and logistics assets, the committed occupancy on average was almost 93%. Through our proactive leasing efforts, renewals and new take-ups for FY 2020 generally registered positive reversions. Arlington Business Park which was acquired in February 2020, remained stable despite the pandemic, and even secured a long-term lease with Commvault Systems Ltd (Commvault), an international enterprise data solutions and services company during the year. Commvault took up the entire second floor of 13,000 sq ft at Building 1330, making it one of the top five biggest tenants.

Office	Singapore	China	Japan[1]	South Korea	Germany
Number of operating properties	6[2]	23	4	2	2
Committed occupancy rate	91.4%[3]	85.0%[4]	89.9%	90.9%	94.0%
NPI yield on valuation[5]	3.3%[6]	3.9%	4.2%	4.2%	4.2%

Notes: Above data as of 31 December 2020 unless otherwise stated.
1 Excludes Shinjuku Front Tower.
2 Refers to number of operating Grade A office buildings.
3 Includes 79 Robinson Road.
4 For stablised projects only.
5 Based on FY 2020 NPI and valuations as of 31 December 2020. It is calculated based on the number of operating office buildings as of the valuation date.
6 Excludes 79 Robinson Road as the NPI is still pending stability.

Business Park, Industrial & Logistics	Singapore	China	Australia	United Kingdom	USA	India
Number of operating properties	102	10	36	38[3]	30	53
Committed occupancy rate	88.6%	88.7%	97.4%	97.5%	92.9%	93%
NPI yield on valuation[1]	6.2%	7.0%	5.1%[2]	5.5%	4.3%[4]	8.2%[5]

Notes: Above data as of 31 December 2020 unless otherwise stated.
1 Based on valuations as of 31 December 2020.
2 NPI includes contribution from the newly completed property at 254 Wellington Road from 11 September 2020 to 31 December 2020. Valuation of the Australian portfolio includes 254 Wellington Road.
3 Refers to the 38 logistics properties owned by Ascendas Reit.
4 NPI includes contribution from newly acquired San Francisco office properties from 21 November 2020 to 31 December 2020. Valuation of the US portfolio includes these two properties (whose valuations are as of 15 October 2020).
5 Valuation of the India portfolio includes newly completed properties, Angsana building in International Tech Park Pune, Hinjawadi and Endeavour building in International Tech Park Bangalore. Both properties did not contribute to the NPI during the financial year 2020.

Our ability to provide relevant solutions for fast evolving workspace requirements also played a part in our resilient operating performance. In the last few years, CapitaLand has proactively built up a host of coworking and collaboration spaces, with the aim of creating an ecosystem of innovative workplace solutions that are community-driven and tech-enabled. This ongoing effort to integrate conventional office space (core) and flexible space (flex) adds to our nimbleness to help companies "right-size" and adapt to the changing expectations for workspace due to remote working trends and virtual conferencing.

79 Robinson Road located in Tanjong Pagar CBD, Singapore

CapitaSpring, Singapore

At 79 Robinson Road (a 29-storey Grade A office building in Singapore's Tanjong Pagar Central Business District (CBD) which obtained its Temporary Occupation Permit in May 2020), we incorporated approximately 56,000 sq ft of flexible workspace managed by CapitaLand's wholly owned co-working and flexible workspace business unit, Bridge+. Bridge+ also offers a variety of meeting and event spaces for the building's tenants. As of 31 December 2020, 79 Robinson Road had achieved 70% in committed occupancy, with 22% of leases in the advanced stage of negotiations.

In the second half of 2021, we expect the construction of CapitaSpring (a 51 storey Grade A integrated development with office and serviced residence components located at Raffles Place in Singapore's CBD) to be completed. Similar to 79 Robinson Road, the office of CapitaSpring will offer tenants fully integrated core-flex solutions, with flexible workspace comprising approximately 10% of the office net lettable area.

In total, the Group has 22 coworking centres and another five slated to open in 2021 which will provide more than 11,000 flex seating capacity across our core workspace in China, Singapore and India. This will enhance CapitaLand's overall offerings across its workspace portfolio.

OPERATIONAL HIGHLIGHTS
FUND MANAGEMENT

CapitaLand's fund management platform consists of six listed real estate investment trusts (REITs) and business trusts, as well as 25 private funds. Holding assets through funds allows the Group to grow in a capital efficient manner, while generating fee income as the manager of these entities. In the last three financial years, CapitaLand's fund management platform raised a total of S$4.8 billion of equity from investors and capital partners, attesting to the strength of the platform as a key growth engine for the Group.

In FY 2020, CapitaLand's total fund AUM grew 5.3% to S$77.6 billion, from S$73.7 billion a year ago. The growth was mainly attributed to acquisitions made by CapitaLand China Trust (CLCT) (renamed from CapitaLand Retail China Trust (CRCT)) after its investment mandate expansion; and Ascendas Reit, which was less impacted by the challenges posed by COVID-19 due to its "new economy" focus.

Corresponding to the AUM growth was a total fee income of S$306.2 million generated in FY 2020. This was 4.4% higher than that for the same period in FY 2019.

As a unitholder of CapitaLand's listed trusts and owner of meaningful stakes across most of CapitaLand's private funds, the Group's interest is aligned with that of the trusts' unitholders and capital partners. This serves as an added motivation for the Group to ensure that all its investment vehicles are efficiently structured for growth.

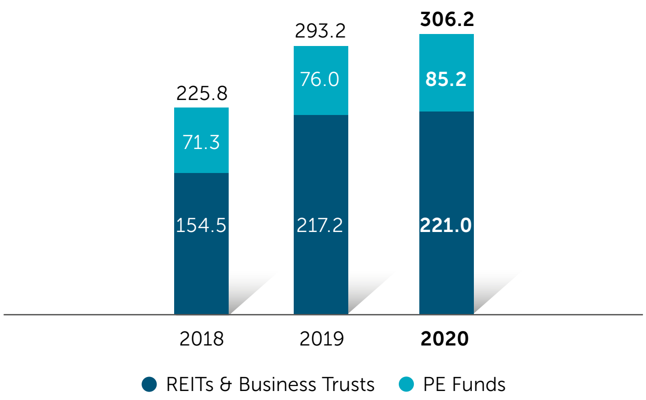
Equipped with a wide range of real estate expertise and a strong pipeline of assets across the globe, CapitaLand is well-positioned to support the growth of its investment vehicles. This also makes CapitaLand an attractive investment partner for institutions looking to invest in real estate.

INCEPTION OF NEW PRIVATE EQUITY FUND IN FY 2020

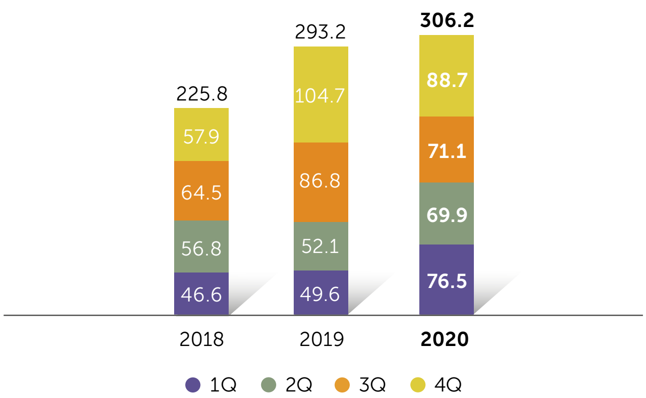
In October 2020, CapitaLand set up the Korea Data Centre Fund 1, with a mandate to develop a speculative ground-up data centre project[2] near Seoul in South Korea. The AUM upon completion is expected to be around KRW290 billion (~S$350 million[1]). This is the Group's first private fund set up with 100% third party capital.

The development site is close to Seoul's key business districts and adjacent to SangAm DMC (Digital Media City), an area with a well-established data centre network. CapitaLand[3] will lead the planning and development of the project and generate recurring fund and asset management fee income.

FEE INCOME BY EQUITY SOURCES (S$ million)



FEE INCOME BY QUARTER (S$ million)



1 Based on exchange rate of S$1 = KRW 0.001212 as of December 2020.
2 Speculative development refers to the development of a project without any formal commitment from its end user.
3 Licensed asset manager, AAMC (Ascendas Asset Management Company), is a subsidiary of CapitaLand.

POSITIONING CAPITALAND'S LISTED ENTITIES FOR GREATER SCALE

(a) Formation of CapitaLand Integrated Commercial Trust

CapitaLand Mall Trust + CapitaLand Commercial Trust = CapitaLand Integrated Commercial Trust

In January 2020, CapitaLand Mall Trust (CMT) and CapitaLand Commercial Trust (CCT) became the next CapitaLand REITs to propose a merger, following the completed combination of Ascott Residence Trust and Ascendas Hospitality Trust in 2019. The key objectives driving the proposed merger include having a broader investment focus comprising complementary asset classes of retail, office and integrated development; as well as increasing their combined capacity for growth. This will in turn enhance the resilience of the combined entity across different market cycles. The combined entity, named CapitaLand Integrated Commercial Trust (CICT), will have the flexibility to acquire assets overseas of up to 20% of its total asset base of S$22.3 billion[1].

Unitholders of CMT and CCT voted resoundingly in favour of the proposed merger at their respective unitholder meetings held in September 2020. Upon formation after the merger of CMT and CCT, CICT became Singapore's largest commercial REIT and one of Asia-Pacific's largest listed REITs, with a total market capitalisation of approximately S$14 billion[2].

(b) Expansion of investment mandate of CapitaLand Retail China Trust

In September 2020, CRCT announced the expansion of its investment mandate beyond retail assets, with a vision to build a resilient sector-diversified portfolio that is less susceptible to adverse cyclical changes. Renamed CapitaLand China Trust (CLCT) subsequent to this strategic move, the REIT is also designated as CapitaLand's dedicated listed investment vehicle for non-lodging assets in China.

With a broadened mandate, CLCT announced in November 2020 its largest transaction since listing – an RMB4,945.0 million (S$1,005.5 million) acquisition[3] of five business parks and balance 49% interest in Rock Square, from CapitaLand and the Group's associates. The agreed property value represented a discount of approximately 1.3% and 1.4% to the valuations[4] by independent valuers appointed by HSBC Institutional Trust Services (Singapore) Limited (as trustee of CLCT) and the Manager respectively. For CapitaLand, the agreed property value of RMB8,130 million (S$1,653.1 million) on a 100% basis was a 2.9% premium to the assets' December 2019 valuation.

Enhancing the win-win transaction is a 49:51 joint venture on the Ascendas Xinsu Portfolio (one of the five divested business park properties) between CapitaLand and CLCT, at an agreed property value of RMB2,265 million (S$460.6 million)[5]. This joint project is in line with CapitaLand's strategy to continue investing in business parks with development or redevelopment potential, while supporting the growth of CLCT. With the completion of the transaction, CLCT has reinforced its position as Singapore's largest China-focused REIT and will target a portfolio mix of 40% in integrated developments, 30% in retail and 30% in new economy (business parks, logistics and data centres) over time.

1 Based on valuations as of 31 December 2020.
2 As of 31 December 2020.
3 Based on effective stake to be acquired.
4 Based on 100% basis.
5 Based on 100% basis.

OPERATIONAL HIGHLIGHTS
FUND MANAGEMENT

CAPITALAND'S EFFECTIVE STAKES IN THE LISTED TRUSTS (AS OF 31 DECEMBER 2020)

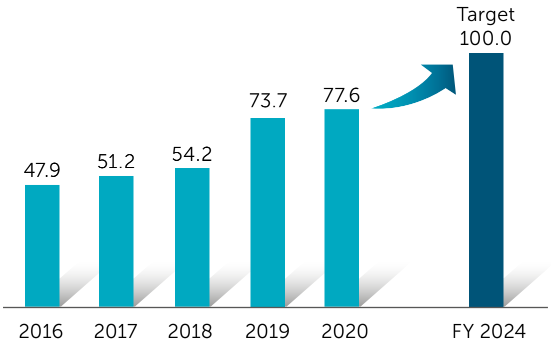
	Effective Stake (%)	Market Capitalisation[1] (S$)
Ascendas Reit	18.0	12.4
Ascendas India Trust (a-iTrust)	21.3	1.6
Ascott Residence Trust (ART)	40.6	3.4
CapitaLand China Trust (CLCT)	30.8	2.1
CapitaLand Malaysia Mall Trust (CMMT)	37.3	0.4
CapitaLand Integrated Commercial Trust (CICT)	28.9	14.0

1 Source: Bloomberg

No.	Fund name	Fund size (million)[1]	
1	CapitaLand Mall China Income Fund	US$	900
2	CapitaLand Mall China Income Fund II	US$	425
3	CapitaLand Mall China Income Fund III	S$	900
4	CapitaLand Mall China Development Fund III	US$	1,000
5	Ascott Serviced Residence (Global) Fund	US$	600
6	Raffles City China Income Ventures Limited	US$	1,180
7	Raffles City Changning JV	S$	1,026
8	CapitaLand Township Development Fund I	US$	250
9	CapitaLand Township Development Fund II	US$	200
10	Vietnam Joint Venture Fund	US$	200
11	CapitaLand Mall India Development Fund	S$	880
12	Raffles City China Investment Partners III	US$	1,500
13	CapitaLand Vietnam Commercial Value-Added	US$	130
14	CREDO I China	US$	556
15	CapitaLand Asia Partners I (CAPI) and Co-investments	US$	510
16	Ascendas China Commercial Fund 3	S$	436
17	Ascendas China Business Parks Fund 4	S$	333
18	Ascendas India Growth Programme	INR	15,000
19	Ascendas India Logistics Programme	INR	20,000
20	Ascendas Korea Office Private REIT 1	KRW	85,100
21	Ascendas Korea Office Private REIT 3	KRW	107,500
22	Ascendas Korea Office Private REIT 4	KRW	25,000
23	Ascendas Korea Office Private REIT 5[1]	KRW	64,062
24	Athena LP	S$	88
25	Korea Data Centre Fund I[1]	KRW	116,178
	Total Fund Size	**S$**	**14,821**

1 Management contract with no CapitaLand stake.

TOTAL FUND AUM (AS AT 31 DECEMBER 2020)
(S$ billion)



CapitaLand remains on track to growing its fund AUM to at least S$100 billion by the year 2024. Stable base fees and activity-driven transaction fees from its existing funds, along with the creation of new funds will enable CapitaLand to scale up the Group's fee income.

OPERATIONAL HIGHLIGHTS
LODGING

CapitaLand's lodging business comprises serviced residences, hotels, multifamily and rental housing properties and other hospitality assets, with a main focus on long-stay accommodations that are self-sufficient with fully equipped kitchen and laundry appliances. Globally, CapitaLand's wholly owned lodging business unit The Ascott Limited (Ascott) owns and operates more than 122,000[1] lodging units in over 770 properties across more than 190 cities in over 30 countries.

Additionally, the Group has a portfolio of multifamily assets in the United States of America (USA), adding another 4,128[1] units across 17 properties[2] to its lodging portfolio.

RECYCLING CAPITAL DESPITE COVID-19

Ascott's growth strategy includes investing through CapitaLand's balance sheet as well as expansion through its sponsored hospitality trust, Ascott Residence Trust (ART), and its private fund, Ascott Serviced Residence Global Fund.

Despite COVID-19, ART continued to reconstitute its portfolio to divest properties at healthy premiums. This is a testament to the resilience of the long-stay lodging asset class. The divestments also unlocked capital for redeployment into higher-yielding assets.

In February 2020, ART enhanced its portfolio with the acquisition of Quest Macquarie Park Sydney in Australia for AUD46 million (S$43.6 million). It is a freehold serviced residence located in Sydney's second largest business district, Macquarie Park.

In July 2020, ART divested the partial gross floor area (GFA) of Somerset Liang Court Singapore at 44% above its book value. The retained GFA will be transformed into a new Somerset serviced residence with a hotel licence and a refreshed 99-year lease. The new property will be part of an iconic integrated development, jointly developed with CapitaLand and City Developments Limited.

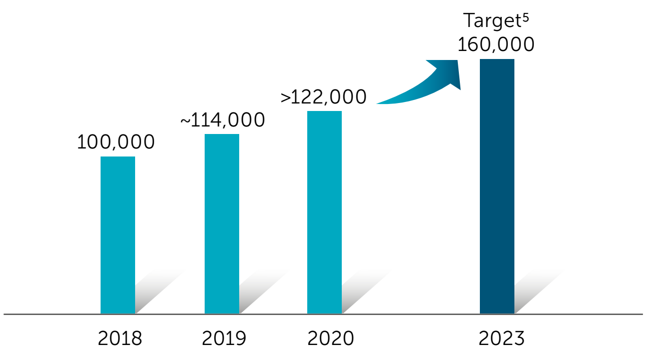
In December 2020, ART divested Somerset Azabu East Tokyo in Japan and Ascott Guangzhou in China at 63% and 52% above their respective book values. In the first half of 2021, ART expects to complete the divestments of Somerset Xu Hui Shanghai in China as well as Citadines Didot Montparnasse Paris and Citadines City Centre Grenoble in France at 171%, 69% and 35% above their respective book values. Cumulatively, these asset recycling activities will amount to S$496.2 million[3] in total gross divestment value[4].

1 Includes units that are operational and under development.
2 As of 16 March 2021.
3 Announced transactions from 1 January 2020 to 22 February 2021.
4 Divestment values are based on agreed property value (100% basis) or sales consideration.

STRONG INCOME GROWTH

Ascott's hospitality operating platform delivers recurring fee income through third-party management contracts and franchises. In 2020, Ascott achieved its fourth consecutive year of record growth despite COVID-19, adding over 14,200 units across 71 properties globally.

LODGING GROWTH FY 2020



5 Excludes Multifamily.

Ascott's business in China continued to lead its global expansion. Of the new signings, over 9,400 units were secured in China, an 80% growth year-on-year. Ascott made its first foray into the city of Yangzhou and expanded into China's high growth rental housing market with three new properties in Shanghai and Hangzhou. In Vietnam, Ascott will introduce its first lyf coliving property and first Citadines Connect business hotel having secured management contracts for the properties in Danang and Binh Duong respectively.

Ascott North Bund Shanghai in China

OPERATIONAL HIGHLIGHTS
LODGING

Artist's impression of lyf Tenjin Fukuoka in Japan

Quest Woolooware Bay in Sydney, Australia

The new properties signed are expected to boost Ascott's annual fee income by more than S$27 million as they progressively open and stabilise. In 2020, Ascott also opened over 3,900 units across 25 properties, of which over 1,800 units across 10 properties were located in China.

Looking ahead, over 80 properties with about 17,000 units are expected to open in 2021 globally. This includes six lyf coliving properties that are scheduled to open in Fukuoka in Japan; Hangzhou, Shanghai and Xi'an in China; and Singapore. lyf caters to the fast-expanding demographic of millennials as well as the millennial-minded. The first of Ascott's three rental housing properties in China is also slated to open in Hangzhou in the third quarter of 2021. These new lodging options will enable Ascott to expand its customer reach and product offerings to business partners.

GROWTH IN NEW LONG-STAY LODGING SEGMENTS

CapitaLand also expanded its multifamily portfolio and forayed into the student accommodation asset class through ART.

Artist's impression of the proposed development of 341-unit suburban multifamily property in Austin, Texas in the USA

Lodging	Singapore	SE Asia & Australia (excl Singapore)	China	North Asia (excl China)	Europe	Others	Overall
Number of properties[1]	20	465	163	35	54	40	777
Total no of units[1]	3,741	64,090	32,587	7,015	6,543	8,631	122,607
RevPAU (S$)[2]	139	44	76	65	52	67	61

1 As of 13 January 2021. Includes operating and pipeline properties owned/managed and excludes multifamily assets.
2 For FY 2020. Same-store basis which includes serviced residences leased and managed by the Group. Foreign currencies are converted to SGD at average rates for the relevant period.

CapitaLand announced the programmatic joint venture (JV) with an Austin-headquartered real estate investment, development and property management firm in December 2020 to scale its multifamily portfolio. CapitaLand has a strategic arrangement with the JV partner to acquire and develop multifamily assets totalling US$300 million (S$416.1 million[1]) in gross asset value. The JV will invest in multifamily assets in the Southeast and Southwest markets of the USA, with an initial focus on Austin, Texas. The first multifamily project is a modern, mid-rise and green 341-unit suburban multifamily property on 4.71 acres of freehold land in the high growth, technology-driven city of Austin. The development is expected to complete in 2023.

The JV follows CapitaLand's first foray into multifamily asset class in September 2018 with an acquisition of a portfolio of 16 multifamily properties in the USA for US$835 million (S$1.14 billion). As of 31 December 2020, CapitaLand's multifamily portfolio has a total asset value of about S$1.2 billion.

USA Multifamily Portfolio FY 2020 Operating Statistics	
Number of operating properties[2]	16
Committed occupancy rate	94.8%
NPI yield on valuation[3]	4.7%
Above data as of 31 December 2020 unless otherwise stated.	

In the first quarter of 2021, ART redeployed part of the proceeds from its past divestments into the yield-accretive acquisition of Signature West Midtown in Atlanta, Georgia, USA, its first student accommodation property for US$95 million (S$126.3 million). As the outlook for hospitality is expected to remain uncertain in the near term, the resilient performance and countercyclical nature of the student accommodation asset class will help to mitigate some of the headwinds. ART plans to increase its asset allocation in such longer-stay properties for greater income stability.

SEIZING NEW BUSINESS OPPORTUNITIES

Tapping into the rising trend of telecommuting, Ascott launched its 'Work in Residence' initiative at participating properties worldwide, leveraging its design strengths to transform selected apartments into conducive work suites. To extend its service offerings to guests and partners, Ascott also introduced its 'Space-as-a-Service' initiative, which optimises the use of space in its properties. This includes hosting cloud kitchens and coffee kiosks, organising ecommerce livestreams or fitness activities in its apartments, and also serving as parcel collection hubs for convenient pick-up of online orders. In 2020, more than S$91 million in revenue was generated from alternative businesses including the 'Work in Residence' and 'Space-as-a-Service' initiatives.

Ascott also leveraged numerous digital initiatives to grow its customer base and enhance the experience of the members of its loyalty programme, Ascott Star Rewards (ASR). ASR membership increased by 45% in 2020. Ascott launched its new 'Discover ASR' mobile app, a one-stop 24/7 digital concierge for ASR members to book their stay, manage their reservations, perform self-check-ins and check-outs and access their apartments via the app's digital key. Ascott also introduced an ASR points purchase feature and partnered with CapitaStar in a points exchange initiative, harnessing the scale of two key rewards programmes within the CapitaLand Group to cross-sell and bring greater value to customers.

Ascott's 'Discover ASR' mobile app for ASR members to deliver greater value, flexibility and enhance guests' experience

Ascott was also the first international hospitality company to roll out a regional collaboration with Shopee, one of the leading ecommerce platforms in Southeast Asia and Taiwan. Leveraging the popularity of ecommerce and shoppertainment, the collaboration enabled Ascott to reach a wider demographic and drive sales beyond direct channels and conventional online travel booking sites.

As Ascott grows its business, it will continue to innovate and evolve its products and services to uncover additional revenue streams and deliver greater value to its customers and property owners.

1 Based on exchange rate of US$1 to S$1.38713.
2 Excludes the multifamily property under development in Austin, Texas newly acquired in December 2020.
3 Based on FY 2020 NPI and valuation as of 31 December 2020.

OPERATIONAL HIGHLIGHTS
CAPITAL RECYCLING

FY 2020 DIVESTMENTS

Transacted Assets[1,2]	Value (S$ million)	Seller
Ascott Guangzhou, China	155.0	ART
Citadines Didot Montparnasse Paris, France	36.4	ART
Somerset Azabu East Tokyo, Japan	76.2	ART
25 Changi South Street 1, Singapore	20.3	Ascendas Reit
No. 202 Kallang Bahru, Singapore	17.0	Ascendas Reit
Wisma Gulab, Singapore	88.0	Ascendas Reit
ICON Yeoksam, Seoul, South Korea	165.1	CapitaLand
15% Equity interest in a JV in Chengdu, China	56.4	CapitaLand
40% stake in a mixed-use site in Huangpu District, Guangzhou, China	78.6	CapitaLand
60% stake in OneHub Saigon, Vietnam	28.7	CapitaLand
70% stake in Mulberry Lane, Vietnam	10.0	CapitaLand
Retail spaces at Vista Verde and Mulberry Lane, Vietnam	16.9	CapitaLand
Seasons Avenue retail podium, Vietnam	1.3	CapitaLand
Three malls, La Park Mizue, Vivit Minami-Funabashi and CO-OP Kobe Nishinomiya Higashi in Japan	283.6	CapitaLand
Undeveloped land parcel in Kazakhstan	1.5	CapitaLand
60.01% stake in a residential project in Shenyang, China	202.0	CapitaLand
Five business park properties and Rock Square mall, China	1,653.1	CapitaLand/Ascendas China Business Parks Fund 4
CapitaMall Erqi, Zhengzhou, China	150.8	CLCT
Total Gross Divestment Value[3] for FY 2020 is S$3,040.9 million		

DIVESTMENTS IN FIRST QUARTER OF 2021

Transacted Assets[2,4]	Value (S$ million)	Seller
Citadines City Centre Grenoble, France	13.0	ART
Somerset Xu Hui Shanghai, China	215.6	ART
ICON Cheonggye, South Korea	166.4[5]	CapitaLand
CapitaMall Minzhongleyuan, China	93.4	CLCT
Total Gross Divestment Value[3] for the first quarter of 2021 is S$488.4 million		

1 Announced transactions from 1 January 2020 to 31 December 2020.
2 The table includes assets divested by CapitaLand and CapitaLand REITs/Business Trusts/Funds.
3 Divestment values based on agreed property value (100% basis) or sales consideration.
4 Announced transactions from 1 January 2021 to 31 March 2021.
5 Property value based on an as-is development-in-progress basis.

FY 2020 INVESTMENTS

Transacted Assets[1,2]	Value (S$ million)	Buyer
A warehouse in Khurja, NCR, India[3]	18.6	a-iTrust
Quest Macquarie Park Sydney, Australia	43.6	ART
25% stake in Galaxis, Singapore[4]	157.5	Ascendas Reit
Logistics property (500 Green Road) in Brisbane, Australia (Development)	69.1	Ascendas Reit
Logistics property (Lot 7, Kiora Crescent) in Sydney, Australia (Development)	21.1	Ascendas Reit
Suburban office at 1 – 5 Thomas Holt Drive, Macquarie Park, Sydney, Australia	284.0	Ascendas Reit
Suburban office in Macquarie Park, Sydney, Australia (Development)	161.0	Ascendas Reit
Two tech office properties in San Francisco, California, USA	768.0	Ascendas Reit
ABI Plaza, Office property in Singapore	200.0	Athena LP
Arlington Business Park, Reading, United Kingdom	226.9	CapitaLand
International Tech Park Chennai, Radial Road Phase 2 (land), India	48.3	CapitaLand
Logistics property in Greater Tokyo, Japan (Development)	Undisclosed	CapitaLand
Multifamily property in Austin, Texas, USA (Development)	Undisclosed	CapitaLand
Five business park properties and Rock Square mall, China (includes CapitaLand's 49% stake acquisition in Ascendas Xinsu Portfolio)	1,653.1	CapitaLand/ CLCT
Total Gross Investment Value[5] for FY 2020 is S$3,651.2 million[6]		

INVESTMENTS IN FIRST QUARTER OF 2021

Transacted Assets[2,7]	Value (S$ million)	Buyer
aVance 6, HITEC City in Hyderabad, India	92.0	a-iTrust
Industrial facility at Mahindra World City in Chennai, India[8]	38.3	a-iTrust
1.65 million sq ft of an IT Park at Hebbal, Bangalore, India[9]	268.2	a-iTrust
Signature West Midtown in Atlanta, USA	129.7	ART
A portfolio of 11 data centres in Europe	904.6	Ascendas Reit
Total Gross Investment Value[5] for the first quarter of 2021 is S$1,432.8 million		

1 Announced transactions from 1 January 2020 to 31 December 2020.
2 The table includes assets acquired by CapitaLand and CapitaLand REITs/Business Trusts/Funds.
3 Signed Share Purchase Agreement for acquisition of the warehouse. Completion of acquisition is subject to fulfilment of certain Conditions Precedent.
4 25% of agreed property value of S$630 million.
5 Investment values based on agreed property value (100% basis) or purchase/investment consideration.
6 Excludes "Logistics property in Greater Tokyo, Japan" and "Multifamily property in Austin, Texas" due to confidentiality clauses.
7 Announced transactions from 1 January 2021 to 31 March 2021.
8 Signed Share Purchase Agreement for the forward purchase acquisition of the industrial facility. Completion of acquisition is subject to fulfilment of certain Conditions Precedent.
9 Signed Share Purchase Agreement for the forward purchase acquisition of two buildings in the IT park. Completion of acquisition is subject to fulfilment of certain Conditions Precedent.

CORPORATE GOVERNANCE

OUR GOVERNANCE FRAMEWORK

Chairman

Ng Kee Choe

Key Responsibilities

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

Board of Directors

11 Directors (9 Independent Directors and 2 Non-Independent Directors)

Key Responsibilities

Fosters the success of the Company so as to deliver sustainable value over the long term, and the engagement of stakeholders based on the principles of sustainability and sound governance

Audit Committee	Executive Resource & Compensation Committee	Nominating Committee	Risk Committee	Strategy, Investment and Finance Committee
Anthony Lim Weng Kin* (Chairman)	Ng Kee Choe (Chairman)	Stephen Lee Ching Yen (Chairman)	Tan Sri Amirsham Bin A Aziz (Chairman)	Ng Kee Choe (Chairman)
5 IDs	3 IDs and 1 Non-ID	4 IDs	3 IDs	4 IDs and 1 Non-ID
Key Responsibilities				
Assists the Board in its oversight responsibilities in the areas of financial reporting process, internal controls and risk management system, the internal and external audit process, and management of compliance with legal, regulatory and company policies	Oversees remuneration matters for the Board and key management personnel; also assists the Board in succession planning for the Group CEO and key management personnel	Assists the Board on Board succession planning, and appointments to the Board and Board Committees, in the review of the independence of Directors and their ability to commit time to the Company, on Board evaluation, and corporate governance practices	Assists the Board in overseeing the governance of risks in the Company	Assists the Board in its review of strategic, investment, credit and funding proposals, as well as the long term strategy of the Company

* Mr Anthony Lim Weng Kin was appointed as chairman of the Audit Committee (AC) in place of Mr Chaly Mah Chee Kheong with effect from 5 March 2021.

INTRODUCTION

CapitaLand Limited (the Company and, together with its subsidiaries, 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.

Our values, ethics and practices 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 from the top and underscores its importance to the Group.

This corporate governance report (Report) sets out the corporate governance practices for financial year (FY) 2020 benchmarked against the Code of Corporate Governance 2018 (Code).

At all times, 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), who is appointed by the Board. The Board works with Management to achieve the Company's objectives and Management is accountable to the Board for its performance.

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

(a) approving the strategies and objectives for the Company, and monitoring the progress in achieving them;
(b) approving the financial plan (including annual budgets and capital management plans) and monitoring the financial performance of the Company;
(c) approving share issuances, dividends and other returns to shareholders;
(d) approving corporate and financial restructuring, mergers, major acquisitions and divestments;
(e) approving the risk appetite of the Company, and reviewing the adequacy and effectiveness of the risk management and internal control systems;
(f) approving the overall remuneration policy and compensation framework, and the compensation package for the Group CEO and other key management positions; and
(g) reviewing matters which involve 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 Board has reserved matters requiring its approval. 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 from the top in respect of the desired organisational culture, and ensures proper accountability within the Company. In line with this, the Board has a standing policy which requires each Director to not allow himself/herself to get into a situation where there is a conflict between his/her duty to the Company and his/her own interests. Where a Director has an interest in a transaction or a conflict of interest in a particular matter, he or she will be required to declare his/her interest to the Board, recuse himself/herself from the deliberations and abstain from voting on the transaction or matter. Every Director has complied with this policy, and where relevant, such compliance has been duly recorded in the minutes of meeting or circular resolutions. 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.

Sustainability

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

As part of its commitment to sustainability, the Company has established a Sustainability Council comprising selected Board members and Management as members. The Sustainability Council is chaired by a Board member. During the course of FY 2020, the Sustainability Council met on a regular basis and provided guidance to Management and monitored the Group's progress in its implementation of sustainability initiatives.

In 2020, the Company unveiled CapitaLand's 2030 Sustainability Master Plan to elevate the Group's commitment to global sustainability in the built environment given its presence in more than 220 cities and over 30 countries. CapitaLand's 2030 Sustainability Master Plan 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 next decade and pathways to achieve them. It focuses on 3 key pillars of Environment, Social and Governance (ESG) to drive the Company's sustainability efforts. As part of its sustainability commitment, the Company embeds environmental, social and governance considerations into its investment analysis, financing consideration and day-to-day business operations. The dynamic Master Plan will be reviewed every 2 years.

Directors' Development

The Company ensures that its Directors and executive officers have appropriate experience and expertise to manage the Group's business. 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 to discharge the duties and responsibilities of their office as Directors of the Company to the best of their abilities. 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.

Upon appointment, each Director is provided with a formal letter of appointment and a copy of the Director's Manual (which includes information on a broad range of matters relating to the role, duties and responsibilities of a Director). All Directors upon appointment also 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. The induction programme also includes visits to selected properties of the Group. Through the induction programme, the new Director also gets 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), the Company will ensure that such Director undergoes training on the roles and responsibilities of a director of a listed issuer, as prescribed by the SGX-ST, unless the Nominating Committee (NC) determines that such training is not required because the Director has other relevant experience. No new Directors were appointed to the Board during FY 2020.

Following their appointment, Directors are provided with opportunities for continuing education in areas such as directors' duties and responsibilities, and changes to regulations and accounting standards, so as to be updated on matters that affect or go towards enhancing their performance as Directors or Board Committee members. Directors may also contribute by recommending suitable training and development programmes to the Board.

The Company also 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. In FY 2020, sharing and information sessions were organised as part of pre-Board dinners and Board and other meetings. Several of these sessions were conducted virtually, due to the COVID-19 pandemic. During these sessions, guest speakers and Management team members presented on key topics to the Board. These included updates on business strategies and key industry developments and trends. The Board and Management also have access to the CapitaLand Technology Council (CTC) and the China Advisory Panel (CAP) for their inputs on matters relating to technology and their insights on economic and real estate industry developments and trends in China, respectively. Directors may also receive on a regular basis reading materials on topical matters or subjects and their implications for the business.

Board Committees

The Board has established various Board and other committees to assist it in the discharge of its functions. The Board Committees are AC, the Executive Resource and Compensation Committee (ERCC), the NC, the Risk Committee (RC) and the Strategy, Investment and Finance Committee (SIFC).

Each of the Board Committees 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 Committees 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.

The composition of the various Board Committees as of 5 March 2021 is set out in the table below as well as in the Corporate Information section of this Annual Report.

Composition of Board Committees as at 5 March 2021

Committees / Board Members	AC	ERCC	NC	RC	SIFC
Ng Kee Choe Independent Chairman	-	C	M	-	C
Miguel Ko Non-independent Deputy Chairman and Non-independent Chairman-Designate	-	M	-	-	M
Tan Sri Amirsham Bin A Aziz Independent Director	M	-	-	C	-
Goh Swee Chen Independent Director	-	M	M	-	-
Kee Teck Koon Independent Director	-	-	-	M	M
Stephen Lee Ching Yen Independent Director	-	M	C	-	-
Gabriel Lim Meng Liang Independent Director	M	-	-	M	-
Anthony Lim Weng Kin Independent Director and Lead Independent Director-Designate	C	-	-	-	M
Chaly Mah Chee Kheong Independent Director	M	-	-	-	M
Dr Philip Nalliah Pillai Independent Director	M	-	M	-	-

Legend:
AC : Audit Committee
ERCC : Executive Resource and Compensation Committee
NC : Nominating Committee
RC : Risk Committee
SIFC : Strategy, Investment and Finance Committee
C : Chairman
M : Member

CORPORATE GOVERNANCE

The Board undertakes a review of its Board Committee structure, as well as the terms of reference of the respective Board Committees regularly, to ensure that they remain relevant and effective in fulfilling the objectives and responsibilities of the respective Board Committees. The respective Board Committees also 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 Board composition. Where appropriate, changes to Board Committee memberships are made. Considerations include diversity of skills and experience, an equitable and balanced distribution of duties among Board members and the memberships are such that they foster active participation and contributions from Board members.

The last review of Board Committee memberships was carried out in January 2021 following from which the Board approved the changes set out below to take effect after the conclusion of the upcoming Annual General Meeting (AGM) to be held on 27 April 2021. In its review, the Board took into account that Mr Ng Kee Choe and Tan Sri Amirsham will be retiring from the Board at the conclusion of the upcoming AGM.

The changes to be made to the Board Committee memberships at the conclusion of the upcoming AGM are as follows:
(a) Mr Miguel Ko to become Chairman of the SIFC and to join the NC as a member;
(b) Mr Stephen Lee Ching Yen to become Chairman of the ERCC;
(c) Mr Kee Teck Koon to become Chairman of the RC;
(d) Mr Anthony Lim Weng Kin to join the NC as a member; and
(e) Ms Goh Swee Chen to join the RC as a member and to step down from the NC as a member.

The composition of the various Board Committees after AGM to be held on 27 April 2021 is set out in the table below.

Composition of Board Committees after AGM to be held on 27 April 2021

Committees / Board Members (designation after AGM)	AC	ERCC	NC	RC	SIFC
Miguel Ko Non-independent Chairman	-	M	M	-	C
Goh Swee Chen Independent Director	-	M	-	M	-
Kee Teck Koon Independent Director	-	-	-	C	M
Stephen Lee Ching Yen Independent Director	-	C	C	-	-
Gabriel Lim Meng Liang Independent Director	M	-	-	M	-
Anthony Lim Weng Kin Lead Independent Director	C	-	M	-	M
Chaly Mah Chee Kheong Independent Director	M	-	-	-	M
Dr Philip Nalliah Pillai Independent Director	M	-	M	-	-

Legend:
AC : Audit Committee
ERCC : Executive Resource and Compensation Committee
NC : Nominating Committee
RC : Risk Committee
SIFC : Strategy, Investment and Finance Committee
C : Chairman
M : Member

China Advisory Panel (CAP) and CapitaLand Technology Council (CTC)

In addition to Board Committees, the Company has also established the CAP in 2014 and the CTC in 2015. The CAP shares strategic insights on general, economic and real estate industry developments and trends in China. The CTC apprises the Board on technology developments and initiatives, in particular those that are relevant to support the Company's efforts to harness technology in its business operations.

Meetings of Board and Board Committees

The Board and the respective Board Committees meet regularly to discuss strategy, 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 non-executive Directors, led by the Chairman, also set aside time at meetings to meet without the presence of Management and at other times when necessary.

The Board holds five scheduled meetings each year, and ad hoc Board meetings are convened as required. In FY 2020, no ad hoc Board meetings were held.

Each Board meeting typically takes 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 are typically scheduled before the quarterly Board meetings;
(b) the Group CEO provides updates on the Group's business and operations, including 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 at the Board meetings allow the Board to develop a good understanding of the progress of the Group's business as well as the issues and challenges facing the Group. Any risk management or other major issues that are relevant to the Company's performance or position are 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 is disclosed and explained to the Board. To keep the Board abreast of investors' concerns, feedback and perceptions, the Board receives regular updates on analyst estimates and views. This includes updates and analyses of the shareholder register, highlights of key shareholder engagements as well as market feedback and also promote active engagement between Board members and the key executives.

Through the meetings, the Board reviews, monitors and oversees the implementation of the Group's corporate strategy. The Board also meets at least annually to review and deliberate on strategy and strategic matters with Senior Management. The strategy meeting in FY 2020 was held in November 2020 during which the Board and Senior Management held in-depth discussions and the Board endorsed the Company's strategic direction and objectives.

The Company adopts and practises the principle of collective decision-making. The Board benefits from a culture of open, frank, rigorous and constructive discussions and debates at Board and Board Committee meetings which are conducted on a professional basis. There is mutual trust and respect among the Directors. The Board also benefits from the diversity in views, perspectives and expertise. 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 each Board or Board Committee meeting, to allow them to prepare for the meetings and to enable discussions to focus 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 incorporates inputs from the Senior Management, the Chairman and the chairpersons of the respective Board Committees. This provides assurance that the important topics and issues will be covered. Half year and full year financial statements are reviewed and recommended by the AC 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 enable them to access and review Board and Board Committee papers prior to and 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.

The deliberations and decisions taken at Board meetings are minuted. Notwithstanding the Company's adoption of semi-annual financial results reporting with effect from FY2020, the Board continues to meet on a quarterly basis.

A record of the Directors' attendance at general meeting(s) and Board and Board Committee meetings for FY 2020 is set out on page 111 of this Annual Report. The Group CEO who is also a Director attends all Board meetings. He also attends all 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.

The matters discussed at Board and Board Committee meetings are set out briefly in the table below.

Board of Directors	
› Strategy › Business and Operations Update › Financial Performance › Governance	› Feedback from Board Committees › Directors Training and Development › Facilitate Business Opportunities and Strategic Relationships

AC	ERCC	NC	RC	SIFC
› Financial Performance › Internal Controls › Internal and External Audit	› Remuneration › Management Development and Succession Planning	› Board Composition and Renewal › Board Evaluation › Governance Practices › Directors Training and Development	› Risk Management › Risk Governance › Risk Culture	› Investment, Credit and Funding Proposals › Long-Term Strategy of the Company › Strategic Talent Pipeline in relation to the Strategic Plan of the Company

There is active interaction between Board members and Management during Board and Board Committee meetings in which Management participates, as well as outside of Board and Board Committee meetings. 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 guidance. 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 also has separate and independent access to the Company Secretaries at all times. The Company Secretaries are legally trained and keep themselves abreast of relevant developments. They support the Board in discharging its responsibilities including attending to corporate secretarial administration matters and providing advice to the Board and Management on corporate governance matters. The Company Secretaries attend all Board meetings and assist the Chairman in ensuring that Board procedures are followed. The Company Secretaries also facilitate orientation and undertake professional development administration for the Directors. The appointment and the removal of the Company Secretaries are subject to the Board's approval.

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

Principle 2: Board Composition and Guidance

Board Independence

The Board, through the NC, reviews 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 decision-making. The Board and Board Committees have a strong independent element and their compositions reflect diversity of thought and background. The review takes into account the scope and nature of the Group's operations, and the competition the Group faces.

The Company has always had and continues to have a significant majority of independent Directors. 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 lead independent Director and ensure that the Board comprises a majority of independent Directors.

The Board has a strong independent element - 9 out of 11 Directors, including the Chairman, are non-executive independent Directors. The non-executive Deputy Chairman and the Group CEO are the only non-independent Directors. Other than the Group CEO who is the only executive Director on the Board, non-executive Directors make up the rest of the Board. A lead independent Director was not appointed during FY 2020 as the Chairman is an independent Director.

On 3 November 2020, the Company announced that Mr Ng Kee Choe will retire as Chairman and Director of the Company at the conclusion of the Company's next AGM scheduled to be held in April 2021, and that Mr Miguel Ko, Deputy Chairman, will succeed him as Chairman. As Mr Ko is a non-independent Director, the Company will have a Lead Independent Director. In this regard, the Company has named Mr Anthony Lim Weng Kin as lead independent Director and he will assume the duties and responsibilities of Lead Independent Director (LID) after the conclusion of the upcoming AGM, in conjunction with Mr Ko assuming the role of Board Chairman. As LID, Mr Lim's main duties will be to facilitate the functioning of, and provide leadership to, the Board if circumstances arise in which the Chairman may be (or may 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.

Profiles of the Directors, their respective designations and roles are set out on pages 27 to 33 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 as and when circumstances require) the independence of each Director in accordance with the requirements of the Listing Manual of the SGX-ST (Listing Manual), the Code and where relevant, the recommendations set out in the Practice Guidance accompanying the Code (Practice Guidance). A Director is considered independent if he/she 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.

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

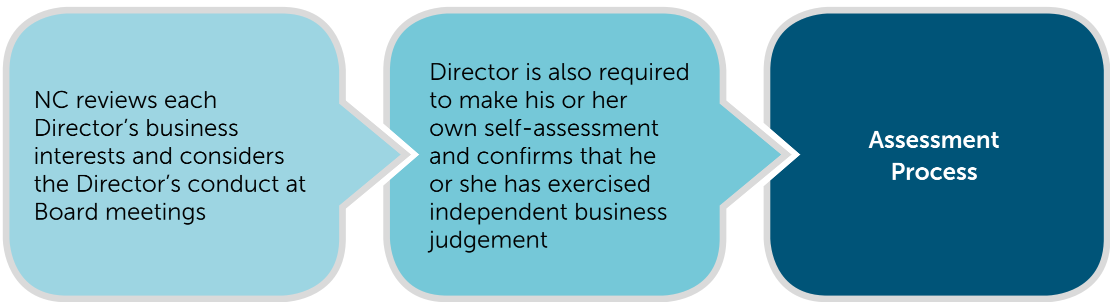
(a) each non-executive Director provides information of his or her business interests and confirms, on an annual basis, that there are no relationships which interfere with the exercise of his or her independent business judgement with a view to the best interests of the Company; such information is then reviewed by the NC. In this regard, all independent 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

(b) the NC also reflects on 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. In this regard, Directors are required to report to the Company any change of circumstances which may affect his or her independence.

The Board has carried out the assessment of the independence of each Director for FY 2020 and the paragraphs below set out the outcome of the assessment. Based on the outcome of the assessment, other than Mr Lee Chee Koon, the Group CEO, and Mr Miguel Ko, the non-executive Deputy Chairman, both of whom are the only non-independent Directors, all members of the Board are considered to be independent Directors. Mr Lee, who is the Group CEO of the Company, is considered non-independent by virtue of his employment by the Company. Mr Ko is non-independent because of his recent past employment by CLA Real Estate Holdings Pte. Ltd. (CLA), the holding company of the Company (and therefore, a related corporation of the Company).

As part of the review process on the independence of the independent Directors, the NC also took into consideration the following: (a) directorships (if any) in Temasek Holdings (Private) Limited (Temasek), the majority shareholder of the Company through CLA, and in organisations linked to Temasek, and (b) appointments (if any) in organisations which have a business relationship with the Group.



Mr Ng Kee Choe

Mr Ng, who is Chairman of the Board, serves as a member on the board of Temasek Trust Ltd. (Temasek Trust). Temasek Trust is part of the philanthropic arm of Temasek, which is the controlling shareholder of CLA, the holding company of the Company. It is a not-for-profit organisation which independently oversees the management and disbursement of Temasek's endowments and gifts. Mr Ng's role as a member of the board of Temasek Trust is non-executive in nature and he is not involved in the day-to-day conduct of the business of Temasek Trust. This role does not require him to take or subject him to any obligation to follow any instructions from Temasek in relation to the corporate affairs of the Company. It also does not generate any issue that may affect his independence as a Director of the Company.

Mr Ng is the only Director on the Board who has served for more than nine years. As guided by Guideline 2.4 of the Code of Corporate Governance 2012, the independence of Mr Ng was subject to particularly rigorous review by the NC and the Board. The NC and the Board reviewed Mr Ng's performance and contributions in light of his tenure including his engagement with the Board and the Board Committees he chairs or is a member of, and arrived at the determination that he had continued to exercise independent judgement in carrying out his oversight duties. He has continued to be forthright and objective in expressing independent viewpoints, remains active in his debate over issues concerning the Group, and actively scrutinises and challenges Management, including seeking clarifications and amplifications of Board and Board Committee matters. The manner of his engagement with the Board and Board Committees of which he chairs or is a member of has also not changed despite his tenure. As the independent Board Chairman, Mr Ng has consistently provided exemplary stewardship in leading the Board as a whole, including facilitating robust debate and formulating consensus.

The Board is of the view that the relationship set out above and his length of service as a Director of the Company 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 Ng has exercised independent judgement in the discharge of his duties and responsibilities. Based on the above, the Board arrived at the determination that Mr Ng is an independent Director.

Mr Ng had recused himself from the NC's and the Board's deliberations, respectively, on his independence.

Mr Ng is also not an immediate family member (as defined in the Listing Manual) of the Group CEO and does not have close family ties with the Group CEO, as determined by the NC, which could influence his impartiality as Chairman.

Mr Stephen Lee Ching Yen

Mr Lee is a non-executive director of Temasek. Mr Lee's role on the Temasek board is non-executive in nature and he is not involved in the day-to-day conduct of the business of Temasek. He had also confirmed that he was not under any obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of Temasek in relation to the corporate affairs of the Company. Mr Lee's appointment to the CapitaLand Board predates his appointment to the Temasek board and he did not join the CapitaLand Board as Temasek's nominee. The Company also has in place the necessary processes to assist Directors to manage potential conflicts of interests that they may be faced with, and in this regard, Mr Lee has duly followed such processes and he has recused himself from all discussions concerning potential transactions with Temasek.

The Board also considered the conduct of Mr Lee in the discharge of his duties and responsibilities as a Director, and is of the view that the relationship set out above, including the fact that the Company became a subsidiary of Temasek when Temasek increased its interest in the Company on 28 June 2019 (in respect of which a special review on Director's independence was conducted), 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 Lee has continued to be actively engaged and exercised independent judgement in the discharge of his duties and responsibilities. Based on the above, the Board arrived at the determination that Mr Lee is an independent Director.

With effect from 1 January 2022, Rule 210(5)(d)(iii) of the Listing Manual will provide that a director will not be independent if he or she has been a director for an aggregate period of more than nine years and his or her continued appointment as an independent director has not been sought and approved in separate resolutions by (a) all shareholders; and (b) shareholders excluding the directors and the chief executive officer of the issuer, and their respective associates (the Two-Tier Vote).

Mr Lee (who was first appointed as a Director on 1 January 2013) is standing for re-election as a Director at the upcoming AGM to be held in April 2021. If re-elected, his tenure as a Director would cross nine years on 1 January 2022. Hence, shareholders' approval for his continued appointment as an independent Director from and after 1 January 2022 will be sought via the Two-Tier Vote process at the upcoming AGM.

For the purpose of supporting his continued appointment as an independent Director from and after 1 January 2022, the Company has conducted a rigorous review of Mr Lee's independence. The conclusions of the review by the NC and the Board are that: (i) Mr Lee has been forthcoming in expressing his individual viewpoints, has remained active in debating issues concerning the Group, and is objective in his scrutiny of and challenges to Management; (ii) Mr Lee also actively seeks clarifications and amplifications of Board affairs as necessary, including through direct access to the Group's employees and external advisors; and (iii) the manner of Mr Lee's engagement with the Board and Board Committees of which he chairs or is a member of has not changed despite his tenure.

Mr Lee, who is also the NC chairman, had recused himself from the NC's and the Board's deliberations, respectively, on the assessment of his independence.

Mr Chaly Mah Chee Kheong

Mr Mah is a non-executive board member of (i) the Monetary Authority of Singapore (MAS), which is Singapore's central bank and financial regulatory authority. He was also a non-executive board member of the Economic Development Board of Singapore (a statutory board which is responsible for strategies that enhance Singapore's position as a global centre for business, innovation and talent) until 1 February 2021. These roles do not require him to take or subject him to any obligation to follow any instructions from any government authorities in relation to the corporate affairs of the Company. These roles also generate no conflict of interest issue in respect of his role as a Director of the Company.

Mr Mah was appointed chairman of Surbana Jurong Private Limited (SJ) with effect from 1 January 2021. SJ is a subsidiary of Temasek and also a related corporation of the Company. It is predominantly focused on the provision of building and engineering consultancy services, which the Group engages for some of its projects.

Mr Mah's appointment as chairman of SJ took effect after FY 2020, therefore, the aggregate value of the Group's engagement of SJ in FY 2020 would not be a consideration in the current review of his independence. In any event, the Board noted that (i) Mr Mah's appointment in SJ is as independent non-executive chairman and he is not involved in the business operations of SJ, and (ii) SJ is an independently managed group under Temasek and the role does not require him to nor result in him having to act in accordance with any instructions, directions or wishes of Temasek in relation to the corporate affairs of the Company. Further, in respect of any engagement of SJ, any decision to engage SJ for any of the Group's projects will be made by Management in the ordinary course of business and on normal commercial terms, based on merit and competitive terms negotiated by Management with SJ. Mr Mah would also not be involved in the process or approval of any such engagement. In particular, in the event of any proposed engagement of SJ from and after 1 January 2021 requiring Board approval, Mr Mah will be required to follow the Company's established processes to recuse himself from any deliberations or approval 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.

Dr Philip Nalliah Pillai

Dr Pillai is a director of SMRT Group (comprising SMRT Corporation Ltd and SMRT Trains Ltd, which are both subsidiaries of Temasek and therefore related corporations of the Company). Dr Pillai's role in SMRT Group is non-executive in nature and he is not involved in the business operations of the organisation. SMRT Group is an independently managed group of entities under Temasek. The role does not require him to nor result in his having to act in accordance with any instructions, directions or wishes of Temasek in relation to the corporate affairs of the Company. It also does not generate any issue that may affect his independence as a Director of the Company.

The Board also considered the conduct of Dr Pillai 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 Dr Pillai is an independent Director.

Dr Pillai has recused himself from the Board's deliberations on his independence. Dr Pillai who is also a NC member had also recused himself from the NC's deliberations on his independence.

Mr Kee Teck Koon

Mr Kee is a non-executive director of Raffles Medical Group Ltd (RMG) which provides healthcare insurance and medical services as part of the welfare and benefits scheme for Group employees. The magnitude of the fees and payments made to RMG in FY 2020 exceeded the threshold amount of S$200,000 (which is provided as a general guide in the Practice Guidance). Mr Kee's role in RMG is non-executive in nature and he is not involved in the business operations of RMG. The decision to engage RMG 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 Kee was not involved in the process and/or approval relating to the engagement.

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 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 Kee 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.

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

Mr Anthony Lim Weng Kin

Mr Lim is a non-executive director (since 1 April 2020) 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 that the Group works with for its financing requirements. The magnitude of the fees and payments made to DBS in FY 2020 exceeded the threshold amount of S$200,000 (which is provided as a general guide in the Practice Guidance). 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 for or approval of the engagement. 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 had recused himself from the Board's deliberations on his independence.

Ms Goh Swee Chen

Ms Goh is a non-executive director of Singapore Airlines Limited (SIA). SIA provides flight services to the Group. The decision to engage SIA was made by Management in the ordinary course of business and on normal commercial terms, based on merit and competitive terms negotiated by Management. The magnitude of the fees and payments made to SIA in FY 2020 exceeded the threshold amount of S$200,000 (which is provided as a general guide in the Practice Guidance). Ms Goh's role in SIA is non-executive in nature and she is not involved in the business operations of SIA. The engagement of SIA pre-dates Ms Goh's appointment to the SIA board.

Ms Goh is also a non-executive director of Singapore Power Ltd (SP) which is a subsidiary of Temasek and therefore a related corporation of the Company. SP also provides utilities to the properties of the Group. The engagement of SP pre-dates Ms Goh's appointment to the SP board. The magnitude of the fees and payments made to SP in FY 2020 exceeded the threshold amount of S$200,000 (which is provided as a general guide in the Practice Guidance). The Board noted that (i) Ms Goh's role in SP is non-executive in nature and she is not involved in the business operations of SP, and (ii) SP is an independently managed group under Temasek and the role does not require her to nor result in her having to act in accordance with any instructions, directions or wishes of Temasek in relation to the corporate affairs of the Company. Further, the decision to engage SP was made by Management in the ordinary course of business and on normal commercial terms, based on merit and competitive terms negotiated by Management.

The Board also considered the conduct of Ms Goh 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 Goh has exercised independent judgement in the discharge of her duties and responsibilities. Based on the above, the Board arrived at the determination that Ms Goh is an independent Director.

Ms Goh, who is also a NC member, had recused herself from the NC's as well as the Board's deliberations, respectively, on her independence.

Mr Gabriel Lim Meng Liang

Mr Lim 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 which may affect his independent judgement. The Board noted that Mr Lim is presently Permanent Secretary of the Ministry of Trade and Industry. His 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 generates no conflict of interest in respect of his role as a Director of the Company.

The Board considered the conduct of Mr Lim in the discharge of his duties and responsibilities as a Director, and is of the view that he had 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 had recused himself from the Board's deliberations on his independence.

Tan Sri Amirsham Bin A Aziz

Tan Sri Amirsham 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 which may affect his independent judgement.

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

Tan Sri Amirsham had recused himself from the Board's deliberations on his independence.

Board Diversity

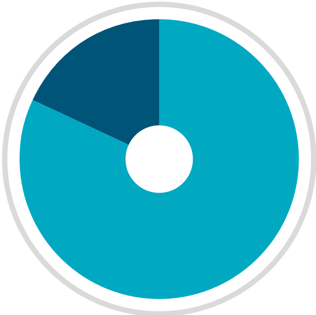
The Board embraces diversity and formally adopted a Board Diversity Policy in 2019. The Board Diversity Policy provides for the Board to comprise talented and dedicated Directors with a diverse mix of expertise, experience, perspectives, skills and backgrounds, with due consideration to diversity, including but not limited to, diversity in business or professional experience, age and gender, ethnicity and culture, geographical background and nationalities.

The Board believes in diversity and values the benefits 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.

The NC, in carrying out its duties of determining the optimal composition of the Board in its Board renewal process, identifying possible candidates and making recommendations of Board appointments to the Board, considers diversity factors such as age, educational, business and professional background of its members. Female representation is also considered an important aspect of diversity. It notes the Council of Board Diversity Singapore's target of 30% women on boards of listed companies by 2030.

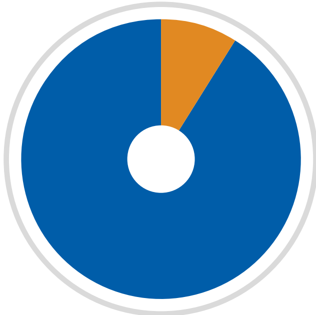
In line with the Board Diversity Policy, the current Board comprises 11 members who are corporate and business leaders, and are professionals with varied backgrounds, expertise and experience including in finance, banking, real estate, legal, accounting, general management and technology. The current Board has one female member who is also an NC member. No new Directors were appointed during the year under review. None of the Non-Executive Directors is a former CEO of the Company in the past two years. For further information on the NC's work in this regard, please refer to "Board Membership" under Principle 4 in this Report.

BOARD INDEPENDENCE



Independent (9 Non-Executive Directors)	82%
Non-Independent (1 Non-Executive Director and 1 Executive Director)	18%

BOARD GENDER DIVERSITY



1 Female	9%
10 Males	91%

AGE SPREAD

50 years and below (2 Directors)	18%
51 – 60 years (1 Director)	9%
61 – 70 years (5 Directors)	46%
Over 70 years (3 Directors)	27%

TENURE MIX AS AT 31 DECEMBER 2020

0 to 3 years (2 Directors)	18%
>3 to 5 years (4 Directors)	36%
>5 to 7 years (2 Directors)	18%
>7 to 10 years (3 Directors)	27%

Principle 3: Chairman and Chief Executive Officer

The roles and responsibilities of the Chairman and the 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 Management, and that no one individual has unfettered powers of decision-making. The non-executive independent Chairman is Mr Ng Kee Choe, whereas the Group CEO is Mr Lee Chee Koon. They do not share any family ties. The Chairman and the Group CEO enjoy a positive and constructive working relationship between them, and support each other in their respective leadership roles.

The Chairman provides leadership to the Board and facilitates the conditions for the overall effectiveness of the Board, Board Committees and individual Directors. This includes setting the agenda of Board meetings, ensuring that there is sufficient information and time at meetings to address all agenda items, and promoting open and constructive engagement among the Directors as well as between the Board and the Group CEO on strategic issues. 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 understanding the business of the Company, as well as 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.

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 roles of the Chairman and the Group CEO are held by separate individuals who are not related to each other, and the Chairman is an independent Director, the appointment of a lead independent Director was not necessary for FY 2020.

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

Mr Stephen Lee Ching Yen
Committee Chairman & Non-Executive Independent Director

Ms Goh Swee Chen
Non-Executive Independent Director

Mr Ng Kee Choe
Non-Executive Independent Director

Dr Philip Nalliah Pillai
Non-Executive Independent Director

All NC members, including the chairman of the NC, are non-executive independent Directors. The NC met four times in the year under review.

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:

(a) 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;
(b) review and recommend an objective process and criteria for the evaluation of the performance of the Board, Board Committees and Directors;
(c) ensure that training and professional development programmes are put in place for the Directors, including ensuring that new Directors are aware of their duties and obligations;
(d) consider annually and, as and when circumstances require, if a Director is independent and provide its views to the Board for consideration; and
(e) 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 blend of backgrounds, experience and knowledge in business and general management, expertise relevant to the Group's business and track record, 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 long-term. 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 environment.

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 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's composition as well as when a Director gives notice of his or her intention to retire or resign. 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 the NC in arriving at a recommendation to the Board.

The NC identifies suitable candidates for appointment to the Board. In this regard, external consultants may be retained from time to time to assist the NC in identifying candidates. Candidates are identified based on the needs of the Company and the relevant skills required, taking into account, among other things, the requirements in the Listing Manual and the Code, as well as the factors in the Board Diversity Policy. 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). The NC also considers the qualities of the candidate in particular if they are aligned to 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. The NC uses a skills matrix to determine the skills gaps of the Board and if the expertise and experience of a candidate would complement those of the existing Board members.

As part of the Board renewal process, Mr Ng Kee Choe and Tan Sri Amirsham will be stepping down from the Board at the conclusion of the upcoming AGM in April 2021. Mr Ng has served for close to 12 years and Tan Sri Amirsham, for close to nine years. Both Mr Ng and Tan Sri Amirsham have served the Board with distinction during their tenure. The Board and Management acknowledge their contributions to Board deliberations as well as Mr Ng's additional contributions as Board Chairman, chairman of the SIFC and the ERCC, and Tan Sri Amirsham's additional contributions as chairman of the RC.

No new Directors were appointed during the year under review. The NC remains focused on Board renewal and continues to identify opportunities for Board enhancement. It continues to search for suitable candidates who can contribute new perspectives to the Board, while taking into account the strategic direction of the business and the current expertise on 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 (prioritised by length of service since the previous reelection or appointment and who are not otherwise required to retire) to retire and subject themselves to reelection by shareholders (one-third rotation rule) at every AGM. Effectively, this results in all Directors having to retire and stand for reelection at least once every three years or even earlier. In addition, any newly appointed Director (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.

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 and, for the purpose, undertakes a review of the retiring non-executive Director's contributions to the Board's deliberations during the period in which the non-executive Director has been a member of the Board. The NC also considers the respective Directors' attendance record and preparedness for Board meetings, as well as their other appointments and commitments. Each member of the NC is required to recuse himself or herself from deliberations on his or her own reelection. Shareholders elect the Directors or candidates put up for election and reelection at the AGM individually. Key information on the Directors or candidates who are seeking election or reelection at the AGM is provided in the Annual Report.

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 all Board members.

Review of Directors' Ability to Commit Time

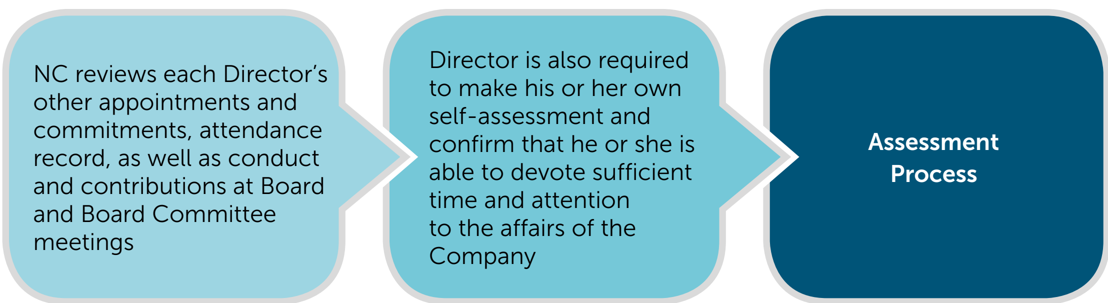
In view of the responsibilities of a Director, Directors need to be able to devote sufficient time and attention to adequately perform their duties and responsibilities. The NC conducts a review of the other appointments and commitments of each Director on an annual basis and as and when there is a change 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.

In respect of the consideration of the Directors' other appointments and commitments, no limit is set as to the number of listed company board appointments. The Board takes the view that the limit on the number of listed company directorships 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 individual 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 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.

There is also 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 own self-assessment and confirm that he or she is able to devote sufficient time and attention to the affairs of the Company. For FY 2020, 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 commitments, attendance record at meetings of the Board and Board Committees, as well as conduct and contributions (including preparedness, participation and candour) at Board and Board Committee meetings.



The Directors' listed company directorships and other principal commitments are disclosed on pages 28 to 33 of this Annual Report. 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 2020 is set out on page 111 of this Annual Report. For FY 2020, the Directors achieved high attendance rates and contributed positively to discussions at Board and Board Committee meetings. In respect of any meetings for which Directors could not attend, comments were provided by the relevant Directors to the Chairman or the relevant Board Committee chair prior to the meeting.The NC 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 been adequately carrying out his or her duties and responsibilities as a Director of the Company.

Principle 5: Board Performance

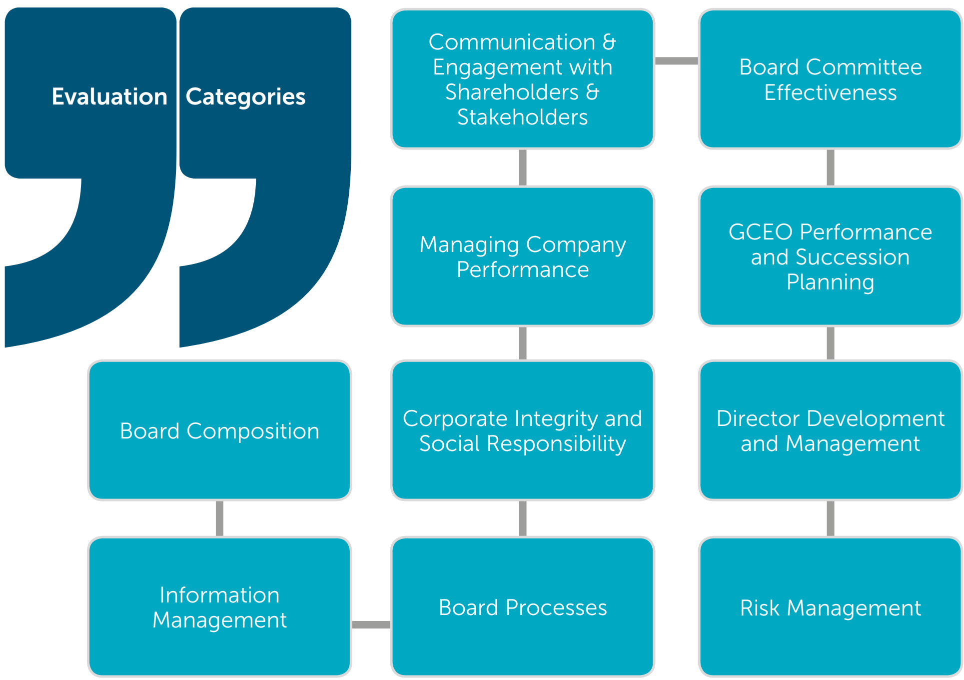
The Company believes that oversight from a strong and effective Board goes a long way towards guiding a business in achieving success.

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, and for Board members to consider their performance and contributions. It also enables the Board to identify key strengths and areas for improvement which is essential to effective stewardship and attaining success for the Company.

Board and Board Committees

The NC undertakes a process to evaluate the effectiveness of the Board as a whole and the Board Committees for every financial year. As in previous years, for an objective and independent evaluation, an external consultant was engaged to facilitate the evaluation process in FY 2020. The consultant 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 required. The objective of the interviews is to seek clarifications to 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 included Board composition, information management, Board processes, corporate integrity and social responsibility, managing Company's performance, CEO development and succession planning, Director development and management, communication and engagement with shareholders and stakeholders, risk management and Board Committee effectiveness.



As an integral part of the evaluation process, the Senior Management team also provides feedback on areas including Board composition, information management, developing strategy and monitoring the strategy, managing risks and working with Management.

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. Overall, the Board has maintained a positive trajectory for its performance and effectiveness. Reflecting the positive, professional and constructive relationship amongst Board members, the Board is functioning well as a team. Discussions were robust and free-flowing under the Chairman's leadership. There is mutual respect and trust among the Directors, and the Company benefits from a culture of active, open, frank, rigorous and constructive discussions and debates at Board and Board Committee meetings. The Board and Management enjoy a positive and healthy relationship and there is an appreciation by Management of the value of the guidance the Board provides. There is candour in the dealings between the Board and Management which, in turn, is reflected in the quality of the discussions between the Board and Management. Board Committees were also considered to work well with thorough debate, a 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 2020, 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 outcome of the evaluation is that every Director has been diligent in discharging his or her duties and has performed well, contributing positively to the Board's deliberations. Additionally, Directors worked well with each other, 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.

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 takes into consideration 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 also 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, and for recommending the remuneration packages of individual Directors 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 the specific remuneration package for each Director.

Executive Resource & Compensation Committee

Mr Ng Kee Choe
Committee Chairman & Non-Executive Independent Director

Ms Goh Swee Chen
Non-Executive Independent Director

Mr Miguel Ko
Non-Executive Non-Independent Director

Mr Stephen Lee Ching Yen
Non-Executive Independent Director

A majority of ERCC members, including the chairman of the ERCC, are non-executive independent Directors. The ERCC met three times in FY 2020.

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 a decision 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 to 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.

Remuneration Policy for Key Management Personnel

The remuneration framework and policy is 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

- Create sustainable value and drive dollar returns above the risk-adjusted cost of capital to align with long term interests of its stakeholders
- Provide sound and structured funding to ensure affordability and cost-effectiveness in line with performance goals
- Enhance retention of key talents to build strong organisational capabilities
- Strengthen alignment to sustainable corporate practices

Motivate Right Behaviour

- Pay for performance – align, differentiate and balance rewards according to multiple dimensions of performance
- Strengthen line-of-sight linking rewards and performance
- Foster Group-wide interests to recognise the interdependence of the various businesses of the Group and drive superior outcomes

Fair & Appropriate
- Ensure competitive remuneration relative to the appropriate external talents
- Manage internal equity such that remuneration is viewed as fair across the Group
- Significant and appropriate portion of pay-at-risk, taking into account risk policies of the Group, symmetrical with risk outcomes and sensitive to the risk time horizon

Effective Implementation
- Maintain rigorous corporate governance standards
- Exercise appropriate flexibility to meet strategic business needs and practical implementation considerations
- Facilitate employee understanding to maximise the value of the remuneration programmes

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 corporate and individual goals and objectives. In its deliberations, the ERCC also took into consideration industry practices and norms in compensation to maintain 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.

Consistent with its practice in previous years, the ERCC appointed an independent remuneration consultant, Willis Towers Watson, to provide professional advice on Board and executive remuneration in FY 2020. 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

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 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 Balanced Scorecard Bonus Plan (BSBP) and Economic Value-Added (EVA)-based Incentive Plan (EBIP).

Balanced Scorecard Bonus Plan

The BSBP 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.

Under 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, Talent Management and Sustainability (including ESG); these are cascaded down throughout the organisation, thereby creating alignment across the Group. In view of the COVID-19 crisis during FY 2020, additional performance measures were introduced relating to preparing and positioning the Group for recovery, protecting the well-being of employees and the community, and managing stakeholders.

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 and industry trends, and approves a bonus pool that corresponds to the performance achieved. For the year under review, the bonus pool was reduced significantly, as a reflection of the Group's business performance in FY 2020.

In determining the payout quantum for each key management personnel under the plan, the ERCC considers the overall business performance, both qualitative and quantative aspects of individual performance, as well as the affordability of the payout to the Company.

Economic Value-Added-based Incentive Plan

The EBIP is based on sharing with employees a portion of the EVA bonus, 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 a real estate 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 the year under review, no EBIP bonus was paid.

C. ***Share-based Components:***

Share awards were granted in FY 2020 pursuant to the CapitaLand Performance Share Plan 2020 (PSP) and the CapitaLand Restricted Share Plan 2020 (RSP) (together, the Share Plans), approved and adopted by the shareholders of the Company at the AGM held on 12 April 2019.

For FY 2020, the total number of shares in the awards granted under the Share Plans did not exceed the yearly limit of 1% of the total number of issued shares (excluding treasury shares). The obligation to deliver the shares will be satisfied 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, the Group CEO and other key management personnel are required to build up, over time, and hold shares of an aggregate value of at least the equivalent of three times and two times their annual base salary, respectively.

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 147 to 150 of this Annual Report and the Equity Compensation Benefits section of the Notes to the FY 2020 Financial Statements on pages 227 to 232 of this Annual Report.

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.

CapitaLand Performance Share Plan 2020

In FY 2020, the ERCC granted awards which 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, provided that minimally the threshold targets are achieved.

Under the PSP, an initial number of shares (baseline award) is allocated according to the following performance conditions:

(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 of comparable scale, scope and business mix in Singapore, Hong Kong and China; and

(c) Average Return on Equity (ROE) of the Group, over the second and third years of the performance period.

The above performance measures have been selected as key measurements of wealth creation for shareholders. 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, more shares than the baseline award can be delivered up to a maximum of 200% 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 at no cost.

For the year under review, the relevant award for assessment of the performance achieved by the Group is the award granted in FY 2018 pursuant to the CapitaLand Performance Share Plan 2010 (PSP 2010) where the qualifying performance period was FY 2018 to FY 2020. Based on the ERCC's assessment that the performance achieved by the Group has partially met the pre-determined performance targets for such performance period, the resulting number of shares released has been adjusted accordingly to reflect the performance level. In respect of the share awards granted in FY 2019 under the PSP 2010 and in FY 2020 under the PSP, the respective qualifying performance periods have not ended as at the date of this Report.

CapitaLand Restricted Share Plan 2020

In FY 2020, the ERCC granted 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, provided that minimally the threshold targets are achieved.

Under the RSP, an initial number of shares (baseline award) is allocated according to the following performance conditions:
(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 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 be released 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 can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost.

In respect of the award granted in FY 2020, based on the ERCC's assessment that the performance achieved by the Group has met the pre-determined performance targets for FY 2020, the resulting number of shares released was in accordance with the performance level achieved.

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 proposes the compensation for the Group CEO for the Board's approval. The Group CEO who attends meetings of the ERCC on an ex officio basis does not attend discussions relating to his own performance and remuneration.

In respect of FY 2020, the total remuneration of the Group CEO is lower by approximately 41% compared to that for the previous year, due to the impact of COVID-19 pandemic on the Group's business and its stakeholders. The details of the remuneration for the Group CEO are provided in the Directors' and Group CEO's Remuneration section on page 112 of this Annual Report.

Provision 8.1 of the Code requires an issuer to disclose the names, amounts and breakdown of remuneration of at least the top five key management personnel (who are not also directors or the chief executive officer) of the issuer in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel. The Board considered this matter carefully and has decided against such a disclosure due to the confidential and commercial sensitivities associated with remuneration matters. Such a disclosure would also not be in the interest of the Company due to the intense competition for talents in the industry. The Company is making available, however, the aggregate remuneration and the breakdown of the components of remuneration in percentage terms of the key management personnel which are set out on page 113 of this Annual Report. The Company is of the view that its practice of disclosing the aforedescribed information as set out on pages 95 to 99 of this Annual Report and the other disclosures in this Report is consistent with the intent of Principle 8 of the Code and provides sufficient information and transparency to shareholders on the Company's remuneration policies, the level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

The ERCC seeks to ensure that the remuneration paid to the Group CEO and key management personnel is strongly linked to the achievement of 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 both 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; 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 large listed companies in Singapore and the region over a multi-year period.

In FY 2020, 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 of the 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 attendance and serving on Board Committees. The Chairman receives an all-inclusive fee (i.e. without any additional fee for attendance and for serving on Board Committees). The compensation package is 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 the international nature of the business. The remuneration of Directors is reviewed from time to time 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 key management personnel and therefore does not receive any Director's fees.

No individual Director by himself or herself could decide his or her own remuneration. Directors' fees are reviewed and recommended by the ERCC to the Board for endorsement and are paid only upon shareholders' approval at an 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 2020, which remains unchanged as that for the previous financial year, is as follows:

Basic Retainer Fee	S$
Board Chairman	750,000[1]
Board Deputy Chairman	137,000
Director	78,000
Fee for appointment to Audit Committee and Strategy, Investment & Finance Committee	
Committee Chairman	60,000
Committee member	30,000
Fee for appointment to any other Board Committees	
Committee Chairman	35,000
Committee member	22,000
Attendance fee for Board/Board Committee meetings (per meeting)	
(a) Attendance in person	
Board meeting	
Local	4,000
Overseas	7,000
Board Committee meeting	
Local	2,200
Overseas	7,000
(b) Attendance via conference telephone or similar communication equipment	
Local and Overseas	1,700
Attendance fee in person or otherwise for project committee meetings/verification meetings/ other meetings where attendance of Directors is required (per meeting)	
Local and Overseas	1,000

1 The fee is all-inclusive and there will be no separate Board retainer fee, committee fee or attendance fee for the Board Chairman.

With the travel restrictions imposed by various countries due to the COVID-19 pandemic, virtual participation at Board and Board Committee meetings in FY 2020 were treated in the same way as in-person participation.

In a show of togetherness and solidarity with stakeholders amid the COVID-19 outbreak, the Company announced a voluntary reduction in Board fees and the base salary of its Senior Management, with effect from 1 April 2020. Pursuant to the foregoing, the aggregate amount of Directors' fees payable for FY 2020 was reduced by 5% before splitting into cash-based and share-based components for each non-executive Director (where applicable).

As was the case for FY 2019, the Directors' fees of the non-executive Directors will be paid as to about 70% in cash and about 30% in the form of share awards under the RSP, save in the case of (i) Mr Ng Kee Choe (who will be retiring from the Board at the conclusion of the upcoming AGM) and Tan Sri Amirsham Bin A Aziz, (who will be stepping down from the Board following the conclusion of the upcoming AGM), both of whom will, according to the current policy, receive their Directors' fees wholly in cash; (ii) Mr Gabriel Lim Meng Liang whose fees will be paid fully in cash to a government agency, The Directorship & Consultancy Appointments Council; and (iii) Mr Miguel Ko who has been appointed as non-executive Deputy Chairman of CLA with effect from 1 November 2020 and hence, in view of the change of his role in CLA from an executive to a non-executive one, his Director's fees for FY 2020 for the period (a) 1 January 2020 to 31 October 2020 will be paid fully in cash to his ex-employer, CLA; and (b) 1 November 2020 to 31 December 2020 will be paid 70% in cash and 30% in the form of share awards under the RSP to Mr Ko.

The awards 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 his or her basic retainer fee 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. Details of the Directors' remuneration are provided in the Directors' and Group CEO's Remuneration section on page 112 of this Annual Report.

The Company will seek shareholders' approval at the upcoming AGM to be held in April 2021 for the remuneration to be paid to the non-executive Directors in respect of, inter alia, the Directors' fees for FY 2020.

As with each past year, an independent remuneration consultant was engaged in FY 2020 to carry out a comprehensive review of the fee structure for the non-executive Directors. The review is undertaken each year with a view to ensuring that the fee structure remains competitive. A competitive fee structure is essential to help ensure that the Company is able to attract and retain qualified individuals necessary to contribute effectively to the Board. There is no change to the fee structure for non-executive Directors.

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 an adequate and effective system of risk management and internal controls (including financial, operational, compliance and information technology (IT) controls) to safe guard 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 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:

(a) make recommendations to the Board on risk strategy, risk appetite and risk limits;
(b) review the risk management framework, including the processes and resources to identify, assess and manage material risks;
(c) oversee the design, implementation and monitoring of the risk management and internal controls systems;
(d) review the material risks facing the Group and the management of risks thereof;
(e) 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
(f) consider and advise on risk matters referred to it by the Board or Management.

CORPORATE GOVERNANCE

Risk Committee

Tan Sri Amirsham Bin A Aziz
Committee Chairman & Non-Executive Independent Director

Mr Kee Teck Koon
Non-Executive Independent Director

Mr Gabriel Lim Meng Liang
Non-Executive Independent Director

All RC members, including the chairman of the RC, are Non-Executive Independent Directors. The RC met twice in FY 2020.

To facilitate sharing of information and knowledge and to foster common understanding of the risk management and internal controls systems, two members of the RC are also 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 ERM section on pages 114 to 117 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 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 2020 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 to address the risks (including financial, operational, compliance and IT risks) which the Company considers relevant and material to its current business environment.

The Group CEO, 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, in FY 2020, the Board received half-yearly 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.

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 and IT risks) which the Company considers relevant and material to its current business environment as at 31 December 2020. The AC and 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 2020.

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, and 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

Mr Anthony Lim Weng Kin
Committee Chairman & Non-Executive Independent Director

Tan Sri Amirsham Bin A Aziz
Non-Executive Independent Director

Mr Gabriel Lim Meng Liang
Non-Executive Independent Director

Mr Chaly Mah Chee Kheong
Non-Executive Independent Director

Dr Philip Nalliah Pillai
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. Mr Anthony Lim Weng Kin was appointed as chairman of the AC in place of Mr Chaly Mah Chee Kheong with effect from 5 March 2021. The members bring with them invaluable recent and relevant managerial and professional expertise in accounting and related financial management domains. The AC met four times in FY 2020.

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 co-operation 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, both the 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:

(a) 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;
(b) 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 information technology controls;
(c) review the assurances from the Group CEO and Group CFO on the financial records and financial statements of the Company;
(d) reviewing the scope and results of the internal audit, and the adequacy, effectiveness and independence of the Company's internal audit function;
(e) review the scope and results of the external audit, and the adequacy, effectiveness and independence of the external auditors;
(f) review the policy, processes and whistle-blowing reports on the detection, investigation and action relating to financial improprieties; and
(g) 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.

To assist the AC to carry out its duty to monitor the performance, objectivity and independence of the external auditors, 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 2020 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 2020 were as follows:

External Auditor Fees for FY 2020	S$'000	As a Percentage to Total Fees Paid
Total Audit Fees	10,381	92%
Total Non-Audit Fees	947	8%
Total Fees Paid	**11,328**	**100%**

At all pre-scheduled quarterly meetings of the AC in FY 2020, the Group CEO and all key management personnel were in attendance. The Company announced on 26 February 2020 that, with effect from FY 2020, the Company will adopt the practice of announcing its financial statements on a half-yearly basis and provide quarterly business updates in between such announcements or as and when necessary. Accordingly, during the AC meetings in February and August 2020, among other things, the AC reviewed the half-yearly financial statements, including the relevance and consistency of the accounting principles adopted and any significant financial reporting issues and judgements, and recommended the half-yearly financial statements and corresponding announcements to the Board for approval. During the AC meetings in May and November 2020, the AC reviewed, among other things, the quarterly business and financial updates presented by Management, which were then presented to the Board for approval. Such business updates contain, among other things, information on the Group's key operating and financial metrics.

In FY 2020, 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.

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).

Key Audit Matters

In its review of the financial statements of the Group and the Company for FY 2020, 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, amongst other matters, the following key audit matters as reported by the external auditors for FY 2020.

Key audit matters	How these issues were addressed by the AC
Valuation of Investment Properties	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 losses or gains during the year under review 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, the underlying key assumptions applied and the material uncertainty clauses highlighted 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.

Internal Audit

The Company has an Internal Audit Department (CL IA). CL IA is independent of the activities it audits. The primary reporting line of CL IA is to the AC, which also decides on the appointment, termination and remuneration of the head of CL IA. CL 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 CL IA through the review of CL IA's processes from time to time, and the AC may make recommendations to the Board for any changes to CL IA's processes. The AC also reviews to ensure that CL 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 CL IA to ensure its proper functioning as internal auditors of the Company. The AC has carried out a review of the internal audit function in respect of FY 2020, and is satisfied that the internal audit function performed by CL IA is adequately resourced, effective and independent.

CL IA plans its internal audit schedules in consultation with, but independently of, Management and its plan is submitted to the AC for approval prior to the beginning of each year. During FY 2020, the AC reviewed the results of audits performed by CL IA based on the approved audit plan. The AC also reviewed reports on whistle-blower complaints reviewed by CL IA to ensure independent and thorough investigation and adequate follow-up. The AC also received reports on interested person transactions reviewed by CL IA, noting that the transactions were on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

The AC also meets with CL IA at least once a year without the presence of Management.

CL IA is adequately resourced and staffed with persons having the relevant qualifications and experience. CL IA is a corporate member of the Institute of Internal Auditors Inc. Singapore (IIAS), which is an affiliate of the Institute of Internal Auditors Inc. headquartered in the United States of America (US). CL 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 by competent professionals, CL IA recruits and employs suitably qualified professional staff with the requisite skill sets and experience. This includes CL IA staff who are involved in IT audits having 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. CL 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.

General Meetings

In FY 2020, the Company's AGM in respect of FY 2019 (AGM 2020) was deferred to a later date as a result of measures introduced by the Singapore government in April 2020 to curb community spread of COVID-19. The deferred AGM 2020 was subsequently convened and held by way of electronic means on 29 June 2020, 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 (COVID-19 Temporary Measures Order) 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 (Checklist).

The alternative arrangements put in place for the conduct of AGM 2020 included attendance at the AGM 2020 via electronic means under which shareholders could observe and/or listen to the AGM 2020 proceedings via live audio-visual webcast or live audio-only stream, submission of questions to the chairman of the meeting in advance of the AGM 2020, addressing of substantial and relevant questions prior to the AGM 2020 and voting by appointing the chairman of the meeting as proxy. All Directors (including the Group CEO who is also a Director) attended the AGM 2020 either in-person or via electronic means. A record of the Directors' attendance at the 2020 AGM can be found in the record of their attendance at general meeting(s) and Board and Board Committee meetings for FY 2020 set out on page 111 of this Annual Report. The upcoming AGM to be held in April 2021 will also be convened and held by way of electronic means pursuant to the COVID-19 Temporary Measures Order and the Checklist.

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. Nevertheless, for the Company's general meetings which are convened and held pursuant to the COVID-19 Temporary Measures Order and the Checklist, shareholders may only appoint the chairman of the meeting as their proxy to attend, speak and vote on their behalf at the general meeting.

The Company supports the principle of encouraging shareholder participation and voting at general meetings. The Annual Report of the Company is provided to shareholders within 120 days from the end of the Company's financial year. Shareholders may download the Annual Report (printed copies are available upon request) and notice of the general meeting from the Company's website at www.capitaland.com. The notice of general meeting is also available on SGXNet. More than the legally required notice period for general meetings is generally provided. 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.

At general meetings, the Group CEO presents and updates shareholders on the Company's performance, position and prospects. The presentation materials are made available to shareholders on the Company's website and 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 the external auditors, 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. Under normal circumstances, Directors and Management would interact with shareholders after the general meetings conducted in a physical format. Due to the COVID-19 situation in Singapore and in order to minimise the risk of community spread of the coronavirus, in respect of AGM 2020 (which was convened and held pursuant to the COVID-19 Temporary Measures Order and the Checklist) although shareholders were not able to physically attend the meeting, they were able to submit questions to the chairman of the meeting in advance of the meeting and substantial and relevant questions were addressed before the meeting via publication on the Company's website and on the SGXNet.

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. Nevertheless, for the Company's general meetings which are convened and held pursuant to the COVID-19 Temporary Measures Order and the Checklist, shareholders may only vote by appointing the chairman of the meeting as their proxy to vote on their behalf. 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 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, however, 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, Chapter 50 of Singapore, 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 the respective general meetings.

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.capitaland.com and where required, on SGXNet.

Engagement with Shareholders

Outside of general meetings, the Company actively engages with its shareholders to provide them with the information they need to make informed judgements about the Company, and to solicit and understand their views.

The Company's institutional shareholder base is geographically well-diversified. To keep them updated on the Company's progress, the Company regularly participates in investor conferences and conducts non-deal roadshows globally. To ensure that investors are kept abreast of the Company's progress and responses to the challenges posed by COVID-19 in FY 2020, the Company continued to actively participate in these engagements, albeit virtually. The Company presented at more than 30 virtual institutional investor conferences and roadshows and held around 70 one-on-one meetings. In FY 2020, the Company held its inaugural sustainability roadshow to explain the importance of sustainability to the Company's businesses. The roadshow attacted approximately 100 institutional attendees. Conducting meetings virtually has allowed the Company to reach out to more investors. In FY 2020, Management had face time with close to 800 investors (more than 30% increase compared to FY 2019).

For retail shareholders, the Company also pursues opportunities to keep them informed through the business media, website postings and other publicity channels. The Company also hosts dialogue sessions for retail investors, for example, in July 2020, the Company hosted more than 40 retail investors virtually for the annual "Kopi with CapitaLand". This was held shortly after AGM 2020 to provide an opportunity for retail shareholders to pose any follow-up questions to CapitaLand's senior management team.

Materials disseminated to institutional investors are also disseminated via SGXNet for access by retail shareholders.

The Company has an Investor Relations department which facilitates effective communication with the Company's shareholders and the general investor community which includes sell-side analysts, fund managers and retail investors analysts. 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 (Policy) to promote regular, effective and fair communications with its shareholders. The 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 Group's website at www.capitaland.com. Shareholders are encouraged to engage with the Company beyond general meetings and they may do so by contacting the Investor Relations department whose details may be found on the Group's website.

The Company also has a Group Communications team 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 in the Our Stakeholders section on pages 22 to 26 of this Annual Report.

Dividends Policy

The Company has a policy on the payment of dividends. 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 revaluation gains/losses. Upon approval by shareholders at the general meeting, dividends are generally paid to all shareholders within 15 market days after the record date. However, where a scrip dividend scheme is applied to a qualifying dividend, such dividends are paid to all shareholders within 35 market days after the record date, in accordance with the requirements of the Listing Manual.

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 SGXNet on a timely and consistent basis. These announcements and news releases are also posted on the Company's website.

For FY 2020, the Company provided shareholders with half year and full year financial statements within the relevant periods prescribed by the Listing Manual. These half year and full year financial statements were reviewed and approved by the Board prior to release to shareholders by announcement on the SGXNet. The releases of the half year and full year financial statements were accompanied by news releases issued to the media, which were also posted on the SGXNet. In presenting the half year and full year financial statements to shareholders, the Board sought 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 provided 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 addition to the announcement of half year and full year financial statements in FY 2020, in keeping with the Company's commitment to provide its shareholders with information promptly, the Company also provided shareholders, on a voluntary basis, with quarterly business updates in between the announcement of half-yearly 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 stronger and 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 Group launched its 2030 Sustainability Masterplan in October 2020. 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 environmental, social and governance considerations into its investment analysis, financing consideration and day-to-day business operations. The Master Plan will be reviewed every two years. The Company engages with 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.capitaland.com with current information on its sustainability strategy and stakeholder engagements, so as to facilitate communication and engagement with the Company's stakeholders. Further information on the Company's Sustainability Master Plan and stakeholder engagement can be found on pages 44 to 51 of this Annual Report.

The Company has received recognition for its efforts on sustainability. It is listed in the Global 100 Most Sustainable Corporations Index, Dow Jones Sustainability World Index and Asia-Pacific Index, Global Real Estate Sustainability Benchmark (Global Sector Leader, Diversified-Listed), FTSEGood Index Series, MSCI Global Sustainability Indexes and The Sustainability Yearbook. More information on the Company's efforts on sustainability management can be found on pages 46 to 51 of this Annual Report and in the CapitaLand Global Sustainability Report 2020, which will be published by 31 May 2021.

ADDITIONAL INFORMATION

Dealings in Securities

The Company has adopted a securities dealing 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 (i) while in possession of material unpublished price-sensitive or trade-sensitive information, and (ii) 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[1]. 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.

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.

1 This follows the Company's adoption of the practice of announcing half-yearly financial statements with effect from FY 2020.

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. In addition, Senior Management are required to notify the Group CEO of any intended trade prior to any trade of the Company's securities.

A Director is required to notify the Company of his or her interest in the Company's securities within two business days after (a) the date on which he or she becomes a Director or (b) 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, Chapter 289 of Singapore. In FY 2020, there were no dealings by the Directors in the securities of the Company (other than the award of shares to them in part payment of their Directors' fees and their election to receive shares in lieu of cash dividends under the CapitaLand Scrip Dividend Scheme, and in the case of the Group CEO who is also a Director, the contingent award of shares and the release of shares to him pursuant to the Share Plans and his election to receive shares in lieu of cash dividends under the CapitaLand Scrip Dividend Scheme).

Ethics and Code of Business Conduct

The Company adheres to an ethics and code of business conduct policy which deals with issues such as business ethics, confidentiality, conduct and work discipline.

The Company's core values include integrity. 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 in managing fraud, bribery and corruption risks in an integrated, systematic and consistent manner. The FBC Risk Management Policy works together 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 to detect and prevent occupational 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 imbibing employees on good business conduct and ethical values.

These policies and guidelines are published on the Company's Intranet, which is accessible by all employees.

Whistle-blowing Policy

A whistle-blowing policy and other procedures are put in place to provide the Group's employees and parties who have dealings with the Group with well-defined, accessible and trusted channels to report suspected fraud, corruption, dishonest practices or other improprieties in the workplace, and for the independent investigation of any reported incidents and appropriate follow-up actions. The objective of the whistle-blowing policy is to encourage the reporting of such matters – 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.

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 policy is 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 is covered during periodical communications to all staff.

Business Continuity Management

The Company has implemented a Business Continuity Management (BCM) 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 and also has in place a Business Continuity Plan (BCP). Under the BCP, Management has identified the critical business functions, processes and resources, and has a pool of employees who are 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. 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, allow the Company to continue to function and mitigate any negative effects that the 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 2020[1]

	Board[8]	Audit Committee	Executive Resource and Compensation Committee	Nominating Committee	Risk Committee	Strategy, Investment and Finance Committee	AGM
No. of Meetings Held	5	4	3	4	2	9	1
Board Members							
Ng Kee Choe	100%	-	100%	100%	-	100%	100%
Miguel Ko[2]	100%	-	100%	-	-	100%	100%
Lee Chee Koon[3]	100%	-	-	-	-	-	100%
Tan Sri Amirsham Bin A Aziz	100%	100%	-	-	100%	-	100%
Goh Swee Chen[4]	100%	-	100%	100%	-	-	100%
Kee Teck Koon[5]	100%	-	100%	-	100%	100%	100%
Stephen Lee Ching Yen	100%	-	100%	100%	-	-	100%
Gabriel Lim Meng Liang	100%	100%	-	-	100%	-	100%
Anthony Lim Weng Kin[6]	100%	100%	-	-	-	100%	100%
Chaly Mah Chee Kheong[7]	100%	100%	-	-	100%	100%	100%
Dr Philip Nalliah Pillai	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 computed accordingly.
2 Appointed as a member of the ERCC on 26 February 2020.
3 Attended all Board Committee meetings on an ex officio basis.
4 Appointed as a member of the NC on 26 February 2020.
5 Appointed as a member of the RC and ceased as a member of the ERCC on 26 February 2020.
6 Appointed as a member of the AC on 26 February 2020.
7 Ceased as a member of the RC on 26 February 2020.
8 Includes a Board Strategy Meeting held over 2 days.

DIRECTORS' AND GROUP CEO'S REMUNERATION TABLE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Directors and Group CEO of the Company	Salary inclusive of employer's CPF S$	Bonus and other benefits inclusive of employer's CPF[1] S$	Share awards[2] S$	Directors' fees[3] Cash Component S$	Directors' fees[3] Shares component S$	Benefits[4] S$	Total Remuneration[5] S$
Director and Group CEO							
Lee Chee Koon	962,640	1,518,331	1,384,316	-	-	-	3,865,287
Sub-Total 1	**962,640**	**1,518,331**	**1,384,316**	**-**	**-**	**-**	**3,865,287**
Non-Executive Directors							
Ng Kee Choe	-	-	-	712,500	-	-	712,500
Miguel Ko[3]	-	-	-	180,437	-	-	180,437
	-	-	-	30,656	13,139	-	43,795
Tan Sri Amirsham Bin A Aziz	-	-	-	215,650	-	-	215,650
Goh Swee Chen	-	-	-	100,969	43,273	-	144,242
Kee Teck Koon	-	-	-	118,504	50,787	-	169,291
Stephen Lee Ching Yen	-	-	-	115,976	49,704	-	165,680
Gabriel Lim Meng Liang[3]	-	-	-	157,890	-	-	157,890
Anthony Lim Weng Kin	-	-	-	122,234	52,386	-	174,620
Chaly Mah Chee Kheong	-	-	-	150,401	64,458	-	214,859
Dr Philip Nalliah Pillai	-	-	-	114,114	48,906	3,500	166,520
Sub-Total 2	**-**	**-**	**-**	**2,019,331**	**322,653**	**3,500**	**2,345,484**
Total for Directors and Group CEO of the Company	**962,640**	**1,518,331**	**1,384,316**	**2,341,984**		**3,500**	**6,210,771**

1 The disclosure includes the bonuses earned under the EBIP and the other incentive plans which have been accrued for in FY 2020. Under the EBIP, EVA bonus declared during the year is added to the bonus account and one-third of the accumulated balance in the bonus account will be paid out in cash annually with the remaining two-thirds to be carried forward to the following year, provided that the reported Group EVA is positive; any negative EVA bonus declared will result in an offset against the current EVA bonus account balance.

2 The share awards are based on the fair value of the shares comprised in the contingent awards under the Share Plans at the time of grant. The final number of shares released under the contingent awards of shares for RSP and PSP will depend on the achievement of pre-determined targets and subject to the respective vesting periods under the RSP and PSP.

3 Total Directors' fees payable for FY 2020 were reduced by 5% before splitting into cash-based and share-based components for each non-executive director. The Company announced a voluntary 5 per cent to 15 per cent reduction in Board members and senior management's board fee and base salary as a "show of togetherness and solidarity" with stakeholders amid the Covid-19 outbreak. If approved, the aggregate amount of Directors' fees of S$2,341,984 will be paid as to S$2,019,331 in cash, and S$322,653 in the form of share awards under the RSP with any residual balance to be paid in cash. Directors' fees of the non-executive Directors will be paid as to about 70% in cash and about 30% in the form of share awards under the RSP , save in the case of (i) Mr Ng Kee Choe (who will be retiring from the Board at the conclusion of the upcoming AGM) and Tan Sri Amirsham Bin A Aziz (who will be stepping down from the Board following the conclusion of the upcoming AGM), both of whom will, according to current policy, receive their Directors' fees wholly in cash; (ii) Mr Gabriel Lim Meng Liang whose fees will be paid fully in cash to a government agency, The Directorship & Consultancy Appointments Council; and (iii) Miguel Ko who has been appointed as non-executive deputy chairman of CLA with effect from 1 November 2020 and hence, in view of the change of his role in CLA from an executive to a non-executive one, his Director's fees for FY 2020 for the period (a) 1 January 2020 to 31 October 2020 will be paid fully in cash to his ex-employer, CLA; and (b) 1 November 2020 to 31 December 2020 will be paid 70% in cash and 30% in the form of share awards under the RSP to Mr Ko. The actual number of shares to be awarded will be based on the volume-weighted average price of a share of the Company on the Singapore Exchange Securities Trading Limited over the 14 trading days from (and including) the ex-dividend date following the AGM. The actual number of shares to be awarded will be rounded down to the nearest share, and any residual balance settled in cash. The awards will consist of the grant of fully paid shares, with no performance conditions attached and no vesting periods imposed, although a share retention policy applies. The Directors' fees will only be paid upon approval by shareholders at the upcoming AGM.

4 The Company provides complimentary accommodation in the serviced apartments managed by the Group of up to 7 nights per year to non-executive Directors.

5 The remuneration of the non-executive Directors amounting to S$2,345,484 in aggregate is subject to approval by shareholders at the upcoming AGM.

REMUNERATION OF GROUP CEO AND KEY MANAGEMENT PERSONNEL

The remuneration of the Group CEO and the key management personnel of the Group and in aggregate the total remuneration paid to them for FY 2020 is set out in the table below:

	Salary inclusive of employer's CPF	Bonus and other benefits inclusive of employer's CPF[1]	Share awards[2]	Total
Lee Chee Koon	S$962,640 25%	S$1,518,331 39%	S$1,384,316 36%	S$3,865,287 100%
Jason Leow Juan Thong Lucas Ignatius Loh Jen Yuh[3] Jonathan Yap Neng Tong Andrew Geoffrey Lim Cho Pin Tan Seng Chai Kevin Goh Soon Keat	S$4,089,342 34%	S$4,072,078 33%	S$4,071,877 33%	S$12,233,297 100%
Aggregate Remuneration for Group CEO and Key Management Personnel	**S$16,098,584 (FY 2019: S$22,378,012[4])**			

1 The disclosure includes the bonuses earned under the EBIP and the other incentive plans which have been accrued for in FY 2020. Under the EBIP, EVA bonus declared during the year is added to the bonus account and one-third of the accumulated balance in the bonus account will be paid out in cash annually with the remaining two-thirds to be carried forward to the following year, provided that the reported Group EVA is positive; any negative EVA bonus declared will result in an offset against the current EVA bonus account balance.
2 The share awards are based on the fair value of the shares comprised in the contingent awards under the Share Plans at the time of grant. The final number of shares released under the contingent awards of shares for RSP and PSP will depend on the achievement of pre-determined targets and subject to the respective vesting periods under the RSP and PSP.
3 The disclosure excludes overseas posting allowances and benefits of approximately S$209,000.
4 The Aggregate Remuneration for FY 2019 excludes that of Mr Kevin Goh Soon Keat who was appointed CEO, Lodging on 1 April 2020.

ENTERPRISE RISK MANAGEMENT

CapitaLand takes a proactive approach to risk management, making it an integral part of our business – both strategically and operationally. Our objective is not risk minimisation, but rather the optimisation of opportunities within the known and agreed risk appetite levels set by our Board of Directors (Board). We take measured risks in a prudent manner for justifiable business reasons.

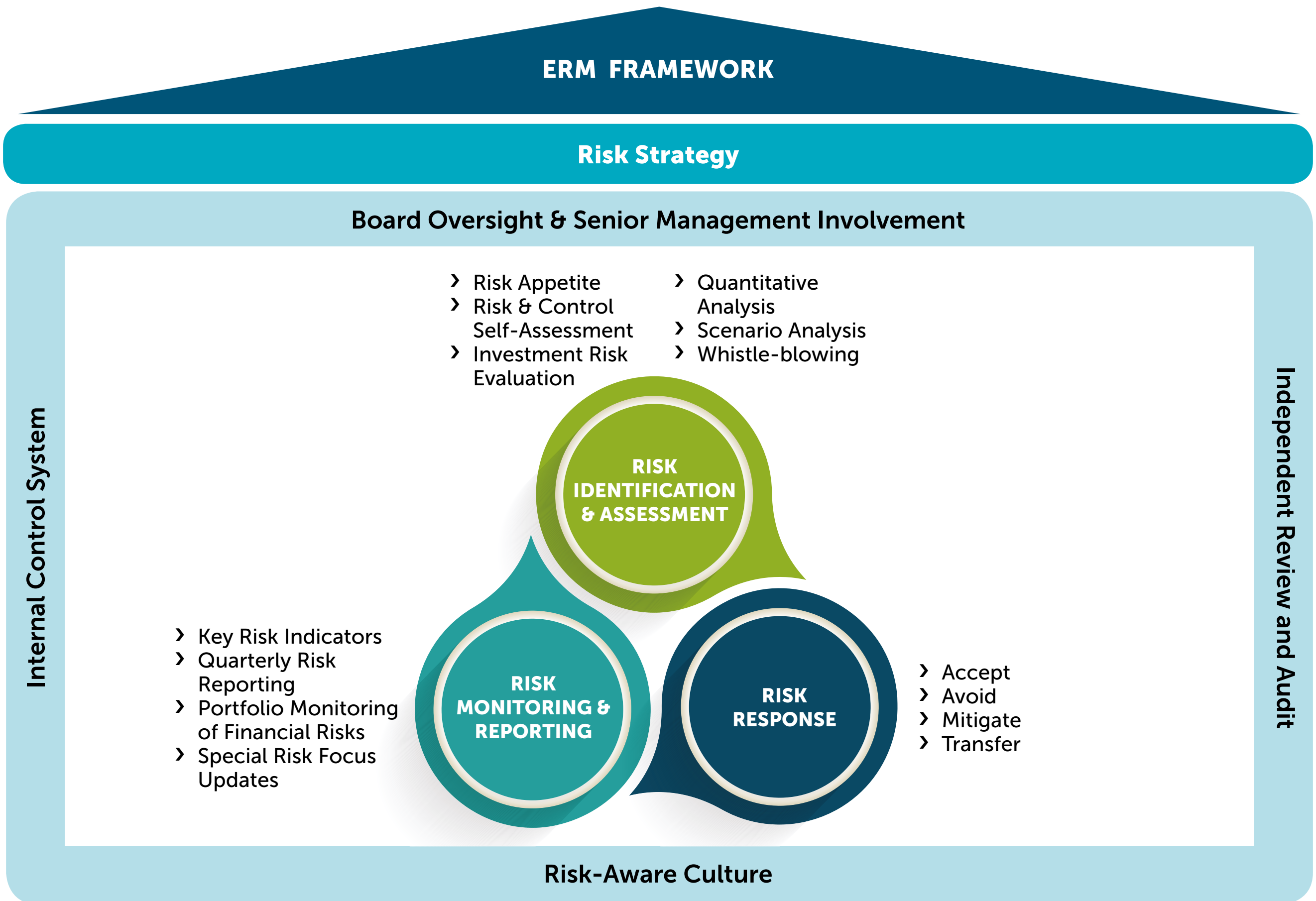
GOVERNANCE

The Board is responsible for the governance of risks across the Group. The role of the Board includes determining the Group's risk appetite; overseeing the Group's Enterprise Risk Management (ERM) Framework; regularly reviewing the Group's risk profile, material risks and mitigation strategies; and ensuring the adequacy and effectiveness of the risk management framework and policies. For these purposes, it is assisted by the Risk Committee (RC), established in 2002, which provides dedicated oversight of risk management at the Board level, including adhoc risk matters referred to it by the Board.

The RC, made up of three independent Board members, meets on a regular basis. The meetings are attended by the Group CEO as well as other key management staff. The RC is assisted by the Group Risk Management Department (GRM), a dedicated, independent in-house unit made up of highly specialised and professional members with vast and diverse experience in financial, procedural and operational risk management.

The Board approves the Group's risk appetite, which determines the nature and extent of material risks that the Group is willing to take to achieve its strategic and business objectives. The Group's Risk Appetite Statement (RAS) is expressed via formal, high-level and overarching statements and accompanying risk limits which determine specific risk boundaries established at an operational level. Taking the interests of all key stakeholders into consideration, the RAS sets out explicit and forward-looking views of the Group's desired risk profile and ensures it is aligned with the Group's strategies and business plans.

The Group CEO, together with a team of other key management personnel, is responsible for directing and monitoring the development, improvement, implementation and practice of ERM across the Group. Operationally, risk champions from the different business units and corporate functions, as well as various specialist support functions, are tasked to develop, implement and monitor risk management policies, methodologies and procedures in their respective areas of responsibility.



The Group's ERM Framework is adapted from the International Organization for Standardization (ISO) 31000 International Risk Management Standards. It is also guided by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control-Integrated Framework and other relevant best practices and guidelines. It specifies the required environmental and organisational components needed to manage risks in an integrated, systematic and consistent manner. The ERM Framework and related risk management policies are reviewed annually and updated in compliance with latest regulatory requirements as well as best practices in the industry.

A robust internal control system and an effective, independent review and audit process underpin the Group's ERM Framework. While line management is responsible for the design and implementation of effective internal controls using a risk-based approach, the Internal Audit function reviews such design and implementation to provide reasonable assurance to the Audit Committee (AC) on the adequacy and effectiveness of the risk management and internal control systems.

CapitaLand's ERM programme is based on fostering the right risk culture. The GRM conducts regular workshops to enhance risk management knowledge and promote a culture of risk awareness within the Group. Risk management principles are embedded in all our decision-making and business processes. Once a year, the GRM coordinates a Group-wide Risk and Control Self-Assessment (RCSA) exercise. This requires business units and corporate functions to identify, assess and document material risks which include Environment, Social and Governance (ESG)- relevant risks; along with their key controls and mitigating measures. Material risks and their associated controls are consolidated and reviewed at the Group level before they are presented to the RC, AC and the Board.

MANAGING MATERIAL RISKS

CapitaLand takes a comprehensive, iterative approach in identifying, managing, monitoring and reporting material risks across the Group. These material risks include:

Material Risks	Details	Key Mitigating Actions
Business Interruption/ Pandemic	› Business disruptions arising from the COVID-19 pandemic have negatively impacted the real estate industry, particularly in the retail, office and lodging sectors, resulting in potential structural disruption shifts in these asset classes › It accelerated the pace of pre-existing trends on digital adoption, which has disrupted and transformed the real estate industry to an even greater extent › It also spurred stakeholders' attention on the diversification and resilience in the Group's supply chain	› Continue to place the well-being of our tenants, shoppers, guests and customers as top priority by adopting contactless technologies and innovative tech solutions to enhance safety, cleanliness and hygiene at the Group's properties › Future proof the Group's business through digitalisation of business operations and processes, innovation and flexibility in the Group's product offerings such as accelerating our omnichannel solutions, assisting our customers with digital transition, optimising the use-of-space, providing flexible work space and extending offerings in the new norm › Look out for counter-cyclical opportunities that will strategically uplift the Group's growth trajectory › Build collaborative relationships and work closely with supply chain contractors, vendors and suppliers to achieve environmental and social goals through CapitaLand's Supply Chain Code of Conduct
Climate Change	› Physical risks such as rising sea levels, violent storms, long intense heat waves, flash floods and fresh water depletion › Transitional risks including potentially more stringent regulations and increased expectations from stakeholders	› Regular reviews of the Group's mitigation and adaptation efforts, which include future proofing our portfolio against changing climatic conditions from the design stage and improving the operational efficiency of our properties, setting targets for carbon emissions, water, energy and waste efficiency. › We have in place a Group environmental management system which is externally certified to ISO 14001 › For more information, please refer to CapitaLand's Global Sustainability Report 2020, to be published by 31 May 2021

ENTERPRISE RISK MANAGEMENT

Material Risks	Details	Key Mitigating Actions
Competition	› Keen industry competition from established and new real estate players who are able to capture our customers by meeting their expectations or reacting aptly to market trends	› Constantly strive to differentiate ourselves from our peers by adapting the Group's business and products to the evolving needs of our customers, delivering exceptional products and services, and engaging customers with customer-centric initiatives and loyalty programmes › Focus on building key enablers that give the Group a competitive advantage amidst the competition and digital disruptions, such as embarking on digital transformation in our processes, enhancing our data analytics capabilities to speed up data-driven decisions, and leveraging innovation tools and solutions to assist our customers to pivot to the new digital operating model › Incorporate ESG considerations in the Group's business to reinforce our leading position as a sustainable real estate company › Leverage in-house team of industry analysts to keep the Group on top of latest market trends › Sharpen the Group's development focus with stronger execution abilities
Economic	› Exposure to event risks, such as pandemics, political leadership uncertainties/changes, trade wars, economic downturns and sudden changes in real estate related regulations in major economies as well as key financial and property markets	› Diversify our portfolio across asset classes and geographies in accordance with Board-approved country limits › Focus on markets where the Group has operational scale and the underlying economic fundamentals are more robust › Actively monitor macroeconomic trends, policies and regulatory changes in key markets › Perform scenario analysis using an in-house developed 'Value-at-Risk' model
Financial	› Exposure to financial risks involving liquidity, foreign currency and interest rates given the Group's diversified portfolio of businesses › Volatility of cash flow negatively impacting planned cash generation and cash usage profile › Volatility of foreign currencies and interest rates resulting in realised/ unrealised losses	› Measure and evaluate financial risks using multiple risk management models, such as conducting 'Cold-Winter' scenario reviews, stress testing and 'Value-at-Risk' modelling › 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 255
Fraud, Bribery & Corruption	› Any forms of fraud, bribery and corruption that could be perpetuated by employees, third parties or collusion between employees and third parties	› Promote an ethical culture at all levels of the Group that builds a strong foundation for a leading real estate company › Adopt a zero-tolerance stance against fraud, bribery and corruption in the conduct of business and reinforce the importance of integrity – one of the Group's core values › Communicate the commitment to integrity from the top through policies, such as Fraud, Bribery & Corruption (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 › All employees are to sign the CapitaLand Pledge to renew their commitment to uphold the Group's core values annually

Material Risks	Details	Key Mitigating Actions
Information Technology/ Cyber Security	› 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. This may have negative impact to customer experience, financials and/or regulatory compliance	› Execute CapitaLand's Cyber Security Strategy through ongoing review against existing/evolving threat landscapes, and institute measures to minimise vulnerability exposure and manage threat vectors › Roll out ongoing staff IT Security Awareness Training to counter human intervention in the information security chain › Periodically review and update Group-wide IT Security Policy and Data Protection Framework to ensure relevancy › Maintain and test IT Security Incident Management Procedure to ensure prompt response and timely remediation to cyber security incidents › Conduct annual Disaster Recovery Plan (DRP) exercise to ensure timely recoverability of business-critical IT systems › Engage independent security service providers to conduct vulnerability assessment to further strengthen the IT systems. › Regularly update RC on the state of Cyber Security risk activities and key control improvements
Investment & Divestment	› Deployment of capital into loss- making or below-target return investments due to wrong underwriting assumptions or poor execution › Inadequate planning to identify suitable divestment opportunities	› GRM conducts a comprehensive independent risk evaluation report for all projects above a stipulated investment value threshold › Hurdle rates and weighted average cost of capital based on relevant risk adjusted input parameters, used as investment benchmarks are reviewed/updated annually and adjusted accordingly where necessary › Monitor asset performance for both completed and projects under development › Integrate sustainability in real estate life cycle from the earliest stage of our investment, redevelopment and divestment processes
Project Management	› Inability to meet the project's key deliverables in relation to cost, quality and time to completion which may adversely impact profitability	› Conduct regular site visits to closely monitor progress of development projects › Appoint vendors through a stringent pre-qualification procedure to assess key criteria such as vendors' track records and financial performance › Leverage in-house teams of experienced technical staff to provide guidance and independent audit checks on safety, quality of architectural design, and mechanical and electrical engineering detailing
Regulatory & Compliance	› Non-compliance to applicable local laws and regulations in the markets CapitaLand operates in, which may lead to hefty penalties/fines and negative publicity	› Maintain a framework that proactively identifies the applicable laws and regulations, and embeds compliance into day-to-day operations › Leverage in-house specialised teams such as compliance and tax that provide advisory services and updates on latest changes to laws and regulations › Report significant regulatory non-compliance cases to the RC on a quarterly basis for oversight by the Board
Safety, Health & Well-being	› Increased expectations from stakeholders to provide a safe and healthy environment, including well-being, at our development projects and operations	› Regular reviews of the Group's mitigation efforts which include work-related safety targets applicable to both CapitaLand and our supply chains › We have in place a Group health and safety management system which is externally certified to ISO 45001 › For more information, please refer to CapitaLand's Global Sustainability Report 2020, to be published by 31 May 2021

PROPERTY PORTFOLIO
INTEGRATED DEVELOPMENTS

City	Property	Effective Stake (%)	GFA (sqm)	Tenure (Years)	Tenure Expiry/ Lease Type
CHINA					
Beijing	Raffles City Beijing R: 36% O: 37% L: 27%	55.0	110,996	Leasehold	2046 Retail 2056 Integrated Use
Chengdu	CapitaMall Tianfu R: 72% O: 11% S: 17%	50.0	194,114	Leasehold	2048 Commercial 2078 Residential
	Raffles City Chengdu R: 33% O: 29% L: 26% S: 12%	55.0	242,086	Leasehold	2046
Chongqing	Raffles City Chongqing R: 29% O: 8% L: 11% S: 52%	100.0 [A]	763,540	Leasehold	2057 Commercial 2087 Residential
Guangzhou	Guangzhou Science City O: 70% S: 30%	45.0 [A]	142,107	Leasehold	2058
Hangzhou	Raffles City Hangzhou R: 37% O: 13% L: 26% S: 24%	55.0	282,177	Leasehold	2049
Ningbo	Raffles City Ningbo R: 51% O: 30% S: 19%	55.0	100,184	Leasehold	2047
	Y-Town O: 36% S: 64%	100.0	24,173	Leasehold	2057
Shanghai	Capital Square R: 33% O: 67%	70.0	70,481	Leasehold	2052 Retail 2062 Office
	Capital Tower Shanghai R: 2% O: 66% L: 32%	99.0 [B]	66,160	Leasehold	2056
	CapitaMall Hongkou R: 74% O: 26%	72.5	202,145	Leasehold	2057
	CapitaMall LuOne R: 65% O: 35%	33.0 [A]	130,085	Leasehold	2056
	CapitaMall Minhang R: 62% O: 38%	65.0	144,915	Leasehold	2053
	Raffles City The Bund R: 43% O: 57%	20.8 [A]	312,728	Leasehold	2053 Retail 2063 Office
	Raffles City Changning R: 47% O: 53%	42.8	273,447	Leasehold	2055
	Raffles City Shanghai R: 34% O: 66%	30.7	139,593	Leasehold	2045
Shenzhen	Raffles City Shenzhen R: 56% O: 26% L: 18%	30.4	121,348	Leasehold	2056
Suzhou	Suzhou Center Mall & Suzhou Center Office R: 80% O: 20%	50.0	289,306	Leasehold	2051
Tianjin	Tianjin International Trade Centre R: 18% O: 23% S: 59%	100.0	189,720	Leasehold	2057

Legend: R: Retail, O: Office, L: Lodging, S: Strata Sales

City	Property	Effective Stake (%)	GFA (sqm)	Tenure (Years)	Tenure Expiry/ Lease Type
CHINA					
Wuhan	CapitaMall Westgate R: 65% O: 9% S: 26%	100.0	241,523	Leasehold	2053 Commercial 2063 Integrated Use
	CapitaMall Wusheng R: 73% L: 27%	45.0	107,281	Leasehold	2044
Xi'an	CapitaMall Xindicheng R: 35% O: 37% L: 13% S: 15%	45.0	170,888	Leasehold	2043
China Total			**4,318,997**		
INDONESIA					
Jakarta	The Stature Jakarta R: 1% O: 33% L: 28% S: 38%	50.0	55,436	20 to 30	2029 to 2037
Indonesia Total			**55,436**		
MALAYSIA					
Petaling Jaya	3 Damansara Property R: 83% O: 17%	37.3 [1]	71,452	Freehold	
Malaysia Total			**71,452**		
SINGAPORE					
Singapore	CapitaSpring NLA - R: 1,084 sqm O: 59,027 sqm L: 299 rooms	58.0 [2,3,A]	93,351	99	2081
	Funan R: 66% O: 34%	28.9 [2,4]	71,283	99	2078
	CanningHill Square and CanningHill Piers R: 15% S: 85%	50.0 [5]	71,688	97	2077
	Plaza Singapura NLA - R: 100%	28.9 [2]	70,347	Freehold	
	The Atrium@Orchard NLA - R: 35% O: 65%	28.9 [2]	53,569	99	2107
	Raffles City Singapore NLA - R: 39,707 sqm O: 35,425 sqm L: 2,030 rooms	28.9 [2]	320,490	99	2078
	Sengkang Grand Mall and Sengkang Grand Residences R: 23% S: 77%	50.0 [A]	65,621	99	2117
Singapore Total			**746,349**		
VIETNAM					
Hanoi	Integrated Site in Tay Ho District R: 22% O: 26% L: 18% S: 34%	99.8 [B]	94,448	Leasehold	2056 Retail/Serviced Residence
Ho Chi Minh City	D1MENSION L: 66% S: 34%	100.0	37,832	Freehold*	Residential
	Somerset Vista O: 42% L: 58%	100.0	24,753	Leasehold	2056 Office/Serviced
	The Vista R: 100%	100.0	17,843	Leasehold	2056 Retail/Office
Vietnam Total			**174,876**		
Grand Total			**5,367,110**		

Legend: R: Retail, O: Office, L: Lodging, S: Strata Sales

PROPERTY PORTFOLIO
SHOPPING MALLS

City	Property	Effective Stake (%)	GFA (sqm)	Tenure (Years)	Tenure Expiry/ Lease Type
CHINA					
Beijing	CapitaMall Crystal	45.0	72,422	Leasehold	2043 Commercial 2053 Underground Car Park
	CapitaMall Grand Canyon	24.5 [6]	69,967	Leasehold	2044 Commercial 2054 Underground Car Park
	CapitaMall Shuangjing	24.5 [6]	49,463	Leasehold	2042
	CapitaMall Taiyanggong	45.0	83,693	Leasehold	2044
	CapitaMall Tiangongyuan	100.0	134,693	Leasehold	2051
	CapitaMall Wangjing	24.5 [6]	68,010	Leasehold	2043 Commercial 2053 Underground Car Park
	CapitaMall Xizhimen	24.5 [6]	83,075	Leasehold	2044 Commercial 2054 Integrated Use
Changsha	CapitaMall Yuhuating	24.5 [6]	75,431	Leasehold	2044
Chengdu	CapitaMall Jinniu	45.0	152,045	Leasehold	2044
	CapitaMall Meilicheng	50.0	61,182	Leasehold	2044
	CapitaMall Xinnan	24.5 [6]	53,619	Leasehold	2047
Dalian	CapitaMall Peace Plaza	30.0	152,125	Leasehold	2035
Guangzhou	CapitaMall SKY+	100.0	87,404	Leasehold	2051
	Rock Square	24.5 [6]	83,591	Leasehold	2045
Harbin	CapitaMall Aidemengdun	24.5 [6]	43,394	Leasehold	2042
	CapitaMall Xuefu	24.5 [6]	104,294	Leasehold	2045
Huhhot	CapitaMall Saihan	24.5 [6,7]	41,938	Leasehold	2041
	Yuquan Mall	24.5 [6]	76,309	Leasehold	2049
Mianyang	CapitaMall Fucheng	45.0	90,244	Leasehold	2044
Qingdao	CapitaMall Xinduxin	50.0	104,849	Leasehold	2050
Rizhao	CapitaMall Rizhao	30.0	70,898	Leasehold	2043
Shanghai	CapitaMall Qibao	24.5 [6]	72,729	Leasehold	2024 Master Lease
Tianjin	CapitaMall TianjinOne	30.0	59,305	Leasehold	2054
Wuhan	CapitaMall 1818	50.0	61,363	Leasehold	2052
	CapitaMall Minzhongleyuan	24.5 [6]	41,717	Leasehold	2044 Conserved Building: Master Lease 2045 Annex Building
China Total			**1,993,760**		

City	Property	Effective Stake (%)	GFA (sqm)	Tenure (Years)	Tenure Expiry/ Lease Type
INDIA					
Jalandhar	Land in Jalandhar	29.6 [B]	57,043	Freehold	
Nagpur	Land in Nagpur	29.6 [B]	94,761	Freehold	
India Total			**151,804**		
JAPAN					
Saitama	Seiyu & Sundrug	100.0	25,530	Freehold	
Tokyo	Olinas Mall	100.0	54,146	Freehold	
Japan Total			**79,676**		
MALAYSIA					
Kuala Lumpur	Melawati Mall	50.0	87,706	Freehold	
	Sungei Wang Plaza (approximately 61.9% of aggregate retail floor area and 100% of car park bays)	37.3 [1]	47,483	Freehold	
Kuantan	East Coast Mall	37.3 [1]	66,986	99	2106
Penang	Gurney Plaza	37.3 [1]	115,185	Freehold	
	Queensbay Mall (approximately 91.8% of aggregate retail floor area and 100% of car park bays)	100.0	86,151	Freehold	
Seri Kembangan	The Mines	37.3 [1]	106,913	99	2091
Malaysia Total			**510,424**		
SINGAPORE					
Singapore	Bedok Mall	28.9 [2]	31,204	99	2110
	Bugis Junction	28.9 [2]	53,607	99	2089
	Bugis+	28.9 [2]	29,697	60	2065
	Bukit Panjang Plaza	28.9 [2]	22,998	99	2093
	Clarke Quay	28.9 [2]	34,058	99	2089
	IMM Building	28.9 [2]	132,527	60	2049
	ION Orchard	50.0	88,177	99	2105
	JCube	28.9 [2]	29,426	99	2090
	Jewel Changi Airport	49.0	135,676	60	2073
	Junction 8	28.9 [2]	34,983	99	2090
	Lot One Shoppers' Mall	28.9 [2]	31,011	99	2092
	Tampines Mall	28.9 [2]	47,132	99	2091
	Westgate	28.9 [2]	55,176	99	2110
Singapore Total			**725,672**		
Grand Total			**3,461,336**		

PROPERTY PORTFOLIO
LODGING

City	Property	Effective Stake (%)	No. of Units	Tenure (Years)	Tenure Expiry
AUSTRALIA					
Brisbane	Pullman and Mercure Brisbane King George Square	40.6 [8]	438	Freehold	
	Quest Cannon Hill	100.0	100	Freehold	
Melbourne	Citadines on Bourke Melbourne	40.6 [8]	380	Freehold	
	Pullman and Mercure Melbourne Albert Park	40.6 [8]	378	Freehold	
	Somerset on Elizabeth Melbourne	100.0	34	Freehold	
	Quest NewQuay Docklands	50.0	221	Freehold	
Perth	Citadines St Georges Terrace Perth	40.6 [8]	85	Freehold	
Sydney	Citadines Connect Sydney Airport	40.6 [8]	150	Freehold	
	Courtyard by Marriott Sydney - North Ryde	40.6 [8]	196	Freehold	
	Novotel Sydney Central	40.6 [8]	255	Freehold	
	Novotel Sydney Parramatta	40.6 [8]	194	Freehold	
	Pullman Sydney Hyde Park	40.6 [8]	241	Freehold	
	Quest Campbelltown	40.6 [8]	81	Freehold	
	Quest Macquarie Park Sydney	40.6 [8]	111	Freehold	
	Quest Mascot	40.6 [8]	91	Freehold	
	Quest Sydney Olympic Park	40.6 [8]	140	99	2111
Australia Total			**3,095**		
BELGIUM					
Brussels	Citadines Sainte-Catherine Brussels	40.6 [8]	169	Freehold	
	Citadines Toison d'Or Brussels	40.6 [8]	155	Freehold	
Belgium Total			**324**		
CHINA					
Chengdu	Somerset Riverview Chengdu	100.0	200	50	2049
Dalian	Somerset Grand Central Dalian	40.6 [8]	195	50	2056
Shanghai	Ascott Heng Shan Shanghai	100.0	90	50	2054
	Somerset Xu Hui Shanghai	40.6 [8,9]	168	70	2066
	The Paragon Tower 6	99.0	74	70	2072
Shenyang	Somerset Heping Shenyang	40.6 [8]	270	40	2046
Suzhou	Citadines Xinghai Suzhou	40.6 [8]	167	70	2066
Tianjin	Somerset Olympic Tower Property Tianjin	40.6 [8]	185	70	2062
Wuhan	Citadines Zhuankou Wuhan	40.6 [8]	249	40	2043
China Total			**1,598**		

City	Property	Effective Stake (%)	No. of Units	Tenure (Years)	Tenure Expiry
FRANCE					
Cannes	Citadines Croisette Cannes	40.6 [8]	58	Freehold	
Grenoble	Citadines City Centre Grenoble	40.6 [8,9]	107	Freehold	
Lille	Citadines City Centre Lille	40.6 [8]	101	Freehold	
Lyon	Citadines Presqu'île Lyon	40.6 [8]	116	Freehold	
Marseille	Citadines Castellane Marseille	40.6 [8]	98	Freehold	
	Citadines Prado Chanot Marseille	40.6 [8]	77	Freehold	
Montpellier	Citadines Antigone Montpellier	40.6 [8]	122	Freehold	
Paris	Citadines Austerlitz Paris	40.6 [8]	50	Freehold	
	Citadines Didot Montparnasse Paris	40.6 [8,9]	80	Freehold	
	Citadines Les Halles Paris	40.6 [8]	189	Freehold	
	Citadines Maine Montparnasse Paris	40.6 [8]	67	Freehold	
	Citadines Montmartre Paris	40.6 [8]	111	Freehold	
	Citadines Place d'Italie Paris	40.6 [8]	169	Freehold	
	Citadines République Paris	40.6 [8]	76	Freehold	
	Citadines Tour Eiffel Paris	40.6 [8]	104	Freehold	
	Citadines Trocadéro Paris	40.6 [8]	97	Freehold	
	La Clef Champs-Élysées Paris	50.0	70	Freehold	
	La Clef Louvre Paris	40.6 [8]	51	Freehold	
	La Clef Tour Eiffel Paris	100.0	112	Freehold	
France Total			**1,855**		
GERMANY					
Berlin	Citadines Kurfürstendamm Berlin	40.6 [8]	117	Freehold	
Frankfurt	Citadines City Centre Frankfurt	37.7 [3,8]	165	Freehold	
Hamburg	Citadines Michel Hamburg	37.7 [3,8]	127	99	2111
	The Madison Hamburg	40.6 [8]	166	Freehold	
Munich	Citadines Arnulfpark Munich	40.2 [8]	146	Freehold	
Germany Total			**721**		
INDIA					
Chennai	Citadines OMR Gateway Chennai	100.0	269	Freehold	
	Somerset Greenways Chennai	51.0	187	Freehold	
India Total			**456**		
INDONESIA					
Jakarta	Ascott Jakarta	40.6 [8]	204	26	2024
	Ascott Kuningan Jakarta	100.0	185	30	2027
	Ascott Sudirman Jakarta	50.0	192	20	2036
	Somerset Grand Citra Jakarta	23.3 [8]	203	30	2024
Indonesia Total			**784**		
IRELAND					
Dublin	Temple Bar Hotel	100.0	136	Freehold	
Ireland Total			**136**		

PROPERTY PORTFOLIO
LODGING

City	Property	Effective Stake (%)	No. of Units	Tenure (Years)	Tenure Expiry
JAPAN					
Fukuoka	Actus Hakata V-Tower	40.6 [8]	296	Freehold	
	Infini Garden	40.6 [8]	389	Freehold	
Hiroshima	Gravis Court Kakomachi	40.6 [8]	63	Freehold	
	Gravis Court Kokutaiji	40.6 [8]	48	Freehold	
	Gravis Court Nishiharaekimae	40.6 [8]	29	Freehold	
Kobe	S-Residence Shukugawa	88.9	33	Freehold	
Kyoto	Citadines Karasuma-Gojo Kyoto	40.6 [8]	124	Freehold	
	House Saison Shijo-dori	88.9	190	Freehold	
Nagoya	Marunouchi Central Heights	88.9	30	Freehold	
Osaka	Hotel WBF Honmachi	40.6 [8]	182	Freehold	
	Hotel WBF Kitasemba East	40.6 [8]	168	Freehold	
	Hotel WBF Kitasemba West	40.6 [8]	168	Freehold	
	Sotetsu Grand Fresa Osaka-Namba	40.6 [8]	698	Freehold	
	S-Residence Fukushima Luxe	40.6 [8]	178	Freehold	
	S-Residence Gakuenzaka	88.9	58	Freehold	
	S-Residence Hommachi Marks	40.6 [8]	110	Freehold	
	S-Residence Midoribashi Serio	40.6 [8]	98	Freehold	
	S-Residence Namba Viale	88.9	116	Freehold	
	S-Residence Tanimachi 9 chome	40.6 [8]	102	Freehold	
Sapporo	Big Palace Kita 14jo	40.6 [8]	140	Freehold	
Tokyo	Citadines Central Shinjuku Tokyo	40.6 [8]	206	Freehold	
	Citadines Shinjuku Tokyo	40.6 [8]	160	Freehold	
	Roppongi Residences Tokyo	40.6 [8]	64	Freehold	
	Sotetsu Grand Fresa Tokyo-Bay Ariake	40.6 [8]	912	Freehold	
Japan Total			**4,562**		
MALAYSIA					
Kuala Lumpur	Ascott Kuala Lumpur	50.0	221	Freehold	
	Somerset Kuala Lumpur	40.6 [8]	205	Freehold	
Malaysia Total			**426**		
PHILIPPINES					
Makati	Ascott Makati	40.6 [8]	362	48	2044
	Somerset Millennium Makati	25.5 [8]	120	Freehold	
Philippines Total			**482**		
SINGAPORE					
Singapore	Ascott Orchard Singapore	40.6 [8]	220	99	2113
	Citadines Mount Sophia Property Singapore	40.6 [8]	154	96	2105
	lyf Funan Singapore	50.0	329	99	2078
	lyf one-north Singapore	40.6 [8,A]	324	60	2079
	Park Hotel Clarke Quay	40.6 [8]	336	99	2105
	Somerset Liang Court Property Singapore	40.6 [8,10,A]	192	99	2120
Singapore Total			**1,555**		

City	Property	Effective Stake (%)	No. of Units	Tenure (Years)	Tenure Expiry
SOUTH KOREA					
Seoul	ibis Ambassador Seoul Insadong	41.3 [3,8]	363	Freehold	
	Sotetsu Hotels The Splaisir Seoul Dongdaemun	41.3 [3,8]	215	Freehold	
South Korea Total			**578**		
SPAIN					
Barcelona	Citadines Ramblas Barcelona	40.6 [8]	131	Freehold	
Spain Total			**131**		
THAILAND					
Bangkok	Ascott Sathorn Bangkok	40.0	177	50	2054
	Citadines Sukhumvit 11 Bangkok	49.0	127	Freehold	
	Citadines Sukhumvit 16 Bangkok	49.0	79	Freehold	
	Citadines Sukhumvit 23 Bangkok	49.0	138	Freehold	
	Citadines Sukhumvit 8 Bangkok	49.0	130	Freehold	
Thailand Total			**651**		
UNITED KINGDOM					
London	Citadines Barbican London	40.6 [8]	129	Freehold	
	Citadines Holborn-Covent Garden London	40.6 [8]	192	Freehold	
	Citadines Islington London	50.0	108	999	3019
	Citadines South Kensington London	40.6 [8]	92	Freehold	
	Citadines Trafalgar Square London	40.6 [8]	187	Freehold	
	The Cavendish London	100.0	230	150	2158
United Kingdom Total			**938**		
UNITED STATES OF AMERICA					
New York City	Citadines Connect Fifth Avenue New York	100.0	125	99	2113
	Element New York Times Square West	40.6 [8]	411	99	2112
	Hotel Central Times Square (formerly known as DoubleTree by Hilton Hotel New York – Times Square South)	40.6 [8]	224	Freehold	
	Sheraton Tribeca New York Hotel	40.6 [8]	369	99	2112
Sunnyvale	The Domain Hotel	100.0	136	Freehold	
United States Of America Total			**1,265**		
VIETNAM					
Hai Phong City	Somerset Central TD Hai Phong City	100.0	132	64	2075
Hanoi	Somerset Grand Hanoi	28.4 [8]	185	45	2038
	Somerset Hoa Binh Hanoi	36.5 [8]	206	36	2042
Ho Chi Minh City	Somerset Chancellor Court Ho Chi Minh City	27.2 [8]	172	48	2041
	Somerset Ho Chi Minh City	24.9 [8]	198	45	2039
Vietnam Total			**893**		
Grand Total			**20,450**		

PROPERTY PORTFOLIO
MULTIFAMILY

City	Property	Effective Stake (%)	No. of Units	Tenure (Years)
UNITED STATES OF AMERICA				
Aurora	Canterra at Fitzsimons	100.0	188	Freehold
	Silverbrook	100.0	165	Freehold
Austin	A Multifamily property in Austin, Texas	80.0 [A]	341	Freehold
Corona	Deerwood Apartments	100.0	316	Freehold
	Marquessa Villas	100.0	336	Freehold
	The Ashton	100.0	492	Freehold
Denver	Parkfield	100.0	476	Freehold
	Sienna at Cherry Creek	100.0	220	Freehold
Everett	CentrePointe Greens	100.0	186	Freehold
	Timberline Court	100.0	126	Freehold
Kirkland	Heronfield	100.0	202	Freehold
Lacey	Capitol City on the Course	100.0	96	Freehold
	Village at Union Mills	100.0	182	Freehold
Lakewood	Dartmouth Woods	100.0	201	Freehold
Milwaukie	Miramonte Lodge	100.0	231	Freehold
	The Bluffs	100.0	137	Freehold
Portland	Stoneridge at Cornell	100.0	233	Freehold
United States Of America Total			**4,128**	
Grand Total			**4,128**	

PROPERTY PORTFOLIO
BUSINESS PARK, INDUSTRIAL & LOGISTICS, URBAN DEVELOPMENT

City	Property	Effective Stake (%)	GFA (Sqm)	Tenure (Years)	Tenure Expiry/ Lease Type
AUSTRALIA					
Brisbane	100 Wickham Street	18.0 [11]	13,030	Freehold	Suburban Office
	108 Wickham Street	18.0 [11]	11,913	Freehold	Suburban Office
	1-7 Wayne Goss Drive	18.0 [11]	17,907	Freehold	Logistics
	500 Green Road	18.0 [11,A]	38,650	Freehold	Logistics
	62 Sandstone Place	18.0 [11]	9,260	Freehold	Logistics
	62 Stradbroke Street	18.0 [11]	24,555	Freehold	Logistics
	77 Logistics Place	18.0 [11]	14,296	Freehold	Logistics
	82 Noosa Street	18.0 [11]	38,000	Freehold	Logistics
	92 Sandstone Place	18.0 [11]	13,738	Freehold	Logistics
	95 Gilmore Road	18.0 [11]	41,318	Freehold	Logistics
	99 Radius Drive	18.0 [11]	14,592	Freehold	Logistics
	Cargo Business Park	18.0 [11]	8,216	Freehold	Logistics
Melbourne	1314 Ferntree Gully Drive	18.0 [11]	16,134	Freehold	Logistics
	14 - 28 Ordish Road	18.0 [11]	28,189	Freehold	Logistics
	162 Australis Drive	18.0 [11]	23,263	Freehold	Logistics
	169 - 177 Australis Drive	18.0 [11]	31,048	Freehold	Logistics
	2 - 16 Aylesbury Drive	18.0 [11]	17,513	Freehold	Logistics
	254 Wellington Road	18.0 [11,12]	17,659	Freehold	Suburban Office
	31 Permas Way	18.0 [11]	44,540	Freehold	Logistics
	35 - 61 South Park Drive	18.0 [11]	32,167	Freehold	Logistics
	52 Fox Drive	18.0 [11]	18,041	Freehold	Logistics
	676 - 698 Kororoit Creek Road	18.0 [11]	44,036	Freehold	Logistics
	700 - 718 Kororoit Creek Road	18.0 [11]	28,020	Freehold	Logistics
	81 - 89 Drake Boulevard	18.0 [11]	14,099	Freehold	Logistics
	9 Andretti Court	18.0 [11]	24,140	Freehold	Logistics
Perth	35 Baile Road	18.0 [11]	20,895	Freehold	Logistics
Sydney	1 - 15 Kellet Close	18.0 [11]	23,205	Freehold	Logistics
	1 Distribution Place	18.0 [11]	13,555	Freehold	Logistics
	16 Kangaroo Avenue	18.0 [11]	19,918	Freehold	Logistics
	197 - 201 Coward Street	18.0 [11]	22,534	Freehold	Suburban Office
	1A & 1B Raffles Glade	18.0 [11]	21,694	Freehold	Logistics
	484 - 490 Great Western Highway	18.0 [11]	13,304	Freehold	Logistics
	494 - 500 Great Western Highway	18.0 [11]	25,255	Freehold	Logistics
	5 Eucalyptus Place	18.0 [11]	10,732	Freehold	Logistics
	6 - 20 Clunies Ross Street	18.0 [11]	38,579	Freehold	Logistics
	7 Grevillea Street	18.0 [11]	51,709	Freehold	Logistics
	94 Lenore Drive	18.0 [11]	21,143	Freehold	Logistics
	Lot 7, Kiora Crescent	18.0 [11,A]	13,100	Freehold	Logistics
Australia Total			**879,947**		

PROPERTY PORTFOLIO
BUSINESS PARK, INDUSTRIAL & LOGISTICS, URBAN DEVELOPMENT

City	Property	Effective Stake (%)	GFA (Sqm)	Tenure (Years)	Tenure Expiry/ Lease Type
CHINA					
Beijing	Build-to-Suit Project at Beijing Economic Technological Development Area	99.7	26,345	Leasehold	2053 Industrial/Logistics
Dalian	Dalian Ascendas IT Park	50.0 [A]	342,409	Leasehold	2055 Business Park
Guangzhou	Ascendas OneHub GKC	76.0 [A]	399,927	Leasehold	2062 Business Park 2082 Residential
	China-Singapore Guangzhou Knowledge City	50.0 [A]	680,272	Leasehold	2063 Urban Development
Hangzhou	Singapore-Hangzhou Science & Technology Park (Phase 1 & 2)	80.0 [13]	232,072	Leasehold	2060 Business Park
	Singapore-Hangzhou Science & Technology Park (Phase 3)	70.0 [A]	183,530	Leasehold	2069 Business Park
Ningbo	Innov Park	100.0 [A]	77,492	Leasehold	2069 Business Park
Shanghai	Ascendas i-Link	100.0	31,685	Leasehold	2056 Business Park
Suzhou	Ascendas iHub Suzhou	100.0	170,797	Leasehold	2058 Business Park
	Ascendas-Xinsu Portfolio	23.0 [13]	373,334	Leasehold	2057 Business Park/ Industrial
Xi'an	Ascendas Innovation Hub	18.4 [13]	40,547	Leasehold	2051 Business Park
	Ascendas Innovation Tower	23.0 [13]	118,495	Leasehold	2064 Business Park
China Total			**2,676,905**		
INDIA					
Bangalore	Ascendas-Firstspace, Malur, Bangalore	51.0 [15,B]	40,470	Freehold	Logistics Park
	International Tech Park Bangalore	19.8 [14]	481,498	Freehold	IT Park
Chennai	Ascendas-Firstspace Chennai I, Oragadam	40.6 [15,A]	584,751	Freehold	Logistics Park
	Ascendas-Firstspace Chennai II, Periyapalayam	50.9 [15,A]	481,593	Freehold	Logistics Park
	CyberVale	21.3 [14,18]	78,923	Leasehold	2105 IT Park
	International Tech Park Chennai, Radial Road	100.0 [16,17,A,B]	435,054	Freehold	IT park
	International Tech Park Chennai, Taramani	19.0 [14]	186,369	Freehold	IT Park
Hyderabad	aVance, HITEC City, Hyderabad	21.3 [14,19]	139,272	Freehold	IT Park
	CyberPearl	21.3 [14]	39,996	Freehold	IT Park
	International Tech Park Hyderabad	21.3 [14]	137,556	Freehold	IT Park

City	Property	Effective Stake (%)	GFA (Sqm)	Tenure (Years)	Tenure Expiry/ Lease Type
INDIA					
Mumbai (Panvel)	Arshiya Panvel Warehouses	21.3 [14,20]	77,318	Freehold	Logistics Park
National Capital Region	Ascendas-Firstspace, Palwal, NCR	51.0 [15,B]	215,503	Freehold	Logistics Park
	International Tech Park Gurgaon (SEZ 1)	30.0 [16,21,22,A,B]	681,666	Freehold	IT park
	International Tech Park Gurgaon (SEZ 2)	100.0 [15,B]	96,275	Freehold	IT park
Pune	Ascendas-Firstspace Talegaon, Pune	51.0 [15,B]	116,958	Leasehold	2114 Logistics Park
	aVance Hinjawadi, Pune	21.3 [14,23]	136,858	Freehold	IT Park
	International Tech Park Pune, Hinjawadi	78.5	214,477	Leasehold	2103 IT park
	International Tech Park Pune, Kharadi	30.0 [16,17,A,B]	236,132	Freehold	IT park
India Total			**4,380,669**		

City	Property	Effective Stake (%)	GFA (Sqm)	Tenure (Years)	Tenure Expiry/ Lease Type
JAPAN					
Tokyo	A logistics property in Greater Tokyo	61.0 [A]	24,000	Freehold	Logistics
Japan Total			**24,000**		

City	Property	Effective Stake (%)	GFA (Sqm)	Tenure (Years)	Tenure Expiry/ Lease Type
SINGAPORE					
Singapore	1 Changi Business Park Avenue 1	18.0 [11,24]	11,555	60	2061 Business Park
	1 Changi South Lane	18.0 [11]	25,768	60	2058 Logistics
	1 Jalan Kilang	18.0 [11]	7,158	99	2061 Industrial
	1, 3 & 5 Changi Business Park Crescent	18.0 [11,24]	74,660	60	2067 Business Park
	10 Toh Guan Road	18.0 [11,24]	52,147	60	2055 Industrial
	11 Changi North Way	18.0 [11,24]	10,107	60	2063 Logistics
	11 Woodlands Terrace	18.0 [11,24]	2,919	60	2056 Industrial
	12 Woodlands Loop	18.0 [11,24]	19,887	60	2056 Industrial
	12, 14 & 16 Science Park Drive	18.0 [11]	78,871	99	2081 Business Park
	138 Depot Road	18.0 [11,24]	29,626	60	2064 Industrial
	15 Changi North Way	18.0 [11,24]	31,961	60	2066 Logistics
	18 Woodlands Loop	18.0 [11,24]	18,422	60	2057 Industrial
	19 & 21 Pandan Avenue	18.0 [11,28]	87,842	45	2049 Logistics
	2 Changi South Lane	18.0 [11,24]	26,300	60	2057 Industrial

PROPERTY PORTFOLIO
BUSINESS PARK, INDUSTRIAL & LOGISTICS, URBAN DEVELOPMENT

City	Property	Effective Stake (%)	GFA (Sqm)	Tenure (Years)	Tenure Expiry/ Lease Type
SINGAPORE					
	2 Senoko South Road	18.0 [11,24]	23,457	60	2056 Industrial
	20 Tuas Avenue 1	18.0 [11,25]	44,449	58	2056 Logistics
	20 Tuas Avenue 6	18.0 [11,24]	5,085	60	2050 Logistics
	21 Changi South Avenue 2	18.0 [11,24]	13,120	60	2054 Logistics
	21 Jalan Buroh	18.0 [11,24]	48,140	58	2055 Logistics
	247 Alexandra Road	18.0 [11]	13,699	99	2051 Industrial
	25 & 27 Ubi Road 4	18.0 [11,24,31,A]	-	60	2055 Industrial
	3 Changi Business Park Vista	18.0 [11,24]	19,225	60	2061 Business Park
	3 Tai Seng Drive	18.0 [11]	14,929	60	2049 Industrial
	30 Tampines Industrial Avenue 3	18.0 [11,24]	9,593	60	2063 Industrial
	31 International Business Park	18.0 [11,24]	61,720	60	2054 Business Park
	31 Joo Koon Circle	18.0 [11,24]	17,638	60	2055 Industrial
	31 Ubi Road 1	18.0 [11,24]	17,709	60	2050 Industrial
	35 Tampines Street 92	18.0 [11,24]	8,931	60	2052 Industrial
	37A Tampines Street 92	18.0 [11,24]	12,011	60	2054 Industrial
	38A Kim Chuan Road	18.0 [11]	33,745	99	2091 Industrial
	4 Changi South Lane	18.0 [11,24]	18,794	60	2057 Logistics
	40 Penjuru Lane	18.0 [11,27]	160,939	48	2049 Logistics
	5 Science Park Drive	100.0	25,655	64	2080 Business Park
	5 Tai Seng Drive	18.0 [11]	12,930	60	2049 Industrial
	5 Toh Guan Road East	18.0 [11,24]	29,741	60	2049 Logistics
	52 Serangoon North Avenue 4	18.0 [11,24]	14,767	60	2055 Industrial
	53 Serangoon North Avenue 4	18.0 [11,24]	12,358	60	2055 Industrial
	71 Alps Avenue	18.0 [11,24]	12,756	60	2068 Logistics

City	Property	Effective Stake (%)	GFA (Sqm)	Tenure (Years)	Tenure Expiry/ Lease Type
SINGAPORE					
	71 Science Park Drive	100.0	-	99	2080 Business Park
	80 Bendemeer Road	18.0 [11]	43,435	59	2068 Industrial
	9 Woodlands Terrace	18.0 [11,24]	2,774	60	2054 Industrial
	9 Changi South Street 3	18.0 [11,24]	28,648	60	2055 Logistics
	9 Tai Seng Drive	100.0	20,322	60	2055 Industrial
	90 Alps Avenue	18.0 [11,24]	26,277	60	2070 Logistics
	Acer Building	18.0 [11,24]	29,185	60	2056 Business Park
	Ang Mo Kio Land Leases	100.0	-	65	2051 Industrial
	Aperia	18.0 [11]	86,696	60	2072 Integrated Development
	Ascent	100.0	51,564	99	2081 Business Park
	CGG Veritas Hub	18.0 [11,24]	9,782	60	2066 Industrial
	Chadwick/Curie/Cavendish	100.0	24,392	99	2080 Business Park
	Changi Logistics Centre	18.0 [11,24]	51,742	60	2050 Logistics
	Cintech I	18.0 [11]	14,943	56	2068 Business Park
	Cintech II	18.0 [11]	13,436	56	2068 Business Park
	Cintech III & IV	18.0 [11]	25,622	56	2068 Business Park
	Corporation Place	18.0 [11]	76,185	60	2050 Industrial
	Courts Megastore	18.0 [11]	28,410	30	2035 Integrated Development
	DBS Asia Hub	18.0 [11,24]	45,857	60	2067 Business Park
	FM Global Centre	18.0 [11]	11,613	99	2092 Business Park
	FoodAxis @ Senoko	18.0 [11,24]	43,362	60	2044 Industrial
	Galaxis	75.0	68,939	60	2071 Business Park
	Giant Hypermart	18.0 [11]	42,194	30	2035 Integrated Development

PROPERTY PORTFOLIO
BUSINESS PARK, INDUSTRIAL & LOGISTICS, URBAN DEVELOPMENT

City	Property	Effective Stake (%)	GFA (Sqm)	Tenure (Years)	Tenure Expiry/ Lease Type
SINGAPORE					
	Grab Headquarters	18.0 [11,A]	42,310	30	2049 Business Park
	Hamilton Sundstrand Building	18.0 [11,24]	17,737	60	2065 Industrial
	Hansapoint	18.0 [11,24]	19,448	60	2066 Business Park
	Honeywell Building	18.0 [11,24]	18,123	60	2058 Business Park
	Hoya Building	18.0 [11]	6,505	30	2033 Industrial
	ICON@IBP	100.0	41,956	60	2060 Business Park
	Infineon Building	18.0 [11,26]	27,278	47	2050 Industrial
	Infinite Studios	70.0	24,078	60	2070 Business Park
	iQuest@IBP	18.0 [11,24,30,A]	-	60	2055 Business Park
	KA Centre	18.0 [11]	19,638	99	2058 Industrial
	KA Place	18.0 [11]	10,163	99	2058 Industrial
	Kim Chuan Telecommunications Complex	18.0 [11]	35,456	99	2091 Industrial
	Logis Hub @ Clementi	18.0 [11,24]	26,505	60	2053 Logistics
	LogisTech	18.0 [11]	37,554	60	2056 Logistics
	Neuros & Immunos	18.0 [11,24]	36,931	60	2065 Business Park
	Nexus @one-north	18.0 [11]	25,511	60	2071 Business Park
	Nordic European Centre	18.0 [11,24]	28,378	60	2057 Business Park
	Nucleos	18.0 [11]	46,174	60	2071 Business Park
	ONE@Changi City	18.0 [11]	71,158	60	2069 Business Park
	OSIM Headquarters	18.0 [11]	17,683	60	2057 Industrial
	Pacific Tech Centre	18.0 [11]	25,718	99	2061 Industrial
	Pioneer Hub	18.0 [11]	91,048	30	2036 Logistics
	Pratt & Whitney Singapore Component Repair	100.0	14,948	60	2041 Industrial
	Schneider Electric Building	18.0 [11]	18,970	60	2055 Industrial

City	Property	Effective Stake (%)	GFA (Sqm)	Tenure (Years)	Tenure Expiry/ Lease Type
SINGAPORE					
	Science Park I Land Leases	100.0	-	99	Business Park
	Science Park II Land Leases	100.0	-	99	Business Park
	Siemens Centre	18.0 [11,24]	36,529	60	2061 Industrial
	Tampines Biz-Hub	18.0 [11,24]	18,086	60	2049 Industrial
	Techlink	18.0 [11]	49,837	60	2053 Industrial
	Techplace I	18.0 [11]	81,981	65	2052 Industrial
	Techplace II	18.0 [11]	115,162	65	2052 Industrial
	Techpoint	18.0 [11]	56,107	65	2052 Industrial
	Techquest	18.0 [11]	9,079	60	2055 Business Park
	Techview	18.0 [11]	50,985	60	2056 Industrial
	Telepark	18.0 [11]	40,555	99	2091 Industrial
	Teletech Park	100.0	23,977	60	2060 Business Park
	Thales Building (I & II)	18.0 [11,29]	7,772	42	2047 Industrial
	The Alpha	18.0 [11]	29,126	60	2062 Business Park
	The Aries, Sparkle & Gemini	18.0 [11]	49,851	60	2062 Business Park
	The Capricorn	18.0 [11]	28,602	60	2062 Business Park
	The Galen	18.0 [11]	30,685	66	2079 Business Park
	The Kendall	18.0 [11]	20,190	64	2079 Business Park
	The Rutherford & Oasis	18.0 [11]	27,217	60	2068 Business Park
	TÜV SÜD PSB Building	18.0 [11]	32,013	96	2080 Business Park
	Ubi Biz-Hub	18.0 [11,24]	12,978	60	2056 Industrial
	Xilin Districentre A&B	18.0 [11,24]	24,113	60	2054 Logistics
	Xilin Districentre C	18.0 [11,24]	18,708	60	2054 Logistics
	Xilin Districentre D	18.0 [11,24]	18,619	60	2055 Logistics
Singapore Total			**3,339,434**		

PROPERTY PORTFOLIO
BUSINESS PARK, INDUSTRIAL & LOGISTICS, URBAN DEVELOPMENT

City	Property	Effective Stake (%)	GFA (Sqm)	Tenure (Years)	Tenure Expiry/ Lease Type
UNITED KINGDOM					
East England	Market Garden Road	18.0 [11]	13,016	Freehold	Logistics
East Midlands	Common Road	18.0 [11]	47,298	Freehold	Logistics
	Units 1-5, Export Drive	18.0 [11]	2,785	Freehold	Logistics
North West England	8 Leacroft Road	18.0 [11]	8,432	Freehold	Logistics
	Astmoor Road	18.0 [11]	45,043	Freehold	Logistics
	Hawleys Lane	18.0 [11,32]	35,104	965	2962 Logistics
	Leacroft Road	18.0 [11]	8,388	Freehold	Logistics
	Transpennine 200	18.0 [11]	8,522	Freehold	Logistics
Reading	Arlington Business Park	100.0 [36]	33,983	Freehold	Business Park
South East England	Howard House	18.0 [11,33]	20,611	999	3004 Logistics
	Lodge Road	18.0 [11]	12,025	Freehold	Logistics
	Units 1-2, Tower Lane	18.0 [11]	7,803	Freehold	Logistics
West Midlands	1 Sun Street	18.0 [11]	24,929	Freehold	Logistics
	Eastern Avenue	18.0 [11]	15,994	Freehold	Logistics
	The Triangle	18.0 [11]	28,917	Freehold	Logistics
	Unit 1, Wellesbourne Distribution Park	18.0 [11]	21,243	Freehold	Logistics
	Unit 103, Stonebridge Cross Business Park	18.0 [11]	1,233	Freehold	Logistics
	Unit 13, Wellesbourne Distribution Park	18.0 [11]	5,618	Freehold	Logistics
	Unit 14, Wellesbourne Distribution Park	18.0 [11]	9,887	Freehold	Logistics
	Unit 16, Wellesbourne Distribution Park	18.0 [11]	1,598	Freehold	Logistics
	Unit 17, Wellesbourne Distribution Park	18.0 [11]	971	Freehold	Logistics
	Unit 18, Wellesbourne Distribution Park	18.0 [11]	875	Freehold	Logistics
	Unit 19, Wellesbourne Distribution Park	18.0 [11]	835	Freehold	Logistics
	Unit 2, Wellesbourne Distribution Park	18.0 [11]	12,282	Freehold	Logistics
	Unit 20, Wellesbourne Distribution Park	18.0 [11]	3,157	Freehold	Logistics
	Unit 21, Wellesbourne Distribution Park	18.0 [11]	3,064	Freehold	Logistics
	Unit 3, Wellesbourne Distribution Park	18.0 [11]	19,552	Freehold	Logistics
	Unit 302, Stonebridge Cross Business Park	18.0 [11]	21,590	Freehold	Logistics
	Unit 4, Wellesbourne Distribution Park	18.0 [11]	4,774	Freehold	Logistics
	Unit 401, Stonebridge Cross Business Park	18.0 [11]	6,265	Freehold	Logistics
	Unit 402, Stonebridge Cross Business Park	18.0 [11]	5,037	Freehold	Logistics
	Unit 404, Stonebridge Cross Business Park	18.0 [11]	5,045	Freehold	Logistics
	Unit 5, Wellesbourne Distribution Park	18.0 [11]	6,146	Freehold	Logistics
	Unit 8, Wellesbourne Distribution Park	18.0 [11]	8,759	Freehold	Logistics
	Vernon Road	18.0 [11]	25,701	Freehold	Logistics
Yorkshire and the Humber	12 Park Farm Road	18.0 [11]	23,454	Freehold	Logistics
	Lowfields Way	18.0 [11]	11,549	Freehold	Logistics
	Unit 3, Brookfields Way	18.0 [11]	18,341	Freehold	Logistics
	Units 1a, 1b, 2 & 3, Upwell Street	18.0 [11]	14,065	Freehold	Logistics
United Kingdom Total			**543,891**		

City	Property	Effective Stake (%)	GFA (Sqm)	Tenure (Years)	Tenure Expiry/ Lease Type
UNITED STATES OF AMERICA					
Portland	8300 Creekside	18.0 [11]	5,011	Freehold	Business Park
	8305 Creekside	18.0 [11]	2,443	Freehold	Business Park
	8405 Nimbus	18.0 [11]	5,084	Freehold	Business Park
	8500 Creekside	18.0 [11]	5,923	Freehold	Business Park
	8700-8770 Nimbus	18.0 [11]	3,430	Freehold	Business Park
	9205 Gemini	18.0 [11]	3,784	Freehold	Business Park
	9405 Gemini	18.0 [11]	4,201	Freehold	Business Park
	Creekside 5	18.0 [11]	4,557	Freehold	Business Park
	Creekside 6	18.0 [11]	7,262	Freehold	Business Park
	Greenbrier Court	18.0 [11]	6,529	Freehold	Business Park
	Parkside	18.0 [11]	15,231	Freehold	Business Park
	Ridgeview	18.0 [11]	8,747	Freehold	Business Park
	The Atrium	18.0 [11]	16,473	Freehold	Business Park
	The Commons	18.0 [11]	6,570	Freehold	Business Park
	Waterside	18.0 [11]	11,261	Freehold	Business Park
Raleigh	5200 East & West Paramount Parkway	18.0 [11]	29,500	Freehold	Business Park
	Perimeter Four	18.0 [11]	18,331	Freehold	Business Park
	Perimeter One	18.0 [11]	19,599	Freehold	Business Park
	Perimeter Three	18.0 [11]	23,179	Freehold	Business Park
	Perimeter Two	18.0 [11]	19,484	Freehold	Business Park
San Diego	10020 Pacific Mesa Boulevard	18.0 [11]	29,225	Freehold	Business Park
	15051 Avenue of Science	18.0 [11]	6,426	Freehold	Business Park
	15073 Avenue of Science	18.0 [11]	4,455	Freehold	Business Park
	15231, 15253 & 15333 Avenue of Science	18.0 [11]	16,127	Freehold	Business Park
	15378 Avenue of Science	18.0 [11]	6,409	Freehold	Business Park
	15435 & 15445 Innovation Drive	18.0 [11]	8,986	Freehold	Business Park
	5005 & 5010 Wateridge	18.0 [11]	16,009	Freehold	Business Park
	6055 Lusk Boulevard	18.0 [11]	8,823	Freehold	Business Park
San Francisco	505 Brannan Street	18.0 [11]	16,569	Freehold	Office
	510 Townsend Street	18.0 [11]	27,437	Freehold	Office
United States Of America Total			**357,065**		
Grand Total			**12,201,911**		

PROPERTY PORTFOLIO

OFFICES

City	Property	Effective Stake (%)	NLA (sqm)	Tenure (Years)	Tenure Expiry
CHINA					
Shanghai	Ascendas Innovation Place	55.0	23,979	Leasehold	2044
	Ascendas Plaza	55.0	42,074	Leasehold	2051
	Innov Center	51.1 [34]	80,328	Leasehold	2059
	Innov Center Phase II	100.0 [34,A]	37,777	Leasehold	2058
	Pufa Tower	25.6 [34]	41,773	Leasehold	2045
Shenzhen	One iPark	73.0	22,507	Leasehold	2056
China Total			**248,438**		
GERMANY					
Frankfurt	Gallileo	32.5 [2]	40,522	Freehold	
	Main Airport Center	32.5 [2]	60,337	Freehold	
Germany Total			**100,859**		
JAPAN					
Tokyo	Kokugikan Front	100.0	6,007	Freehold	
	Shinjuku Front Tower	20.0	57,980	Freehold	
Yokohama	Sun Hamada	100.0	8,374	Freehold	
	Yokohama Blue Avenue	100.0	34,677	Freehold	
Japan Total			**107,038**		
SINGAPORE					
Singapore	21 Collyer Quay	28.9 [2]	18,624	999	2849
	79 Robinson Road (former CPF building)	65.0	48,206	99	2067
	ABI Plaza	23.6	8,593	Freehold	
	Asia Square Tower 2	28.9 [2]	72,177	99	2107
	CapitaGreen	28.9 [2]	65,066	99	2073
	Capital Tower	28.9 [2]	68,260	99	2094
	One George Street	14.5 [2,3]	41,410	99	2102
	Rochester Commons	100.0 [A]	29,333	60	2078
	Six Battery Road	28.9 [2]	46,393	999	2825
Singapore Total			**398,062**		
VIETNAM					
Hanoi	Capital Place	50.0	93,688	Leasehold	2066
Vietnam Total			**93,688**		
SOUTH KOREA					
Seoul	Citibank Center	6.0	10,855	Freehold	
	Janggyo Project	98.8 [34,35,A]	18,426	Freehold	
	Jongro Place	39.5	23,062	Freehold	
South Korea Total			**52,343**		
Grand Total			**1,000,428**		

PROPERTY PORTFOLIO
RESIDENTIAL

City/ District	Property/Phase	Effective Stake (%)	GFA (sqm)	Total No. of Units	Tenure (Years)	Tenure Expiry/ Lease Type	% of Completion	Expected Date of Completion
CHINA								
Beijing								
Changping	Vermont Hills							
	Phase 1	100.0	3,581		40	2044 Commercial		
			51,249	88	70	2074 Residential		
	Phase 2	100.0	49,291	88	70	2074 Residential		
	Phase 3	100.0	48,793	87	70	2074 Residential		
	Phase 4	100.0 [A]	74,596	196	70	2074 Residential	98.0	2021
	Phase 5 to 6	100.0 [A]	135,158	281	70	2074 Residential	23.0	2023
	Phase 7	100.0 [B]	1,819		40	2044 Commercial		
			78,051	182	70	2074 Residential		
Chengdu								
Hi-Tech	Century Park - East Site	60.0 [A]	13,132		40	2050 Commercial	75.0	2021
			221,514	1,881	70	2080 Residential	75.0	2021
	Century Park - West Site							
	Phase 1 & 2	60.0	11,326		40	2050 Commercial		
	Phase 2	60.0	56,437	588	70	2080 Residential		
	Phase 3	60.0	3,327		40	2050 Commercial		
			80,049	828	70	2080 Residential		
Longquanyi	Parc Botanica							
	Phase 1	56.0	9,898		40	2052 Commercial		
	Phase 2	56.0	10,976		40	2052 Commercial		
			178,012	1,752	70	2082 Residential		
Qingyang	The Loft	100.0	1,206		40	2047 Commercial		
Chongqing								
Liangjiang	Spring							
	Phase 1 & 2	100.0	95,439		40	2051 Commercial		
	Phase 2	100.0	28,932	203	50	2061 Residential		
	Phase 3	100.0 [B]	67,058		40	2051 Commercial		
		[A]	265,719	1,844	50	2061 Residential	16.0	2023

PROPERTY PORTFOLIO
RESIDENTIAL

City/ District	Property/Phase	Effective Stake (%)	GFA (sqm)	Total No. of Units	Tenure (Years)	Tenure Expiry/ Lease Type	% of Completion	Expected Date of Completion
CHINA								
Guangzhou								
Liwan	La Riva							
	Phase 1A	80.0	95,532	922	70	2085 Residential		
Nansha	Vista Garden	100.0	22,102		40	2052 Commercial		
Panyu	Città di Mare							
	Phase 1	45.0	5,600		40	2035 Commercial		
			148,676	1,067	70	2065 Residential		
	Phase 2	79.9 [A]	3,044		40	2035 Commercial	60.0	2025
			539,273	4,878	70	2065 Residential	16.0	2025
Zengcheng	Chromatic Garden	100.0 [B]	2,000		40	2058 Commercial		
		[A]	138,592	1,298	70	2088 Residential	45.0	2022
Kunshan								
Huaqiao	The Metropolis							
	Phase 1	100.0	166,232	1,542	70	2074 Residential		
	Phase 2A	100.0	72,431	709	70	2074 Residential		
	Phase 3	100.0	2,240		40	2044 Commercial		
			120,195	1,111	70	2074 Residential		
	Phase 4	100.0	51,041	460	70	2074 Residential		
	Phase 6A	100.0	1,002		40	2044 Commercial		
	Phase 6B	100.0 [A]	68,277		40	2044 Commercial	32.0	2022
Shanghai								
Huangpu	The Paragon	99.0	3,270		70	2072 Commercial		
	The Paragon Tower 5	99.0	10,780	31	70	2072 Residential		
Jingan	Jing'an One	70.0	27,222	138	70	2074 Residential		
Pudong	New Horizon							
	Phase 2	95.0	13,712		40	2053 Commercial		
Wuhan								
Caidian	The Lakeside							
	Phase 1	100.0	3,680		40	2050 Commercial		
	Phase 2	100.0	126,322	1,206	70	2080 Residential		

City/ District	Property/Phase	Effective Stake (%)	GFA (sqm)	Total No. of Units	Tenure (Years)	Tenure Expiry/ Lease Type	% of Completion	Expected Date of Completion
CHINA								
Xi'an								
Baqiao	La Botanica							
	1A - 2R1, 6 - 2R2, 7 - 2R4, 2R5C&3AC	38.0	21,096		70	2076 Commercial		
	Phase 4 - 4R1	38.0	9,415		70	2078 Commercial		
	Phase 8 - 3R2	38.0	10,090		70	2077 Commercial		
			185,371	1,703	70	2077 Residential		
	Phase 9 - 2R5	38.0	13,397		70	2076 Commercial		
			302,875	3,010	70	2076 Residential		
	Phase 10 - 4M1 - 1	38.0	41,592		70	2078 Commercial		
	Phase 11 - 3R4	38.0 [A]	7,612		70	2078 Commercial	73.0	2021
			127,298	1,009	70	2078 Residential	73.0	2021
	Phase 12 - 2R3	38.0 [A]	2,396		70	2076 Commercial	77.0	2021
			75,370	694	70	2076 Residential	77.0	2021
	Phase 15 - 1R1	38.0 [A]	2,926		70	2078 Commercial	46.0	2022
			343,328	2,987	70	2078 Residential	46.0	2022
	Phase 16 - 3R5	38.0 [A]	120,667	903	70	2078 Residential	19.0	2023
	Phase 17- 4M1	38.0 [B]	115,759	1,323	70	2078 Commercial		
	Phase 18 - 3R1, Phase 19 - 4R2	38.0 [B]	284,485	1,935	70	2078 Residential		
China Total			**4,770,463**					
MALAYSIA								
Kuala Lumpur								
Kuala Lumpur	Park Regent	50.0 [A]	136,053	505	Freehold		3.7	2022
	Kuchai Lama	50.0 [A]	60,233	332	Freehold		100.0	
Malaysia Total			**196,286**					
SINGAPORE								
Singapore								
Pearl Bank	One Pearl Bank	100.0 [A]	56,999	774	99	2118		2023
Yio Chu Kang Road	Site at Yio Chu Kang Road	100.0 [37,B]	19,330	52	Freehold			
Singapore Total			**76,329**					

PROPERTY PORTFOLIO
RESIDENTIAL

City/ District	Property/Phase	Effective Stake (%)	GFA (sqm)	Total No. of Units	Tenure (Years)	Tenure Expiry/ Lease Type	% of Completion	Expected Date of Completion
VIETNAM								
Hanoi								
Ha Dong	Seasons Avenue	35.0	196,787	1300	Freehold*	Residential	100.0	
			18,498		Leasehold	2058 Carpark Leasing		
Ho Chi Minh City								
District 2	Residential Site in District 2	100.0 A	70,990	169	Freehold*	Residential		2027
	Vista Verde Phase L	50.0 A	35,558	88	Freehold*	Residential		2023
District 4	De La Sol	100.0 A	98,710	870	Freehold*	Residential	16.7	2023
Vietnam Total			**420,543**					
Grand Total			**5,463,621**					

Notes
Any discrepancies in the tables between the listed figures are thereof due to rounding. For China integrated developments and malls, GFA excludes carpark area. Details of some joint venture projects under development may not be included due to confidentiality clauses.

Status
A Under Development
B Future Development

1 Held through CapitaLand Malaysia Mall Trust.
2 Held through CapitaLand Integrated Commercial Trust.
3 Includes other stake not held through the REIT.
4 Funan info relates to the Retail and Office components.
5 Scheme is pending authority approval and GFA figure is subject to change. Obtained in-principle approval to top-up lease to 99 years.
6 Held through CapitaLand China Trust (Formerly known as CapitaLand Retail China Trust).
7 CapitaLand has announced the divestment of the asset to third party. The transaction is expected to be completed by 2021.
8 Held through Ascott Residence Trust (ART).
9 ART announced the divestment of the asset. The transaction is expected to be completed by the first half of 2021.
10 As disclosed in the announcement by ART dated 21 November 2019, partial interest in the land was divested and the retained interest in the land is currently being redeveloped into a new serviced residence property with 192 units (number of units may be subject to change). The tenure expiry date is based on the expected extension of the lease term to 99 years assuming that the new lease is entered into in 2021.
11 Held through Ascendas Reit.
12 The development at 254 Wellington Road was completed in September 2020.
13 CapitaLand has announced the divestment of the assets to CapitaLand China Trust. The transaction is expected to be completed in 2021.
14 Held through Ascendas India Trust. All measurements of floor area disclosed are of the Super Built-up Area (SBA).
15 Gross Floor Area indicated for site refers to land area.
16 Stipulated Gross Floor Areas are estimated.
17 Gross Floor Area includes under development and future development.
18 99-year lease commencing 12th January 2006, renewable for a further 99 year as provided in the lease deed.
19 aVance Hyderabad is considered a freehold property by the Trustee-Manager on the basis that it is on a 33-year lease which is renewable for further 33-year leases at the Trust's option at nominal lease rentals.
20 Arshiya Panvel warehouses are considered freehold properties by the Trustee-Manager on the basis that they are on a 30-year lease which is renewable for further 30-year leases at the Trust's option at nominal lease rentals.
21 Gross Floor Area includes constructed and future development.
22 Gross Floor Area includes constructed and under development.
23 aVance Pune is considered a freehold property by the Trustee-Manager on the basis that it is on a 99-year lease which is renewable for further 99-year leases at the Trust's option at nominal lease rentals.
24 Includes an option for the Trust to renew the land lease for a further term of 30 years upon expiry.
25 Includes an option for the Trust to renew the land lease for a further term of 28 years upon expiry.
26 Includes an option for the Trust to renew the land lease for a further term of 17 years upon expiry.
27 Includes an option for the Trust to renew the land lease for a further term of 24.4 years upon expiry.
28 Includes an option for the Trust to renew the land lease for a further term of 15 years upon expiry.
29 Includes an option for the Trust to renew the land lease for a further term of 12 years upon expiry.
30 iQuest@IBP was decommissioned for redevelopment in 2020.
31 25 Ubi Road 4 and 27 Ubi Road 4 are undergoing redevelopment works.
32 Leasehold for a term of 965 years from 27 November 1997 to 22 November 2962.
33 Leasehold for a term of 999 years from 29 November 2005 to 28 November 3004.
34 The floor area of Innov Center, Innov Center Phase II, Pufa Tower and Janggyo Project are stated using GFA.
35 Divestment of the Janggyo Project was completed in January 2021
36 The floor area of Arlington Business Park is stated using NLA.
37 Area indicated for site at Yio Chu Kang Road refers to land area.

* For Vietnam residential properties, a 50-year leasehold period is applicable to foreigners.

FINANCIAL STATEMENTS

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 2020.

In our opinion:

(a) the financial statements set out on pages 156 to 295 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 2020 and the financial performance, changes in equity of the Group and of the Company, and the cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50, 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:

Ng Kee Choe
Miguel Ko
Lee Chee Koon
Tan Sri Amirsham Bin A Aziz
Stephen Lee Ching Yen
Dr Philip Nalliah Pillai
Kee Teck Koon
Chaly Mah Chee Kheong
Anthony Lim Weng Kin
Gabriel Lim Meng Liang
Goh Swee Chen

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by spouse and infant children) in shares, debentures, options and awards in the Company and its related corporations are as follows:

		Holdings in the name of the director, spouse and/or infant children	
		At beginning of the year	At end of the year
The Company			
Ordinary shares			
Ng Kee Choe		410,636	492,344
Lee Chee Koon		714,371	1,273,533
Tan Sri Amirsham Bin A Aziz		128,297	152,394
Stephen Lee Ching Yen		87,969	106,808
Dr Philip Nalliah Pillai		67,556	86,187
Kee Teck Koon		64,297	86,425
Chaly Mah Chee Kheong		80,178	103,604
Anthony Lim Weng Kin		20,526	36,476
Goh Swee Chen		20,217	34,592
Contingent award of Performance shares[1a] to be delivered after 2019			
Lee Chee Koon	(197,653 shares)	0 to 395,306[3]	–[¶]

[¶] During the year, 211,488 shares were released.

Contingent award of Performance shares[1a] to be delivered after 2020			
Lee Chee Koon	(142,437 shares)	0 to 284,874[3]	0 to 284,874[3]
Contingent award of Performance shares[1a] to be delivered after 2021			
Lee Chee Koon	(320,143 shares)	0 to 640,286[3]	0 to 640,286[3]
Contingent award of Performance shares[1b] to be delivered after 2022			
Lee Chee Koon	(323,886 shares)	–	0 to 647,772[3]
Unvested Restricted shares[2a] to be delivered after 2017			
Lee Chee Koon		47,926[5,6]	–[*]

[*] During the year, 54,491 shares were released.

Unvested Restricted shares[2a] to be delivered after 2018		
Lee Chee Koon	142,437[5,7]	–[^]

[^] During the year, 151,837 shares were released, of which 80,619 shares were settled in cash.

Unvested Restricted shares[2a] to be delivered after 2019		
Lee Chee Koon	0 to 768,343[4,5]	221,967[5,6,@]

[@] During the year, 443,930 shares were released, of which 221,965 shares were settled in cash.

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS 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
The Company (continued)			
Contingent award of Restricted shares[2b] to be delivered after 2020			
Lee Chee Koon	(269,905 shares)	–	0 to 404,857[4,5]
Related Corporations			
Ascendas Pte Ltd			
S$100 million 2.965% Fixed Rate Notes due 2021			
Kee Teck Koon		S$250,000	S$250,000
CapitaLand Treasury Limited			
S$800 million 2.90% Fixed Rate Senior Notes due 2032			
Kee Teck Koon		–	S$250,000
Fullerton India Credit Company Limited			
S$150 million 3.70% Senior Secured Notes due 2023			
Kee Teck Koon		S$250,000	S$250,000
Mapletree Treasury Services Limited			
S$300 million 3.4% Notes due 2026			
Miguel Ko		S$500,000	S$500,000
Olam International Limited			
US$500 million 5.35% Perpetual Capital Securities			
Kee Teck Koon		US$200,000	–
A$150 million 4.875% Fixed Rate Notes due 2020			
Miguel Ko		A$200,000	–
SIA Engineering Company Limited			
Ordinary Shares			
Kee Teck Koon		5,000	5,000

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS 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
Related Corporations (continued)		
Singapore Airlines Limited		
Ordinary Shares		
Miguel Ko	–	75,000
Stephen Lee Ching Yen	9,400	9,400
Kee Teck Koon	–	38,906
Goh Swee Chen	1,300	18,550
S$200 million 3.145% Fixed Rate Notes due 2021		
Miguel Ko	S$250,000	S$250,000
S$600 million 3.16% Fixed Rate Notes due 2023		
Ng Kee Choe	S$250,000	S$250,000
Miguel Ko	S$500,000	S$500,000
Kee Teck Koon	S$750,000	S$750,000
S$750 million 3.03% Bond due 2024		
Miguel Ko	S$250,000	S$250,000
S$700 million 3.035% Fixed Rate Notes due 2025		
Miguel Ko	S$250,000	S$250,000
Kee Teck Koon	S$250,000	S$250,000
S$850 million 1.625% Mandatory Convertible Bond due 2025		
Goh Swee Chen	–	S$3,835
Singapore Technologies Engineering Ltd		
Ordinary Shares		
Miguel Ko	70,500	70,500
Singapore Telecommunications Limited		
Ordinary Shares		
Ng Kee Choe	1,907	1,907
Miguel Ko	34,000	34,000
Stephen Lee Ching Yen	380	380
Dr Philip Nalliah Pillai	3,040	3,040
Kee Teck Koon	490	10,490
Anthony Lim Weng Kin	940	940
Goh Swee Chen	5,000	5,000

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS 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
Related Corporations (continued)		
SP Power Assets Limited		
US$700 million 3.25% Fixed Rate Notes due 2025		
Ng Kee Choe	US$200,000	US$200,000
StarHub Ltd		
Ordinary Shares		
Miguel Ko	66,600	66,600
S$220 million 3.08% Fixed Rate Notes due 2022		
Miguel Ko	S$250,000	S$250,000
Surbana Jurong Private Limited		
S$350 million 4.11% Notes due 2025		
Lee Chee Koon	S$500,000	–

Footnotes:

1a Awards made pursuant to the CapitaLand Performance Share Plan 2010.
1b Awards made pursuant to the CapitaLand Performance Share Plan 2020.
2a Awards made pursuant to the CapitaLand Restricted Share Plan 2010 (RSP 2010).
2b Awards made pursuant to the CapitaLand Restricted Share Plan 2020 (RSP 2020).
3 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) has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors.
4 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. 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 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.
5 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 forgone due to the vesting mechanism of the RSP 2010 and RSP 2020, will also be released on the final vesting.
6 Being the unvested one-third of the award.
7 Being the unvested two-thirds of the award.

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 2021.

DIRECTORS' STATEMENT

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

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 Mr Ng Kee Choe (Chairman), Mr Miguel Ko, Mr Stephen Lee Ching Yen and Ms Goh Swee Chen.

The CapitaLand Performance Share Plan 2010 (PSP 2010) and CapitaLand Restricted Share Plan 2010 (RSP 2010) were approved by the members of the Company at the Extraordinary General Meeting held on 16 April 2010. The duration of each share plan is 10 years commencing on 16 April 2010. The PSP 2010 and RSP 2010 have expired on 15 April 2020. Awards made prior to expiry are not affected and no further awards were made subsequent to expiry. No new awards were made under PSP 2010 and RSP 2010 during the year.

The CapitaLand Performance Share Plan 2020 (PSP 2020) and CapitaLand Restricted Share Plan 2020 (RSP 2020) were approved by the members of the Company at the Extraordinary General Meeting held on 12 April 2019. The duration of each share plan is 10 years commencing on 1 April 2020.

The ERCC has instituted a set of share ownership guidelines for members of senior management who receive shares under the Share Plans. Under these guidelines, members of senior management are required to retain a portion of the total number of CapitaLand shares received under the Share Plans, which varies according to their respective job grades and base salaries.

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 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 Share Plan are provided in the following sections.

(a) Awards under the CapitaLand Performance Share Plans

Under the Performance Share Plans, 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 could be delivered up to a maximum of 200% 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.

DIRECTORS' STATEMENT

SHARE PLANS – PERFORMANCE SHARE PLANS AND RESTRICTED SHARE PLANS (continued)

(a) Awards under the CapitaLand Performance Share Plans (continued)

For grants made in 2017 to 2020, the performance conditions and number of shares to be released subject to the achievement of performance targets are as follows:

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 200% of baseline award
2.	Group's relative total shareholder return ranking against a peer group of selected companies	
3.	Average of Group's return on equity to be achieved in 2018 and 2019 for the grant made in 2017; average of Group's return on equity to be achieved in 2018 to 2020 for the grant made in 2018; average of Group's return on equity to be achieved in 2019 to 2021 for the grant made in 2019; average of Group's return on equity to be achieved in 2021 and 2022 for the grant made in 2020	

Details of the movement in the awards of the Company during the year were as follows:

			<—— Movements during the year ——>				
	Balance as at 1 January 2020		Granted	Released	Lapsed/ Cancelled	Balance as at 31 December 2020	
Year of award	No. of holders	No. of shares	No. of shares	No. of shares	No. of shares	No. of holders	No. of shares
2017	57	3,301,739	222,127	(3,395,863)	(128,003)	–	–
2018	60	2,443,787	–	–	(178,193)	55	2,265,594
2019	84	3,414,304	–	–	(117,240)	79	3,297,064
2020	–	–	3,194,293	–	–	72	3,194,293
		9,159,830	3,416,420	(3,395,863)	(423,436)		8,756,951

(b) Awards under the CapitaLand Restricted Share Plans

Under the Restricted Share Plans, 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.

DIRECTORS' STATEMENT

SHARE PLANS – PERFORMANCE SHARE PLANS AND RESTRICTED SHARE PLANS (continued)

(b) Awards under the CapitaLand Restricted Share Plans (continued)

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 one-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 at the end of a one-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 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. Once the final number of shares has been determined, it will be released over a vesting period of three years. Recipients can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost.

For grants made in 2017 to 2020, the performance conditions and number of shares to be released subject to the achievement of performance targets are as follows:

Performance conditions	Final number of shares to be released
1. Group's operating earnings before interest and tax	0% to 150% of baseline award
2. Group's operating return on equity	An additional number of shares of a total value equal to the value of the accumulated dividends declared during each of the vesting periods and deemed forgone due to the vesting mechanism, will also be released upon the final vesting

Details of the movement in the awards of the Company during the year were as follows:

	Balance as at 1 January 2020		<—— Movements during the year ——>			Balance as at 31 December 2020	
			Granted	Released+	Lapsed/ Cancelled		
Year of award	No. of holders	No. of shares	No. of shares	No. of shares	No. of shares	No. of holders	No. of shares
2017	1,179	4,231,622	571,042	(4,743,499)	(59,165)	–	–
2018	1,351	8,942,586	63,216	(4,954,231)	(445,487)	1,146	3,606,084
2019	2,238	14,951,746	1,309,810	(5,816,170)	(1,760,301)	1,957	8,685,085
2020	–	–	9,132,455#^	(212,897)	(109,885)	1,560	8,809,673
		28,125,954	11,076,523	(15,726,797)	(2,374,838)		21,100,842

\+ The number of shares released during the year was 15,726,797, of which 4,078,753 were cash-settled.
\# Comprised RSP to employees 8,919,558 and to non-executive directors 212,897.
^ Includes time-based awards granted under RSP 2020 vesting on 1 March 2021 for selected senior management new hires.

DIRECTORS' STATEMENT

SHARE PLANS – PERFORMANCE SHARE PLANS AND RESTRICTED SHARE PLANS (continued)

(b) Awards under the CapitaLand Restricted Share Plans (continued)

As at 31 December 2020, the number of shares in awards granted under the Restricted Share Plans was as follows:

	Equity-settled	Cash-settled	Total
Final number of shares has not been determined (baseline award)#	6,882,580	1,767,093	8,649,673
Final number of shares determined but not released	10,136,163^	2,315,006	12,451,169
	17,018,743	4,082,099	21,100,842

\# The final number of shares released could range from 0% to 150% of the baseline award.
^ Includes time-based awards granted under RSP 2020 vesting on 1 March 2021 for selected senior management new hires.

AUDIT COMMITTEE

The Audit Committee members at the date of this statement are Mr Chaly Mah Chee Kheong (Chairman), Tan Sri Amirsham Bin A Aziz, Dr Philip Nalliah Pillai, Mr Gabriel Lim Meng Liang and Mr Anthony Lim Weng Kin.

The Audit Committee shall discharge its duties in accordance with the Companies Act (Chapter 50) and the Listing Manual of the SGX-ST. The Audit Committee shall also be guided by the Code of Corporate Governance (2 May 2012) and the Guidebook for Audit Committee in Singapore (Second Edition), 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;
- the findings of internal investigation, 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 4 times in 2020. 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.

The Audit Committee has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

AUDITORS

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Ng Kee Choe
Director

Lee Chee Koon
Director

Singapore
5 March 2021

INDEPENDENT AUDITORS' REPORT

To the Members of CapitaLand Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of CapitaLand 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 2020, the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the income statement, statement of comprehensive income and statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 156 to 295.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet, income statement, statement of comprehensive income and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (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 2020 and the financial performance and changes in equity of the Group and the Company, and the 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 Note 5 and 35 to the financial statements)

Risk:

The Group owns a portfolio of investment properties comprising shopping malls, offices, serviced residences, integrated development projects and business park, industrial and logistic properties, located primarily in Singapore, China and Europe. Investment properties represent the single largest category of assets on the balance sheets at $47.9 billion as at 31 December 2020 (2019: $48.7 billion).

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 methodology 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.

The valuation reports obtained from the external valuers of certain properties highlighted that given the unprecedented set of circumstances on which to base a judgment, less certainty, and a higher degree of caution, should be attached to their valuations than would normally be the case. Due to the unknown future impact that the Coronavirus Disease ("COVID-19") pandemic might have on the real estate market, the external valuers have also recommended to keep the valuation of these properties under frequent review.

INDEPENDENT AUDITORS' REPORT

To the Members of CapitaLand 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 historical rates and 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.

Our findings:

The Group has a structured process in appointing and instructing valuers, and in reviewing, challenging and accepting their valuations. The valuers are members of recognised professional bodies for valuers and have considered their own independence in carrying out their work. The valuation methodologies used are in line with generally accepted market practices and the key assumptions used are within the range of market data. The disclosures in the financial statements are appropriate.

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 and will 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.

INDEPENDENT AUDITORS' REPORT

To the Members of CapitaLand Limited

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) and IFRS, 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.

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.

INDEPENDENT AUDITORS' REPORT

To the Members of CapitaLand Limited

Auditors' responsibilities for the audit of the financial statements (continued)

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.

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 Ling Su Min.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
5 March 2021

BALANCE SHEETS

As at 31 December 2020

		The Group		The Company	
	Note	31 Dec 2020 $'000	31 Dec 2019 $'000	31 Dec 2020 $'000	31 Dec 2019 $'000
Non-current assets					
Property, plant and equipment	3	1,435,084	1,268,517	35,918	47,128
Intangible assets	4	1,067,382	988,081	323	436
Investment properties	5	47,872,910	48,731,897	–	–
Subsidiaries	6	–	–	16,922,621	15,511,154
Associates	7	7,726,017	8,080,868	–	–
Joint ventures	8	4,801,796	4,915,307	–	–
Deferred tax assets	9	503,456	353,816	423	423
Other non-current assets	10(a)	1,571,500	1,382,447	–	–
		64,978,145	65,720,933	16,959,285	15,559,141
Current assets					
Development properties for sale and stocks	11	6,778,210	7,725,059	–	–
Trade and other receivables	12	3,075,988	2,301,597	804,034	889,759
Other current assets	10(b)	39,495	45,611	–	–
Assets held for sale	15	322,662	385,111	–	–
Cash and cash equivalents	16	9,175,378	6,167,606	25,199	18,098
		19,391,733	16,624,984	829,233	907,857
Less: current liabilities					
Trade and other payables	17	5,256,615	5,047,568	402,791	112,429
Contract liabilities	27(b)	862,127	1,501,306	–	–
Short term borrowings	19	3,938,561	2,501,026	10,808	10,453
Current portion of debt securities	20	998,728	1,449,027	–	646,236
Current tax payable		2,651,176	1,900,452	2,281	3,998
Liabilities held for sale	15	31,678	27,797	–	–
		13,738,885	12,427,176	415,880	773,116
Net current assets		5,652,848	4,197,808	413,353	134,741
Less: non-current liabilities					
Long term borrowings	19	19,573,143	17,008,518	23,969	34,777
Debt securities	20	10,647,959	10,452,492	1,172,783	1,170,531
Deferred tax liabilities	9	1,366,831	1,462,440	549	1,572
Other non-current liabilities	21	751,019	712,416	672,315	1,282,605
		32,338,952	29,635,866	1,869,616	2,489,485
Net assets		38,292,041	40,282,875	15,503,022	13,204,397
Representing:					
Share capital	23	9,715,256	9,327,422	9,715,256	9,327,422
Revenue reserve		12,903,455	15,074,009	6,018,041	4,103,135
Other reserves	24	(312,634)	(1,041,961)	(230,275)	(226,160)
Equity attributable to owners of the Company		22,306,077	23,359,470	15,503,022	13,204,397
Perpetual securities	25	996,657	897,047	–	–
Non-controlling interests	6	14,989,307	16,026,358	–	–
Total equity		38,292,041	40,282,875	15,503,022	13,204,397

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

INCOME STATEMENTS

Year ended 31 December 2020

	Note	The Group 2020 $'000	The Group 2019 $'000	The Company 2020 $'000	The Company 2019 $'000
Revenue	27	6,532,572	6,234,764	2,617,224	517,113
Cost of sales		(3,613,302)	(3,234,962)	–	–
Gross profit		2,919,270	2,999,802	2,617,224	517,113
Other operating income	28(a)	719,916	1,772,158	53,048	66,288
Administrative expenses		(605,372)	(608,740)	(104,375)	(161,480)
Other operating expenses		(2,854,044)	(84,385)	(38,884)	(13,526)
Profit from operations		179,770	4,078,835	2,527,013	408,395
Finance costs	28(d)	(913,149)	(839,141)	(56,405)	(79,344)
Share of results (net of tax) of:					
– associates		22,893	643,824	–	–
– joint ventures		28,824	344,951	–	–
		51,717	988,775	–	–
(Loss)/Profit before tax	28	(681,662)	4,228,469	2,470,608	329,051
Tax expense	29	(953,485)	(814,828)	2,560	1,254
(Loss)/Profit for the year		(1,635,147)	3,413,641	2,473,168	330,305
Attributable to:					
Owners of the Company		(1,574,259)	2,135,894	2,473,168	330,305
Non-controlling interests		(60,888)	1,277,747	–	–
(Loss)/Profit for the year		(1,635,147)	3,413,641	2,473,168	330,305
Basic earnings per share (cents)	30	(31.0)	46.4		
Diluted earnings per share (cents)	30	(31.0)	43.8		

STATEMENTS OF COMPREHENSIVE INCOME

Year ended 31 December 2020

	Note	The Group 2020 $'000	The Group 2019 $'000	The Company 2020 $'000	The Company 2019 $'000
(Loss)/Profit for the year		(1,635,147)	3,413,641	2,473,168	330,305
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations		700,103	(206,259)	–	–
Effective portion of change in fair value of cash flow hedges		(97,742)	(70,176)	–	–
Share of other comprehensive income of associates and joint ventures		349,320	(161,143)	–	–
Items that will not be reclassified subsequently to profit or loss					
Change in fair value of equity investments at fair value through other comprehensive income		(50,940)	144,372	–	–
Revaluation of a property, plant and equipment		–	6,161	–	–
Total other comprehensive income for the year, net of tax	26	900,741	(287,045)	–	–
Total comprehensive income for the year		(734,406)	3,126,596	2,473,168	330,305
Attributable to:					
Owners of the Company		(881,562)	1,952,983	2,473,168	330,305
Non-controlling interests		147,156	1,173,613	–	–
Total comprehensive income for the year		(734,406)	3,126,596	2,473,168	330,305

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

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2020

	Attributable to owners of the Company												
	Share capital $'000	Revenue reserve $'000	Reserve for own shares $'000	Capital reserve $'000	Equity compensation reserve $'000	Hedging reserve $'000	Fair value reserve $'000	Asset revaluation reserve $'000	Foreign currency translation reserve $'000	Total $'000	Perpetual securities $'000	Non-controlling interests $'000	Total equity $'000
The Group													
At 1 January 2020	9,327,422	15,074,009	(342,225)	295,073	77,869	(104,727)	138,489	6,161	(1,112,601)	23,359,470	897,047	16,026,358	40,282,875
Total comprehensive income													
Loss for the year	–	(1,574,259)	–	–	–	–	–	–	–	(1,574,259)	–	(60,888)	(1,635,147)
Other comprehensive income													
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	–	–	–	–	–	–	–	–	468,882	468,882	–	231,221	700,103
Change in fair value of equity investment at fair value through other comprehensive income	–	–	–	–	–	–	(44,975)	–	–	(44,975)	–	(5,965)	(50,940)
Effective portion of change in fair value of cash flow hedges	–	–	–	–	–	(74,940)	–	–	–	(74,940)	–	(22,802)	(97,742)
Share of other comprehensive income of associates and joint ventures	–	–	–	–	–	(19,952)	–	–	363,682	343,730	–	5,590	349,320
Total other comprehensive income, net of tax	–	–	–	–	–	(94,892)	(44,975)	–	832,564	692,697	–	208,044	900,741
Total comprehensive income	–	(1,574,259)	–	–	–	(94,892)	(44,975)	–	832,564	(881,562)	–	147,156	(734,406)

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

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2020

	Attributable to owners of the Company												
	Share capital $'000	Revenue reserve $'000	Reserve for own shares $'000	Capital reserve $'000	Equity compensation reserve $'000	Hedging reserve $'000	Fair value reserve $'000	Asset revaluation reserve $'000	Foreign currency translation reserve $'000	Total $'000	Perpetual securities $'000	Non-controlling interests $'000	Total equity $'000
Transactions with owners, recorded directly in equity													
Contributions by and distributions to owners													
Issue of treasury shares	–	–	735	–	–	–	–	–	–	735	–	–	735
Issue of new shares	387,834	–	–	–	–	–	–	–	–	387,834	–	–	387,834
Contributions from non-controlling interests (net)	–	–	–	–	–	–	–	–	–	–	–	355,067	355,067
Redemption of convertible bonds	–	46,990	–	(46,990)	–	–	–	–	–	–	–	–	–
Dividends paid/payable	–	(606,279)	–	–	–	–	–	–	–	(606,279)	–	(732,007)	(1,338,286)
Reclassification of equity compensation reserve	–	1,027	51,188	–	(52,215)	–	–	–	–	–	–	–	–
Issue of perpetual securities (net)	–	–	–	–	–	–	–	–	–	–	99,021	–	99,021
Distribution attributable to perpetual securities	–	(24,749)	–	–	–	–	–	–	–	(24,749)	34,438	(9,689)	–
Distribution paid to perpetual securities	–	–	–	–	–	–	–	–	–	–	(33,849)	–	(33,849)
Share-based payments	–	–	–	–	27,680	–	–	–	–	27,680	–	3,698	31,378
Total contributions by and distributions to owners	387,834	(583,011)	51,923	(46,990)	(24,535)	–	–	–	–	(214,779)	99,610	(382,931)	(498,100)
Changes in ownership interests in subsidiaries and other capital transactions													
Changes in ownership interests in subsidiaries with a change in control	–	3,662	–	(2,046)	–	–	–	–	1,220	2,836	–	(21,491)	(18,655)
Changes in ownership interests in subsidiaries with no change in control	–	47,318	–	(1,030)	–	91	108	–	3,701	50,188	–	(773,832)	(723,644)
Share of reserves of associates and joint ventures	–	(21,321)	–	18,617	–	–	–	–	–	(2,704)	–	(16)	(2,720)
Others	–	(42,943)	–	35,571	–	–	–	–	–	(7,372)	–	(5,937)	(13,309)
Total changes in ownership interests in subsidiaries and other capital transactions	–	(13,284)	–	51,112	–	91	108	–	4,921	42,948	–	(801,276)	(758,328)
Total transactions with owners	387,834	(596,295)	51,923	4,122	(24,535)	91	108	–	4,921	(171,831)	99,610	(1,184,207)	(1,256,428)
At 31 December 2020	9,715,256	12,903,455	(290,302)	299,195	53,334	(199,528)	93,622	6,161	(275,116)	22,306,077	996,657	14,989,307	38,292,041

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

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2020

	Attributable to owners of the Company												
	Share capital $'000	Revenue reserve $'000	Reserve for own shares $'000	Capital reserve $'000	Equity compensation reserve $'000	Hedging reserve $'000	Fair value reserve $'000	Asset revaluation reserve $'000	Foreign currency translation reserve $'000	Total $'000	Perpetual securities $'000	Non-controlling interests $'000	Total equity $'000
The Group													
As previously reported at 01/01/2019	6,309,496	13,460,921	(385,078)	401,141	69,345	(45,716)	2,311	–	(859,708)	18,952,712	397,127	13,957,100	33,306,939
Adoption of SFRS(I) 16	–	(22,597)	–	–	–	–	–	–	–	(22,597)	–	1,572	(21,025)
At 1 January 2019	6,309,496	13,438,324	(385,078)	401,141	69,345	(45,716)	2,311	–	(859,708)	18,930,115	397,127	13,958,672	33,285,914
Total comprehensive income													
Profit for the year	–	2,135,894	–	–	–	–	–	–	–	2,135,894	–	1,277,747	3,413,641
Other comprehensive income													
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	–	–	–	–	–	–	–	–	(131,519)	(131,519)	–	(74,740)	(206,259)
Change in fair value of equity investment at fair value through other comprehensive income	–	–	–	–	–	–	136,147	–	–	136,147	–	8,225	144,372
Revaluation of a property, plant and equipment	–	–	–	–	–	–	–	6,161	–	6,161	–	–	6,161
Effective portion of change in fair value of cash flow hedges	–	–	–	–	–	(34,884)	–	–	–	(34,884)	–	(35,292)	(70,176)
Share of other comprehensive income of associates and joint ventures	–	–	–	–	–	(25,277)	–	–	(133,539)	(158,816)	–	(2,327)	(161,143)
Total other comprehensive income, net of tax	–	–	–	–	–	(60,161)	136,147	6,161	(265,058)	(182,911)	–	(104,134)	(287,045)
Total comprehensive income	–	2,135,894	–	–	–	(60,161)	136,147	6,161	(265,058)	1,952,983	–	1,173,613	3,126,596

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2020

	Attributable to owners of the Company												
	Share capital $'000	Revenue reserve $'000	Reserve for own shares $'000	Capital reserve $'000	Equity compensation reserve $'000	Hedging reserve $'000	Fair value reserve $'000	Asset revaluation reserve $'000	Foreign currency translation reserve $'000	Total $'000	Perpetual securities $'000	Non-controlling interests $'000	Total equity $'000
Transactions with owners, recorded directly in equity													
Contributions by and distributions to owners													
Issue of treasury shares	–	–	596	–	–	–	–	–	–	596	–	–	596
Issue of new shares	3,017,926	–	–	–	–	–	–	–	–	3,017,926	–	–	3,017,926
Contributions from non-controlling interests (net)	–	–	–	–	–	–	–	–	–	–	–	606,048	606,048
Redemption of convertible bonds	–	18,483	–	(18,483)	–	–	–	–	–	–	–	–	–
Dividends paid/payable	–	(501,007)	–	–	–	–	–	–	–	(501,007)	–	(836,465)	(1,337,472)
Reclassification of equity compensation reserve	–	1,245	–	–	(1,245)	–	–	–	–	–	–	–	–
Issue of perpetual securities (net)	–	–	–	–	–	–	–	–	–	–	645,579	–	645,579
Redemption of perpetual securities	–	–	–	–	–	–	–	–	–	–	(150,000)	–	(150,000)
Distribution attributable to perpetual securities	–	(12,628)	–	–	–	–	–	–	–	(12,628)	23,541	(10,913)	–
Distribution paid to perpetual securities	–	–	–	–	–	–	–	–	–	–	(19,200)	–	(19,200)
Share-based payments	–	–	42,257	–	9,769	–	–	–	2	52,028	–	1,499	53,527
Total contributions by and distributions to owners	3,017,926	(493,907)	42,853	(18,483)	8,524	–	–	–	2	2,556,915	499,920	(239,831)	2,817,004
Changes in ownership interests in subsidiaries and other capital transactions													
Changes in ownership interests in subsidiaries with a change in control	–	23,830	–	(24,228)	–	1,150	–	–	1,338	2,090	–	1,149,656	1,151,746
Changes in ownership interests in subsidiaries with no change in control	–	(96,510)	–	(292)	–	–	31	–	9,681	(87,090)	–	(32,422)	(119,512)
Share of reserves of associates and joint ventures	–	(36,043)	–	40,141	–	–	–	–	–	4,098	–	–	4,098
Transfer of reserves upon divestment of an associate	–	119,928	–	(119,928)	–	–	–	–	–	–	–	–	–
Others	–	(17,507)	–	16,722	–	–	–	–	1,144	359	–	16,670	17,029
Total changes in ownership interests in subsidiaries and other capital transactions	–	(6,302)	–	(87,585)	–	1,150	31	–	12,163	(80,543)	–	1,133,904	1,053,361
Total transactions with owners	3,017,926	(500,209)	42,853	(106,068)	8,524	1,150	31	–	12,165	2,476,372	499,920	894,073	3,870,365
At 31 December 2019	9,327,422	15,074,009	(342,225)	295,073	77,869	(104,727)	138,489	6,161	(1,112,601)	23,359,470	897,047	16,026,358	40,282,875

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2020

	Attributable to owners of the Company					
	Share capital $'000	Revenue reserve $'000	Reserve for own shares $'000	Capital reserve $'000	Equity compensation reserve $'000	Total equity $'000
The Company						
At 1 January 2020	9,327,422	4,103,135	(342,225)	92,799	23,266	13,204,397
Total comprehensive income						
Profit for the year	–	2,473,168	–	–	–	2,473,168
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of new shares	387,834	–	–	–	–	387,834
Issue of treasury shares	–	–	51,923	–	(15,643)	36,280
Dividends paid	–	(606,279)	–	–	–	(606,279)
Share-based payments	–	–	–	–	7,622	7,622
Reclassification of equity compensation reserve	–	1,027	–	–	(1,027)	–
Redemption of convertible bonds	–	46,990	–	(46,990)	–	–
Total transactions with owners	387,834	(558,262)	51,923	(46,990)	(9,048)	(174,543)
At 31 December 2020	9,715,256	6,018,041	(290,302)	45,809	14,218	15,503,022
At 1 January 2019	6,309,496	4,257,059	(385,078)	111,282	19,105	10,311,864
Total comprehensive income						
Profit for the year	–	330,305	–	–	–	330,305
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of new shares	3,017,926	–	–	–	–	3,017,926
Issue of treasury shares	–	–	42,853	–	(14,422)	28,431
Dividends paid	–	(501,007)	–	–	–	(501,007)
Share-based payments	–	–	–	–	16,878	16,878
Reclassification of equity compensation reserve	–	(1,705)	–	–	1,705	–
Redemption of convertible bonds	–	18,483	–	(18,483)	–	–
Total transactions with owners	3,017,926	(484,229)	42,853	(18,483)	4,161	2,562,228
At 31 December 2019	9,327,422	4,103,135	(342,225)	92,799	23,266	13,204,397

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2020

	2020 $'000	2019 $'000
Cash flows from operating activities		
(Loss)/Profit after tax	(1,635,147)	3,413,641
Adjustments for:		
Allowance for/(Write-back of):		
– impairment loss on receivables	32,906	10,477
– foreseeable losses	251,329	(3,499)
– impairment on interests in associates and joint ventures	283	18,251
– impairment on intangible assets	152,868	5,263
– impairment on property, plant and equipment	26,594	8,682
Amortisation of intangible assets	22,922	18,461
Depreciation of property, plant and equipment and right-of-use assets	156,806	118,418
Dividend income	(13,629)	(8,726)
Fair value loss loss/(gain) from assets held for sale	416,479	(135,024)
Finance costs	913,149	839,141
Gain on disposal of investment properties	(40,156)	(124,744)
Interest income	(98,542)	(98,323)
Loss on disposal and write off of property, plant and equipment	527	1,682
Write-off of intangible assets	1,712	–
Net change in fair value of investment properties	2,085,197	(1,028,920)
Net change in fair value of financial instruments	15,041	(11,412)
Net gain from change of ownership interests in subsidiaries, associates and joint ventures	(232,457)	(218,520)
Share of results of associates and joint ventures	(51,717)	(988,775)
Share-based expenses	36,846	66,734
Tax expense	953,485	814,828
	4,629,643	(716,006)
Operating profit before working capital changes	2,994,496	2,697,635
Changes in working capital:		
Trade and other receivables	(825,630)	(135,537)
Development properties for sale	1,043,981	338,357
Contract assets	–	24,805
Trade and other payables	(484,489)	52,154
Contract liabilities	(705,494)	(199,094)
Restricted bank deposits	17,190	(61,034)
	(954,442)	19,651
Cash generated from operations	2,040,054	2,717,286
Taxation paid	(511,787)	(471,314)
Net cash generated from operating activities	1,528,267	2,245,972

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2020

	Note	2020 $'000	2019 $'000
Cash flows from investing activities			
Acquisition/Development expenditure of investment properties		(837,780)	(1,009,955)
Acquisition of subsidiaries, net of cash acquired	32(b)	(213,361)	(2,543,698)
Deposits placed for acquisition of investment properties		(155,386)	–
Deposits received for disposal of investment property/subsidiaries		21,168	86,850
Disposal of subsidiaries, net of cash disposed of	32(d)	468,614	1,537,188
Dividends received from associates, joint ventures and other investments		403,276	291,405
Interest income received		78,947	90,143
(Investments in)/Return of investments from associates and joint ventures		(364,881)	101,269
Proceeds from disposal of/(Investment in) other financial assets		3,097	(18,241)
Proceeds from disposal of investment properties		360,184	782,982
Proceeds from disposal of assets held for sale		351,188	386,300
Proceeds from disposal of property, plant and equipment		9,802	6,831
Purchase of intangible assets and property, plant and equipment		(80,111)	(81,465)
Settlement of hedging instruments		(13,072)	1,284
Restricted bank deposit for acquisition of a subsidiary		–	10,590
Net cash generated from/(used in) investing activities		31,685	(358,517)
Cash flows from financing activities			
Repayment of shareholder loans from non-controlling interests		(52,000)	(7,792)
(Distributions to)/Contributions from non-controlling interests		(332,940)	593,708
Dividends paid to non-controlling interests		(737,114)	(825,182)
Distributions to perpetual securities holders		(33,849)	(19,200)
Dividends paid to shareholders		(217,949)	(501,007)
Interest expense paid		(990,427)	(890,764)
Loans from associates and joint ventures		515,760	–
Payment for acquisition of ownership interests in subsidiaries with no change in control		(3,194)	(118,370)
Proceeds from bank borrowings		7,569,655	9,529,542
Proceeds from issuance of debt securities		1,124,220	1,551,841
Proceeds from issue of perpetual securities by subsidiaries		98,821	645,579
Redemption of perpetual securities by a subsidiary		–	(150,000)
Repayments of lease liabilities		(68,341)	(63,256)
Repayments of bank borrowings		(4,184,389)	(9,302,399)
Repayments of debt securities and convertible bonds		(1,392,588)	(1,208,925)
Receipt/(Placement) of bank deposits pledged for bank facilities		2,714	(771)
Net cash generated from/(used) in financing activities		1,298,379	(766,996)
Net increase in cash and cash equivalents		2,858,331	1,120,459
Cash and cash equivalents at beginning of the year		6,061,398	5,004,755
Effect of exchange rate changes on cash balances held in foreign currencies		171,975	(41,880)
Changes in cash and cash equivalents reclassified to assets held for sale		(2,868)	(21,936)
Cash and cash equivalents at end of the year	16	9,088,836	6,061,398

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

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 5 March 2021.

1 DOMICILE AND ACTIVITIES

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

The Company's immediate and ultimate holding companies are CLA Real Estate Holdings Pte Ltd and Temasek Holdings (Private) Limited respectively, both companies incorporated in the Republic of Singapore.

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

The principal activities of the significant subsidiaries are those relating to investment holding, real estate development, investment in real estate financial products and real estate assets, investment advisory and management services as well as management of real estate assets.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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 International Financial Reporting Standards (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.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

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 thousand, unless otherwise stated.

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

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

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (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 2.6, Note 3(a)	–	classification of investment properties
Note 6	–	consolidation; whether the Group has control over an investee
Note 9	–	recognition of deferred tax assets
Note 2.15	–	revenue recognition: whether revenue from sale of residential units is recognised over time or at point in time
Note 2.2(a), Note 33	–	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, Note 35	–	determination of fair value of investment properties
Note 11	–	estimation of the progress of completion of the projects' attributable profits for development properties for sale and allowance for foreseeable losses
Note 34(c)	–	measurement of expected credit loss (ECL) allowance for trade receivables: key assumptions in determining the expected loss rate
Note 33	–	determination of fair value of assets, liabilities and contingent liabilities acquired in business combinations
Note 35	–	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 2.14 and note 41 which address changes in accounting policies.

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.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Basis of consolidation (continued)

(a) Business combinations and property acquisitions (continued)

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 the profit or loss.

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 the 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 the 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 shall be 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 the 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 an available-for-sale financial asset depending on the level of influence retained.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT 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. The cost of the investments 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 2.11. 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) Joint operations

A joint operation is an arrangement in which the Group has joint control whereby the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement. The Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

(e) 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.

(f) Accounting for subsidiaries, associates and joint ventures by the Company

Investments in subsidiaries, associates and joint ventures are stated in the Company's balance sheet at cost less accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT 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 the 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 2.8) 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, excluding 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. Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rates at the reporting date.

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 the 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 the 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

2 SUMMARY OF SIGNIFICANT 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 (excluding serviced residence properties)	Lease period ranging from 25 years to 50 years
Plant, machinery and improvements	1 to 10 years
Motor vehicles	5 years
Furniture, fittings and equipment	1 to 10 years

For serviced residence properties where the residual value at the end of the intended holding period is lower than the carrying amount, the difference in value is depreciated over the Group's intended holding period. The intended holding period (the period from the date of commencement of serviced residence operations to the date of expected strategic divestment of the properties) ranges from three to five years. No depreciation is recognised where the residual value is higher than the carrying amount.

Assets under construction are stated at cost and are not depreciated. Expenditure relating to assets under construction (including borrowing costs) are capitalised when incurred. Depreciation will commence when the development is completed and ready to use.

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 the 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 2.11.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Intangible assets (continued)

(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 the profit or loss on a straight-line basis over their estimated useful lives of one to 10 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.

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 the 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 and on completion of construction of investment property.

When an investment property or investment property under development is disposed of, the resulting gain or loss recognised in the profit or loss is the difference between the net disposal proceed and the carrying amount of the property.

Transfers to, or from, investment properties are made where there is a change in intent and use, evidenced by:

- development with a view to sell, for a transfer from investment properties to development properties for sale;
- commencement of leasing activities for a transfer from development properties for sale to investment properties;
- commencement of owner-occupation, for a transfer from investment properties to property, plant and equipment; and
- end of owner-occupation, for a transfer from property, plant and equipment to investment properties.

2.7 Non-current assets and liabilities held for sale

Non-current assets and liabilities, that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the applicable SFRS(I). Thereafter, the assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment classified as held for sale are not amortised or depreciated. In addition, equity accounting of associates and joint ventures ceases once the investments are classified as held for sale.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 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.

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

Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in OCI and accumulated in fair value reserve, except for the recognition of impairment, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other operating income and expenses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".

The Group has elected to recognise changes in fair value of equity securities not held for trading in 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 other comprehensive income and transferred to retained profits along with the amount previously recognised in OCI relating to that asset.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Financial instruments (continued)

(a) Non-derivative financial assets (continued)

At subsequent measurement *(continued)*

(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".

(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.

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Financial instruments (continued)

(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) fair value hedge; (b) cash flow hedge; or (c) net investment 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.

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.

Hedges directly affected by interest rate benchmark reform

A fundamental review and reform of major interest rate benchmarks is being undertaken globally. There is uncertainty as to the timing and the methods of transition for replacing existing benchmark interbank offered rates (IBORs) with alternative rates. In Singapore, the fundamental review and reform of the two key Singapore Dollar interest rate benchmarks that are widely referenced in financial contracts, namely Singapore interbank offered rates (SIBORs) and Singapore swap offer rates (SORs), and the transition from SOR to the Singapore overnight rate average (SORA), is also ongoing.

The Group has adopted the principles of the amendments to SFRS(I) 9, SFRS(I) 1- 39 and SFRS(I) 7 issued in December 2019 in relation to the project on interest rate benchmark reform (“the amendments”).

A hedging relationship is directly affected by the uncertainties arising from the IBOR reform with respect to the hedged risk and the timing and amount of the interest rate benchmark-based cash flows of the hedged item and hedge instruments. For the purpose of evaluating whether the hedging relationship is expected to be highly effective (i.e. prospective effectiveness assessment), the Group assumes that the benchmark interest rate on which the cash flows are based is not altered as a result of IBOR reform.

The Group will cease to apply the amendments to its effectiveness assessment of the hedging relationship at the earlier of, when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the hedged risk and the timing and the amount of the interest rate benchmark-based cash flows of the hedged item and hedging instrument; and when the hedging relationship is discontinued.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Financial instruments (continued)

(f) Derivative financial instruments and hedge accounting (continued)

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.

Fair value hedges

The firm commitment of contracts entered into with various customers denominated in foreign currencies are designated as the hedged item. The Group uses foreign currency forwards to hedge its exposure to foreign currency risk arising from these contracts. Under the Group's policy, the critical terms of the forward exchange contracts must align with the hedged items. The Group designates the spot component of forward contracts as the hedging instrument. The fair value changes on the hedged item resulting from currency risk are recognised in profit or loss. The fair value changes on the spot of the currency forwards designated as fair value hedges are recognised in profit or loss within the same line item as the fair value changes from the hedged item. The fair value changes on the ineffective portion of currency forwards are recognised in profit or loss and presented separately in "other operating income or expenses".

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.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Financial instruments (continued)

(f) Derivative financial instruments and hedge accounting (continued)

Separable embedded derivatives

Changes in the fair value of separated embedded derivatives are recognised immediately in the profit or loss.

Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in the profit or loss.

(g) Convertible bonds

Convertible bonds that can be converted into share capital where the number of shares issued does not vary with changes in the fair value of the bonds are accounted for as compound financial instruments. The gross proceeds of the convertible bonds issued (including any directly attributable transaction costs) are allocated to the equity and liability components, with the equity component being assigned the residual amount after deducting the fair value of the liability component from the fair value of the compound financial instrument.

Subsequent to initial recognition, the liability component of convertible bonds is measured at amortised cost using the effective interest method. The equity component of convertible bonds is not re-measured. When the conversion option is exercised, the carrying amount of the liability and equity components will be transferred to the share capital. When the conversion option lapses, the carrying amount of the equity component will be transferred to revenue reserve.

When a convertible bond is being repurchased before its maturity date, the purchase consideration (including directly attributable costs, net of tax effects) is allocated to the liability and equity components of the convertible bond at the date of transaction. Any resulting gain or loss relating to the liability component is recognised in the profit or loss. In an exchange of convertible bond, the difference between the net proceeds of new convertible bond and the carrying value of the existing convertible bond (including its equity component) is recognised in the profit or loss.

(h) Perpetual securities

The perpetual securities do not have a maturity date and distribution payment is optional at the discretion of the Group. As the Group does not have a contractual obligation to repay the principal nor make any distributions, perpetual securities are classified as a separate class of equity.

Any distributions made are directly debited from total equity. Incremental costs directly attributable to the issue of the perpetual securities are deducted against the proceeds from the issue.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Financial instruments (continued)

(i) Financial guarantees

Financial guarantee contracts are classified as financial liabilities unless the Group has previously asserted explicitly that it regards such contracts as insurance contracts and accounted for them as such.

Financial guarantees classified as financial liabilities

Such financial guarantees are recognised initially at fair value and are classified as financial liabilities. Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the amount of loss allowance. When financial guarantees are terminated before their original expiry date, the carrying amount of the financial guarantees is transferred to the profit or loss.

Financial guarantees classified as insurance contracts

These financial guarantees are accounted for as insurance contracts. Provision is recognised based on the Group's estimates of the ultimate cost of settling all claims incurred but unpaid at the end of the reporting period.

The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

(j) 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 guarantee contracts. For trade receivables, lease receivables and contract assets, the Group applies the simplified approach permitted by the SFRS(I) 9, 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 statement of financial position

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Financial instruments (continued)

(j) 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.

2.9 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares and options are recognised as a deduction from equity.

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.

2.10 Development properties for sale and stocks

Development properties are measured at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in selling the property. The write-down to net realisable value is presented as allowance for foreseeable losses.

The cost of development properties comprises specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure.

When the development properties for sale are being transferred to investment property, any difference between the fair value of the property and its previous carrying amount at the date of transfer is recognised in profit or loss.

2.11 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.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Impairment of non-financial assets (continued)

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.

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.

2.12 Employee benefits

All short-term employee benefits, including accumulated compensated absences, are measured on an undiscounted basis and are recognised in the period in which the employees render their services.

The Group's obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value.

A provision is recognised for the amount expected to be paid under cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Contributions to post-employment benefits under defined contribution plans are recognised as an expense in profit or loss in the period during which the related services are rendered by employees.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Employee benefits (continued)

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.

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.

2.13 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.

A provision for onerous contract is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with the contract.

2.14 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 leases 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 if 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.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Leases (continued)

(i) As a lessee (continued)

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, extenuation 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 "loans and borrowings" in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including office equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

COVID-19-related rent concessions

The Group has applied COVID-19-Related Rent Concessions – Amendment to SFRS(I) 16. The Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

(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 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.

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".

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 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.

Development properties for sale

The Group develops and sells residential projects to customers through fixed-price contracts. Revenue is recognised when the control over the residential project has been transferred to the customer. At contract inception, the Group assesses whether the Group transfers control of the residential project over time or at a point in time by determining if (a) its performance does not create an asset with an alternative use to the Group; and (b) the Group has an enforceable right to payment for performance completed to date.

The residential projects have no alternative use for the Group due to contractual restriction, and the Group has enforceable rights to payment arising from the contractual terms. For these contracts, revenue is recognised over time by reference to the Group's progress towards completing the construction of the residential project. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

For certain contracts where the Group does not have enforceable right to payment, revenue is recognised only when the completed residential project is delivered to the customers and the customers have accepted it in accordance with the sales contract.

Under certain payment schemes, the time when payments are made by the buyer and the transfer of control of the property to the buyer do not coincide and where the difference between the timing of receipt of the payments and the satisfaction of a performance obligation is 12 months or more, the entity adjusts the transaction price with its customer and recognises a financing component. In adjusting for the financing component, the entity uses a discount rate that would reflect that of a separate financing transaction between the entity and its customer at contract inception. A finance income or finance expense will be recognised depending on the arrangement. The Group has elected to apply the practical expedient not to adjust the transaction price for the existence of significant financing component when the period between the transfer of control of good or service to a customer and the payment date is 12 months or less.

Revenue is measured at the transaction price agreed under the contract. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The customer is invoiced on a payment schedule and are typically triggered upon achievement of specified construction milestones. If the value of the goods transferred by the Group exceed the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised.

For costs incurred in fulfilling the contract, the Group will capitalise these as contract costs assets only if (a) these costs relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Revenue recognition (continued)

Development properties for sale *(continued)*

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue over time. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

Financial advisory and management fee

Financial advisory and management fee is recognised as and when the service is rendered.

Dividends

Dividend income is recognised on the date that the Group's right to receive payment is established.

Interest income

Interest income is recognised as it accrues, using the effective interest rate method.

2.16 Government grants

Government grants related to assets are initially recognised as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. These grants are then recognised in profit or loss as "other operating income" on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognised in profit or loss as "other operating income" on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

2.17 Finance costs

Borrowing costs are recognised in the profit or loss using the effective interest rate method, except to the extent that they are capitalised as being 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.

2.18 Tax

Income tax expense comprises current and deferred tax expense, as well as land appreciation tax in China. Income tax expense is recognised in the 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Tax (continued)

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 gains arising from the transfer of land use right and the buildings that are constructed on the land. Land appreciation tax is levied from 30% to 60% on gain from sale of landed properties with reference to the percentage of appreciated value over the deductible expenditure.

2.19 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, for the effects of all dilutive potential ordinary shares, which comprise issued convertible bonds and share plans granted to employees.

2.20 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 CapitaLand Management Council that makes strategic resource allocation decisions. The Council comprises the Group Chief Executive Officer (CEO), all Presidents and/or CEOs of business units and key management officers of the Corporate Office.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss is re-presented as if operation had been discontinued from the start of the comparative year.

3 PROPERTY, PLANT AND EQUIPMENT

	The Group		The Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Property, plant and equipment owned	1,009,006	1,058,980	2,662	2,892
Right-of-use assets classified within property, plant and equipment	426,078	209,537	33,256	44,236
	1,435,084	1,268,517	35,918	47,128

Property, plant and equipment owned

	Note	Land and buildings $'000	Plant, machinery and improvements $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Assets under construction $'000	Total $'000
The Group							
Cost							
At 1 January 2020		856,775	95,672	12,410	510,170	26,402	1,501,429
Translation differences		31,459	3,481	648	16,634	966	53,188
Additions		3,626	15,319	103	33,471	12,202	64,721
Acquisition of subsidiaries	32(b)	895	–	–	83	–	978
Disposal of subsidiaries		–	(377)	–	(3,918)	–	(4,295)
Disposals/Written off		(14,019)	(3,707)	(858)	(15,088)	(524)	(34,196)
Reclassification to other categories of assets		(1,648)	(2,951)	–	(12,830)	(5,098)	(22,527)
Reclassifications		7,642	10,116	–	3,681	(21,439)	–
At 31 December 2020		884,730	117,553	12,303	532,203	12,509	1,559,298

NOTES TO THE FINANCIAL STATEMENTS

3 PROPERTY, PLANT AND EQUIPMENT (continued)

Property, plant and equipment owned *(continued)*

	Note	Land and buildings $'000	Plant, machinery and improvements $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Assets under construction $'000	Total $'000
The Group							
Accumulated depreciation and impairment loss							
At 1 January 2020		66,997	38,110	10,720	326,600	22	442,449
Translation differences		1,842	1,166	599	10,098	–	13,705
Depreciation for the year	28(c)(ii)	21,987	15,538	566	57,692	–	95,783
Disposal of subsidiaries		–	(377)	–	(2,827)	–	(3,204)
Disposals/Written off		(4,740)	(3,489)	(824)	(13,778)	–	(22,831)
Reclassification to other categories of assets		215	(1,150)	–	(1,269)	–	(2,204)
Impairment		26,594	–	–	–	–	26,594
Reclassifications		11	–	–	(11)	–	–
At 31 December 2020		112,906	49,798	11,061	376,505	22	550,292
Carrying amounts							
At 1 January 2020		789,778	57,562	1,690	183,570	26,380	1,058,980
At 31 December 2020		771,824	67,755	1,242	155,698	12,487	1,009,006

	Note	Serviced residence properties $'000	Land and buildings $'000	Plant, machinery and improvements $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Assets under construction $'000	Total $'000
The Group								
Cost								
At 1 January 2019		280,136	322,485	53,147	12,240	477,374	21,322	1,166,704
Translation differences		380	(11,248)	(2,934)	(390)	(8,103)	(478)	(22,773)
Additions		–	2,439	4,658	549	39,050	20,421	67,117
Acquisition of subsidiaries	32(b)	–	545,805	46,525	183	34,853	9,034	636,400
Disposal of subsidiaries		–	(4,692)	(5,041)	(86)	(10,553)	–	(20,372)
Disposals/Written off		–	–	(4,756)	(55)	(21,720)	(698)	(27,229)
Reclassification to other categories of assets		(286,677)	153	(1,172)	(31)	(12,846)	(4,006)	(304,579)
Reclassifications		–	1,833	5,245	–	12,115	(19,193)	–
Revaluation surplus		6,161	–	–	–	–	–	6,161
At 31 December 2019		–	856,775	95,672	12,410	510,170	26,402	1,501,429

NOTES TO THE FINANCIAL STATEMENTS

3 PROPERTY, PLANT AND EQUIPMENT (continued)

Property, plant and equipment owned *(continued)*

	Note	Serviced residence properties $'000	Land and buildings $'000	Plant, machinery and improvements $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Assets under construction $'000	Total $'000
The Group								
Accumulated depreciation and impairment loss								
At 1 January 2019		4,685	44,982	37,531	10,533	316,318	–	414,049
Translation differences		6	(1,719)	(1,932)	(349)	(5,048)	–	(9,042)
Depreciation for the year	28(c)(ii)	–	15,890	10,690	806	52,839	–	80,225
Disposal of subsidiaries		–	(279)	(3,434)	(73)	(5,533)	–	(9,319)
Disposals/ Written off		–	–	(3,600)	(166)	(20,220)	–	(23,986)
Reclassification to other categories of assets		(4,691)	–	(1,314)	(31)	(12,124)	–	(18,160)
Impairment		–	8,123	162	–	375	22	8,682
Reclassifications		–	–	7	–	(7)	–	–
At 31 December 2019		–	66,997	38,110	10,720	326,600	22	442,449
Carrying amounts								
At 1 January 2019		275,451	277,503	15,616	1,707	161,056	21,322	752,655
At 31 December 2019		–	789,778	57,562	1,690	183,570	26,380	1,058,980

(a) The classification of lodging properties as property, plant and equipment or investment properties is based on the level of ancillary services, length of stay, amongst other factors. In 2019, the Group evaluated and reclassified a serviced residence property in United Kingdom to investment properties based on the fair value obtained from independent professional valuation and a gain of $6.2 million was recognised in equity.

(b) As at 31 December 2020, certain property, plant and equipment with carrying value totalling approximately $22.5 million (2019: $23.9 million) were mortgaged to banks to secure credit facilities for the Group (note 19).

NOTES TO THE FINANCIAL STATEMENTS

3 PROPERTY, PLANT AND EQUIPMENT (continued)

Property, plant and equipment owned *(continued)*

(c) Hotel properties are measured at cost less accumulated depreciation and accumulated impairment losses. During the financial year ended 31 December 2020, an impairment loss of $26.6 million (2019: $6.2 million) was recognised in respect of certain hotel properties in Australia as the net carrying value of the assets exceed the recoverable amount. The decrease in recoverable amount was mainly due to the lower expected operating cashflow from the properties as the properties' performance was impacted by the travel restriction imposed by government amid the COVID-19 pandemic. Recoverable amount was determined based on the independent professional valuation using discounted cashflow method and fair value measurement is categorised as Level 3 on the fair value hierarchy.

Details of valuation techniques and significant unobservable inputs are set out in the table below.

Type	Valuation method	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Hotel properties in Australia	Discounted cashflow approach	– Discount rate: 6.0% to 7.8% (2019: 7.8% to 8.5%) – Terminal yield rate: 5.0% to 6.3% (2019: 6.0% to 6.8%) – RevPau: $94 to $169 (2019: $113 to $220) – Occupancy rate: 41.0% to 90.0% (2019: 80.0% to 92.0%)	The estimated fair value varies inversely against the discount rate and terminal yield rate and increases with higher RevPau and higher occupancy rates.

NOTES TO THE FINANCIAL STATEMENTS

3 PROPERTY, PLANT AND EQUIPMENT (continued)

***Property, plant and equipment owned** (continued)*

	Note	Renovations and improvements $'000	Furniture, fittings and equipment $'000	Motor vehicles $'000	Total $'000
The Company					
Cost					
At 1 January 2020		2,049	9,320	424	11,793
Additions		–	80	–	80
Disposals/Written off		–	(265)	–	(265)
At 31 December 2020		2,049	9,135	424	11,608
Accumulated depreciation and impairment loss					
At 1 January 2020		2,024	6,791	86	8,901
Depreciation for the year	28(c)(ii)	14	211	85	310
Disposals/Written off		–	(265)	–	(265)
At 31 December 2020		2,038	6,737	171	8,946
Carrying amounts					
At 1 January 2020		25	2,529	338	2,892
At 31 December 2020		11	2,398	253	2,662
Cost					
At 1 January 2019		2,049	9,582	2	11,633
Additions		–	164	422	586
Disposals/Written off		–	(426)	–	(426)
At 31 December 2019		2,049	9,320	424	11,793
Accumulated depreciation and impairment loss					
At 1 January 2019		1,981	6,608	2	8,591
Depreciation for the year	28(c)(ii)	43	396	84	523
Disposals/Written off		–	(213)	–	(213)
At 31 December 2019		2,024	6,791	86	8,901
Carrying amounts					
At 1 January 2019		68	2,974	–	3,042
At 31 December 2019		25	2,529	338	2,892

NOTES TO THE FINANCIAL STATEMENTS

3 PROPERTY, PLANT AND EQUIPMENT (continued)

Right-of-use assets classified within property, plant and equipment

	Note	Buildings $'000	Plant and machinery $'000	Motor vehicles $'000	Total $'000
The Group					
Cost					
At 1 January 2020		307,979	60	496	308,535
Translation differences		24,757	–	14	24,771
Additions		29,312	–	277	29,589
Acquisition of subsidiaries	32(b)	233,241	–	–	233,241
Expiry/Termination of leases		(31,756)	(11)	(82)	(31,849)
Reclassification to other categories of assets		(1,803)	–	–	(1,803)
At 31 December 2020		561,730	49	705	562,484
Accumulated depreciation					
At 1 January 2020		98,815	49	134	98,998
Translation differences		4,607	–	6	4,613
Depreciation for the year	28(c)(ii)	60,708	11	304	61,023
Expiry/Termination of leases		(28,018)	(11)	(44)	(28,073)
Reclassification to other categories of assets		(155)	–	–	(155)
At 31 December 2020		135,957	49	400	136,406
Carrying amounts					
At 1 January 2020		209,164	11	362	209,537
At 31 December 2020		425,773	–	305	426,078
Cost					
At 1 January 2019		169,862	96	1,066	171,024
Translation differences		(245)	–	–	(245)
Additions		64,198	20	243	64,461
Acquisition of subsidiaries	32(b)	76,380	–	–	76,380
Disposal of subsidiaries		–	(33)	–	(33)
Expiry/Termination of leases		(2,216)	(23)	(813)	(3,052)
At 31 December 2019		307,979	60	496	308,535
Accumulated depreciation					
At 1 January 2019		62,830	–	–	62,830
Translation differences		(1,864)	–	–	(1,864)
Depreciation for the year	28(c)(ii)	38,007	52	134	38,193
Disposal of subsidiaries		–	(3)	–	(3)
Expiry/Termination of leases		(158)	–	–	(158)
At 31 December 2019		98,815	49	134	98,998
Carrying amounts					
At 1 January 2019		107,032	96	1,066	108,194
At 31 December 2019		209,164	11	362	209,537

NOTES TO THE FINANCIAL STATEMENTS

3 PROPERTY, PLANT AND EQUIPMENT (continued)

Right-of-use assets classified within property, plant and equipment *(continued)*

	Note	Buildings $'000	Furniture fittings and equipment $'000	Total $'000
The Company				
Cost				
At 1 January 2020		55,216	30	55,246
Additions		135	–	135
At 31 December 2020		55,351	30	55,381
Accumulated depreciation				
At 1 January 2020		10,980	30	11,010
Depreciation for the year	28(c)(ii)	11,115	–	11,115
At 31 December 2020		22,095	30	22,125
Carrying amounts				
At 1 January 2020		44,236	–	44,236
At 31 December 2020		33,256	–	33,256
Cost				
At 1 January 2019 and 31 December 2019		55,216	30	55,246
Accumulated depreciation				
At 1 January 2019		–	–	–
Depreciation for the year	28(c)(ii)	10,980	30	11,010
At 31 December 2019		10,980	30	11,010
Carrying amounts				
At 1 January 2019		55,216	30	55,246
At 31 December 2019		44,236	–	44,236

4 INTANGIBLE ASSETS

	Note	Goodwill $'000	Management contracts $'000	Others^ $'000	Total $'000
The Group					
Cost					
At 1 January 2020		648,004	313,209	167,247	1,128,460
Additions		–	–	15,080	15,080
Acquisition of subsidiaries	32(b)	148,698	–	59,834	208,532
Written off	28(c)(iii)	–	–	(2,661)	(2,661)
Reclassification from other categories of assets		–	–	18,885	18,885
Translation differences		10,718	3,336	3,386	17,440
At 31 December 2020		807,420	316,545	261,771	1,385,736

NOTES TO THE FINANCIAL STATEMENTS

4 INTANGIBLE ASSETS (continued)

	Note	Goodwill $'000	Management contracts $'000	Others^ $'000	Total $'000
The Group					
Accumulated amortisation and impairment loss					
At 1 January 2020		64,148	–	76,231	140,379
Amortisation for the year	28(c)(ii)	–	–	22,922	22,922
Impairment for the year	28(c)(iii)	150,209	–	2,659	152,868
Written off	28(c)(iii)	–	–	(949)	(949)
Reclassification from other categories of assets		–	–	3,568	3,568
Translation differences		(361)	–	(73)	(434)
At 31 December 2020		213,996	–	104,358	318,354
Carrying amounts					
At 1 January 2020		583,856	313,209	91,016	988,081
At 31 December 2020		593,424	316,545	157,413	1,067,382
Cost					
At 1 January 2019		612,756	–	173,379	786,135
Additions		–	–	10,682	10,682
Acquisition of subsidiaries	32(b)	49,565	314,495	–	364,060
Disposal of subsidiaries		(13,715)	–	(3,626)	(17,341)
Written off		–	–	(17,207)	(17,207)
Reclassification from other categories of assets		–	–	4,464	4,464
Translation differences		(602)	(1,286)	(445)	(2,333)
At 31 December 2019		648,004	313,209	167,247	1,128,460
Accumulated amortisation and impairment loss					
At 1 January 2019		78,132	–	73,288	151,420
Amortisation for the year	28(c)(ii)	–	–	18,461	18,461
Impairment for the year	28(c)(iii)	–	–	5,263	5,263
Disposal of subsidiaries		(13,715)	–	(3,577)	(17,292)
Written off		–	–	(17,150)	(17,150)
Reclassification from other categories of assets		–	–	110	110
Translation differences		(269)	–	(164)	(433)
At 31 December 2019		64,148	–	76,231	140,379
Carrying amounts					
At 1 January 2019		534,624	–	100,091	634,715
At 31 December 2019		583,856	313,209	91,016	988,081

^ Others comprise trademarks, software and licences and club memberships.

NOTES TO THE FINANCIAL STATEMENTS

4 INTANGIBLE ASSETS (continued)

	Note	Software $'000	Club memberships $'000	Total $'000
The Company				
Cost				
At 1 January 2020		509	147	656
Additions		4	–	4
At 31 December 2020		513	147	660
Accumulated amortisation				
At 1 January 2020		220	–	220
Amortisation for the year	28(c)(ii)	117	–	117
At 31 December 2020		337	–	337
Carrying amounts				
At 1 January 2020		289	147	436
At 31 December 2020		176	147	323
Cost				
At 1 January 2019		365	147	512
Additions		144	–	144
At 31 December 2019		509	147	656
Accumulated amortisation				
At 1 January 2019		107	–	107
Amortisation for the year	28(c)(ii)	113	–	113
At 31 December 2019		220	–	220
Carrying amounts				
At 1 January 2019		258	147	405
At 31 December 2019		289	147	436

NOTES TO THE FINANCIAL STATEMENTS

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	
	2020	2019	2020	2019	2020	2019
	%	%	%	%	$'000	$'000
The Ascott Limited (Ascott)	0.2	2.6	4.9	6.2	416,706	416,706
A serviced residence in London	2.0	2.0	5.8	5.8	–	14,923
Synergy Global Housing	2.0	2.0	10.0	10.0	4,592	27,296
TAUZIA Hotel Management (TAUZIA)	3.3	3.0	14.0	14.0	9,533	19,036
QSA Group Pty Ltd (QSA Group)	1.8	–	10.0	–	56,698	–
Ascendas-Singbridge (ASB)	1.0	1.0	4.9	5.9	49,565	49,565
CapitaLand Integrated Commercial Trust					56,330	56,330
At 31 December					593,424	583,856

Ascott, a serviced residence in London, Synergy Global Housing, TAUZIA and QSA Group

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 five years. In 2020, the discounted cash flow models also took into account the probability of changes to cashflow projection based on various business scenarios under the COVID-19 pandemic. 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 and occupancy rates and direct costs. 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.

As disclosed in note 33, goodwill of $148.7 million was recorded on the acquisition of QSA Group in July 2020, following a change in control over the entity as stipulated in the shareholder agreement. Prior to July 2020 and since July 2017, it was recorded as investment in joint venture.

During the year, impairment losses of $47.7 million were recognised on goodwill relating to Synergy Global Housing, TAUZIA and a serviced residence in London as the recoverable amounts from these CGUs were lower than their carrying amounts. The decrease was mainly due to lower expected operating cashflows from the CGUs as the operating performance in the hospitality sector was heavily impacted by the travel restrictions imposed amid the COVID-19 pandemic.

The revenue drivers of QSA Group include one-time sale of business income to franchisees as well as recurring franchisee fees. However, with the worsening market conditions in the second half of 2020 in Australia which has impacted the QSA Group's business such that new properties have to be operated directly by the company. The traditional sale of business income and recurring franchise fees have also impacted cashflow and the sale of business income to new franchisees will be affected until the situation recovers. Accordingly, an impairment loss of $102.5 million was made in respect of the goodwill from QSA Group as at 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS

4 INTANGIBLE ASSETS (continued)

(a) Impairment test for goodwill (continued)

CapitaLand Integrated Commercial Trust (formerly known as CapitaLand Mall Trust)

The recoverable amount of the CGU is determined based on the higher of its value in use and its quoted market price. As at 31 December 2020, the recoverable amount based on quoted market price is higher than its carrying amount.

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 10 years. Cash flows beyond the third year are extrapolated using the estimated terminal growth rate of 1.0% (2019: 1.0%). The discount rate of 4.9% (2019: 5.9%) 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.

(b) Management contracts

These relate to the management contracts entered into between subsidiary companies and Ascendas Real Estate Investment Trust and Ascendas 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 6.4% to 8.9% (2019: 12.5% to 15.1%) and growth rates of 1.0% to 2.5% (2019: 1.0% to 3.0%) covering a 10-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 2020 $'000	The Group 2019 $'000
At 1 January		48,731,897	39,882,135
Acquisition of subsidiaries	32(b)	222,929	9,115,132
Disposal of subsidiaries	32(d)	(376,699)	(1,618,548)
Additions		966,130	1,334,680
Disposals		(312,105)	(669,478)
Reclassification to assets held for sale		(46,367)	(274,550)
Reclassifications from/(to) development properties for sale		3,075	(63,815)
Reclassification from property, plant and equipment		7,010	279,978
Changes in fair value		(2,085,197)	966,340
Translation differences		762,237	(219,977)
At 31 December		47,872,910	48,731,897

NOTES TO THE FINANCIAL STATEMENTS

5 INVESTMENT PROPERTIES (continued)

(a) Investment properties, which include those in the course of development, are stated at fair value based on independent professional valuations or internal valuations. The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had 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 and occupancy rate. The outbreak of the COVID-19 pandemic has impacted market activity in many property sectors in the countries that the Group operates in. As the impact of COVID-19 is fluid and evolving, significant market uncertainty exists. Consequently, the valuations of certain investment properties are currently subject to material valuation uncertainty. The carrying amounts of the investment properties were current as at 31 December 2020 only. Values may change more rapidly and significantly than during normal market conditions. In relying on the valuation reports, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

The valuers have 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 balance sheet 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 35.

(b) The Group's investment properties which are classified under Level 3 are analysed as below:

	Shopping mall $'000	Office $'000	Integrated development $'000	Lodging $'000	Business park, industrial and logistics $'000	Total $'000
The Group						
31 December 2020						
Singapore	10,010,541	8,433,335	4,729,089	1,070,915	2,050,715	26,294,595
China (includes Hong Kong)	4,705,925	1,036,422	2,873,408	946,407	750,324	10,312,486
Others*	1,847,156	2,016,039	335,579	6,472,589	594,466	11,265,829
	16,563,622	11,485,796	7,938,076	8,489,911	3,395,505	47,872,910
31 December 2019						
Singapore	10,129,844	8,337,804	4,742,937	1,077,567	1,961,973	26,250,125
China (includes Hong Kong)	4,899,888	1,004,869	3,354,678	992,783	586,186	10,838,404
Others*	2,198,003	2,045,196	362,286	6,735,615	302,268	11,643,368
	17,227,735	11,387,869	8,459,901	8,805,965	2,850,427	48,731,897

* Others include countries in Asia (excluding Singapore, China and Hong Kong), Europe, United States of America and Australia.

NOTES TO THE FINANCIAL STATEMENTS

5 INVESTMENT PROPERTIES (continued)

(c) As at 31 December 2020, investment properties valued at $2,819.0 million (2019: $3,351.5 million) were under development.

(d) As at 31 December 2020, certain investment properties with carrying value of approximately $17,720.0 million (2019: $18,040.9 million) were mortgaged to banks to secure credit facilities (notes 19 and 20) and under finance lease arrangements for the Group.

(e) During the financial year ended 31 December 2020, interest capitalised as cost of investment properties amounted to approximately $52.5 million (2019: $46.3 million) (note 28(d)).

(f) 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:

	The Group	
	2020 $'000	2019 $'000
Lease rentals receivable:		
Less than one year	2,006,036	2,017,895
One to two years	1,431,044	1,587,143
Two to three years	944,511	993,378
Three to four years	556,795	616,693
Four to five years	427,330	412,374
More than five years	1,528,243	1,680,870
	6,893,959	7,308,353

(g) Contingent rents, representing income based on sales turnover achieved by tenants, amounted to $63.5 million for the year (2019: $91.1 million).

(h) The right-of-use of the land and buildings that are classified within investment properties has carrying amount of $561.9 million (2019: $461.4 million) as at 31 December 2020.

6 SUBSIDIARIES

		Note	The Company	
			2020 $'000	2019 $'000
(a)	Unquoted shares, at cost		11,227,076	11,126,510
	Less:			
	Allowance for impairment loss		(151,127)	(151,127)
			11,075,949	10,975,383
	Add:			
	Amounts due from subsidiaries, at amortised cost:			
	Loan accounts (unsecured)			
	– interest bearing		1,176,000	1,176,000
	– interest free		4,769,034	3,443,450
	Less:			
	Allowance for impairment loss on receivables	34	(98,362)	(83,679)
			5,846,672	4,535,771
			16,922,621	15,511,154

In 2019, the Group acquired all the issued and paid-up ordinary shares of Ascendas Pte Ltd and Singbridge Pte. Ltd., respectively, for a total consideration of $6,035.9 million. More information on the acquisition is set out in note 33.

NOTES TO THE FINANCIAL STATEMENTS

6 SUBSIDIARIES (continued)

(i) Loans due from subsidiaries are unsecured and not expected to be repaid within the next twelve months.

(ii) As at 31 December 2020, the effective interest rates for amounts due from subsidiaries ranged from 1.95% to 2.95% (2019: 1.95% to 2.95%) per annum.

(iii) Movements in allowance for impairment loss were as follows:

	Note	The Company 2020 $'000	The Company 2019 $'000
At 1 January		(151,127)	(151,105)
Allowance during the year		–	(23)
Reversal of allowance during the year	28(a)	–	1
At 31 December		(151,127)	(151,127)

(iv) The Company's exposure to credit risk on the amounts due from subsidiaries is disclosed in note 34.

(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 2020 %	Effective interest 2019 %
CapitaLand China Holdings Pte Ltd[1]	100	100
CapitaLand VN Limited	100	100
CapitaLand China Investments Limited	100	100
CapitaLand Singapore Limited (formerly known as CapitaLand Singapore (R&R) Limited)	100	100
CapitaLand Treasury Limited	100	100
CapitaLand Mall Asia Limited	100[2]	100[2]
CapitaLand Business Services Pte Ltd	100	100
The Ascott Limited	100	100
CapitaLand Financial Limited	100	100
CapitaLand International Pte Ltd	100	100
Ascendas Pte Ltd	100	100

All the above subsidiaries are audited by KPMG LLP Singapore.

1 Indirectly held through CapitaLand China Investments Limited.
2 Includes 15.2% (2019: 15.2%) interest indirectly held through CapitaLand Business Services Pte Ltd.

NOTES TO THE FINANCIAL STATEMENTS

6 SUBSIDIARIES (continued)

(c) 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 CapitaLand Malaysia Mall Trust (CMMT), Ascott Residence Trust (ART), CapitaLand Integrated Commercial Trust (CICT) (formerly known as CapitaLand Mall Trust) and CapitaLand China Trust (CLCT) (formerly known as CapitaLand Retail China Trust (CRCT)) (collectively referred to as REITs), although the Group owns less than half of the ownership interest and voting power of the REITs.

The activities of the REITs are managed by the Group's wholly-owned subsidiaries, namely CapitaLand Malaysia Mall REIT Management Sdn Bhd, Ascott Residence Trust Management Limited, CapitaLand Integrated Commercial Trust Management Limited (formerly known as CapitaLand Mall Trust Management Limited) and CapitaLand China Trust Management Limited (formerly known as CapitaLand Retail China Trust Management Limited) (collectively referred to as REIT Managers). REIT Managers have decision-making authority over the REITs, subject to oversight by the trustee of the respective REITs. The Group's overall exposure to variable returns, both from the REIT Managers' remuneration and the interests in the REITs, is significant and any decisions made by the REIT Managers affect the Group's overall exposure.

(d) The following subsidiaries of the Group have material non-controlling interests (NCI):

Name of Company	Principal place of business	Effective interest held by NCI 2020 %	Effective interest held by NCI 2019 %
Ascott Residence Trust[1]	Asia Pacific, Europe and United States of America	59.4	59.9
CapitaLand Commercial Trust[2,4]	Singapore	–	70.6
CapitaLand Integrated Commercial Trust[3,4] (formerly known as CapitaLand Mall Trust[3])	Singapore	71.1	71.5

All the above subsidiaries are audited by KPMG LLP Singapore.

1 Indirectly held through The Ascott Limited.
2 Indirectly held through CapitaLand Singapore Limited. CCT was delisted following the completion of merger with CICT on 21 October 2020.
3 Indirectly held through CapitaLand Mall Asia Limited and CapitaLand Singapore Limited.
4 On 21 October 2020, the proposed combination of CapitaLand Mall Trust (CMT) and CapitaLand Commercial Trust (CCT) to be effected by way of a trust scheme of arrangement with CMT acquiring all units of CCT for total consideration of S$6,311.1 million, comprising S$1,002.2 million in cash and 2,780.5 million new CMT Units issued at a price of S$1.91 per CMT Unit was completed. Following the transaction, the Group's stake in CICT increased from 28.5% to 28.9%.

The following table summarises the financial information of each of the Group's subsidiaries with material NCI, 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 information is before inter-company eliminations with other entities in the Group.

NOTES TO THE FINANCIAL STATEMENTS

6 SUBSIDIARIES (continued)

	ART Group $'000	CICT Group $'000	Other subsidiaries with individually immaterial NCI $'000	Total $'000
31 December 2020				
Revenue	369,872	1,209,944		
Loss after tax	(225,296)	(90,155)		
Other comprehensive income	61,650	(28,070)		
Total comprehensive income	(163,646)	(118,225)		
Attributable to NCI:				
– (Loss)/Profit	(135,008)	(64,097)	138,217	(60,888)
– Total comprehensive income	(98,681)	(84,057)	329,894	147,156
Current assets	622,183	272,983		
Non-current assets	6,541,643	22,132,983		
Current liabilities	(537,540)	(1,331,214)		
Non-current liabilities	(2,584,216)	(7,955,980)		
Net assets	4,042,070	13,118,772		
Net assets attributable to NCI	2,594,836	9,330,213	3,064,258	14,989,307
Cash flows from:				
– Operating activities	74,095	394,002		
– Investing activities	296,097	(911,735)		
– Financing activities[1]	(166,465)	499,152		
Net increase/(decrease) in cash and cash equivalents	203,727	(18,581)		

[1] Includes dividends paid to NCI	(82,930)	(263,951)

NOTES TO THE FINANCIAL STATEMENTS

6 SUBSIDIARIES (continued)

	ART Group $'000	CCT Group $'000	CMT Group $'000	Other subsidiaries with individually immaterial NCI $'000	Total $'000
31 December 2019					
Revenue	514,956	412,348	784,433		
Profit after tax	216,322	435,886	696,930		
Other comprehensive income	(33,612)	(19,208)	20,852		
Total comprehensive income	182,710	416,678	717,782		
Attributable to NCI:					
– Profit	119,610	306,539	498,514	353,084	1,277,747
– Total comprehensive income	100,888	294,300	513,429	264,996	1,173,613
Current assets	594,859	267,529	228,589		
Non-current assets	6,827,926	9,923,222	11,503,070		
Current liabilities	(565,413)	(140,869)	(494,770)		
Non-current liabilities	(2,515,064)	(2,835,477)	(3,469,650)		
Net assets	4,342,308	7,214,405	7,767,239		
Net assets attributable to NCI	2,794,227	5,160,551	5,555,906	2,515,674	16,026,358
Cash flows from:					
– Operating activities	228,995	306,773	511,514		
– Investing activities	258,663	(248,538)	(58,185)		
– Financing activities[1]	(439,777)	(27,681)	(599,634)		
Net (decrease)/increase in cash and cash equivalents	47,881	30,554	(146,305)		
[1] Includes dividends paid to NCI	(91,612)	(249,926)	(274,901)		

(e) ART, CICT and CLCT (2019: ART, CCT, CMT and CRCT) are regulated by the Monetary Authority of Singapore and are supervised by the Singapore Exchange Securities Trading Limited for compliance with the Singapore Listing Rules. Under the regulatory framework, transactions with the REITs are either subject to review by the REITs' trustees or significant transaction must be approved by a majority of votes by the remaining holders of units in the REITs at a meeting of unitholders.

NOTES TO THE FINANCIAL STATEMENTS

7 ASSOCIATES

		The Group 2020 $'000	The Group 2019 $'000
(a)	Investment in associates	7,644,782	7,909,078
	Less:		
	Allowance for impairment	(5,008)	(4,504)
		7,639,774	7,904,574
	Add:		
	Amounts due from associates, at amortised cost:		
	Loan accounts- interest free	86,243	176,294
		7,726,017	8,080,868

(i) Movements in allowance for impairment loss were as follows:

	Note	The Group 2020 $'000	The Group 2019 $'000
At 1 January		(4,504)	(12,463)
Allowance during the year	28(c)(iii)	(402)	–
Reversal during the year	28(a)	–	7,571
Disposal during the year		–	10
Translation differences		(102)	378
At 31 December		(5,008)	(4,504)

(ii) Loans due from associates are unsecured and not expected to be repaid within the next twelve months.

(iii) Loan accounts include an amount of approximately $3.8 million (2019: $93.8 million), the repayment of which is subordinated to that of the external borrowings of certain associates.

		Note	The Group 2020 $'000	The Group 2019 $'000
(b)	Amounts due from associates:			
	Current accounts (unsecured)			
	– interest free (trade)		96,046	40,007
	– interest free (non-trade)		325,254	107,237
	– interest bearing (non-trade)		41,951	51,649
			463,251	198,893
	Less:			
	Allowance for impairment loss on receivables	34	(110)	(105)
	Presented in trade and other receivables	12	463,141	198,788
	Non-current loans (unsecured)			
	– interest bearing		248,482	227,753
	Presented in other non-current assets	10	248,482	227,753

(i) The effective interest rates for amounts due from associates ranged from 1.50% to 5.50% (2019: 1.50% to 5.15%) per annum.

(ii) The Group and the Company's exposure to credit and currency risks, and impairment losses for trade and other receivables, are disclosed in note 34.

NOTES TO THE FINANCIAL STATEMENTS

7 ASSOCIATES (continued)

	Note	The Group 2020 $'000	2019 $'000
(c) Amounts due to associates:			
Current accounts (mainly non-trade and unsecured)			
– interest free		(738,809)	(562,140)
– interest bearing		(4,972)	(5,217)
Presented in trade and other payables	17	(743,781)	(567,357)

(i) The effective interest rates for amounts due to associate is 8.00% (2019: 8.00%) per annum.

(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 2020 %	2019 %
Raffles City China Income Ventures Limited [1,3,4] (RCCIV)	Private equity fund which invests in five Raffles City integrated developments in China	China	55.0	55.0
CapitaLand Mall China Funds[1, 4, 5]	Private equity funds which invest in shopping malls in China	China	30.0 to 50.0	30.0 to 50.0
Ascendas Real Estate Investment Trust (A-REIT)[2]	Singapore-based REIT which invests in industrial properties and business park in Singapore, Australia, United States of America and United Kingdom	Singapore	18.0	19.0

1 Audited by KPMG LLP Singapore.
2 Audited by Ernst & Young LLP Singapore.
3 Indirectly held through CapitaLand Mall Asia Limited and CapitaLand China Holdings Pte Ltd.
4 Considered to be an associate as key decisions are made by an independent board which the Group does not have majority control.
5 CapitaLand Mall China Funds comprised four private property funds investing in China held indirectly through the Group's subsidiary, CapitaLand Mall Asia Limited, namely, CapitaLand Mall China Income Fund I, CapitaLand Mall China Income Fund II, CapitaLand Mall China Income Fund III and CapitaLand Mall China Development Fund III.

Management assessed the extent of its control over A-REIT, taking into consideration the manager of A-REIT which is a wholly-owned subsidiary of the Group, its effective stake and the returns (both marginal and absolute returns) generated from its investment in and management of A-REIT. Management concluded that the Group does not have sufficient interest to control A-REIT and therefore accounts for its investment in A-REIT as an associate.

NOTES TO THE FINANCIAL STATEMENTS

7 ASSOCIATES (continued)

(d) The following are the material associates of the Group (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.

	RCCIV Group $'000	A-REIT $'000	CapitaLand Mall China Funds $'000	Other individually immaterial associates $'000	Total $'000
31 December 2020					
Revenue[1]	406,835	1,049,460	330,553		
Profit/ (Loss) after tax	75,796	457,078	(60,218)		
Other comprehensive income	260,971	41,478	242,435		
Total comprehensive income	336,767	498,556	182,217		
Attributable to:					
– NCI	85,207	–	13,023		
– Associate's shareholders	251,560	498,556	169,194		
	336,767	498,556	182,217		
[1] Includes:					
– Revenue from contract with customers for sale of residential, commercial strata and urban development	8,500	–	587		
– Rental and related income from investment properties	398,335	1,049,460	329,966		
Current assets	1,313,647	352,927	356,758		
Non-current assets	6,529,066	14,770,292	6,573,804		
Current liabilities	(295,324)	(843,066)	(1,246,794)		
Non-current liabilities	(3,119,261)	(5,089,600)	(1,715,802)		
Net assets	4,428,128	9,190,553	3,967,966		
Attributable to:					
– NCI	873,291	298,938	215,223		
– Associate's shareholders	3,554,837	8,891,615	3,752,743		
Carrying amount of interest in associate at beginning of the year	1,834,449	2,022,924	1,664,981		
Group's share of:					
– Profit/ (Loss)	21,980	88,105	(24,949)	(62,243)	22,893
– Other comprehensive income	116,296	7,847	100,585	42,840	267,568
– Total comprehensive income	138,276	95,952	75,636	(19,403)	290,461
Dividends received during the year	–	(114,779)	(84,284)		
Capital contributions during the year	–	105,931	–		
Translation and other adjustments	(17,565)	16,180	(3,726)		
Carrying amount of interest in associate at end of the year	1,955,160	2,126,208	1,652,607	1,905,799	7,639,774
Fair value of effective ownership interest (if listed)^	N/A	2,155,523	N/A		

^ Based on the quoted market price at 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS

7 ASSOCIATES (continued)

(d) The following are the material associates of the Group (continued):

	RCCIV Group $'000	A-REIT $'000	CapitaLand Mall China Funds $'000	Other individually immaterial associates $'000	Total $'000
31 December 2019					
Revenue[1]	559,391	469,383	452,584		
Profit after tax	256,006	250,111	390,048		
Other comprehensive income	(62,011)	(18,139)	(41,000)		
Total comprehensive income	193,995	231,972	349,048		
Attributable to:					
– NCI	61,633	–	8,120		
– Associate's shareholders	132,362	231,972	340,928		
	193,995	231,972	349,048		
[1] Includes:					
– Revenue from contract with customers for sale of residential, commercial strata and urban development	137,985	–	916		
– Rental and related income from investment properties	421,009	418,937	449,143		
Current assets	1,289,023	251,272	381,830		
Non-current assets	6,213,967	13,612,863	6,443,963		
Current liabilities	(354,763)	(978,966)	(479,082)		
Non-current liabilities	(2,985,249)	(4,773,931)	(2,354,193)		
Net assets	4,162,978	8,111,238	3,992,518		
Attributable to:					
– NCI	827,616	–	206,088		
– Associate's shareholders	3,335,362	8,111,238	3,786,430		
Carrying amount of interest in associate at beginning of the year	1,823,559	–	1,835,643		
Acquisition during the year	–	1,771,446	–		
Group's share of:					
– Profit	103,693	47,621	168,126	324,384	643,824
– Other comprehensive income	(30,849)	(3,058)	(18,377)	(90,054)	(142,338)
– Total comprehensive income	72,844	44,563	149,749	234,330	501,486
Dividends received during the year	(48,672)	(47,585)	(142,793)		
Capital contribution/ (returned) during the year	–	254,500	(176,502)		
Translation and other adjustments	(13,282)	–	(1,116)		
Carrying amount of interest in associate at end of the year	1,834,449	2,022,924	1,664,981	2,382,220	7,904,574
Fair value of effective ownership interest (if listed)^	N/A	2,043,040	N/A		

^ Based on the quoted market price at 31 December 2019.

NOTES TO THE FINANCIAL STATEMENTS

7 ASSOCIATES (continued)

(e) As at 31 December 2020, the Group's share of the contingent liabilities of the associates is $156.0 million (2019: $26.9 million).

(f) The Group reclassified its investment in an associate listed in Hong Kong, Lai Fung Holdings Limited (Lai Fung) to asset held for sale in 2020 (see note 15(b)).

8 JOINT VENTURES

		Note	The Group 2020 $'000	2019 $'000
(a)	Investment in joint ventures		4,179,138	4,208,174
	Less:			
	Allowance for impairment loss		(25,819)	(36,189)
			4,153,319	4,171,985
	Add:			
	Amounts due from joint ventures, at amortised cost:			
	Loan accounts			
	– interest free		631,790	726,634
	– interest bearing		31,696	31,827
	Less:			
	Allowance for impairment loss on receivables	34	(15,009)	(15,139)
			648,477	743,322
			4,801,796	4,915,307

(i) Loans due from joint ventures are unsecured and not expected to be repaid within the next twelve months.

(ii) Movements in allowance for impairment loss were as follows:

	Note	The Group 2020 $'000	2019 $'000
At 1 January		(36,189)	(11,866)
Allowance during the year	28(c)(iii)	(17)	(25,822)
Writeback during the year	28(a)	136	–
Disposals during the year		10,582	1,244
Translation differences		(331)	255
At 31 December		(25,819)	(36,189)

(iii) As at 31 December 2020, the effective interest rates for the interest-bearing loans to joint ventures ranged from 3.00% to 6.50% (2019: 3.00% to 6.50%) per annum.

(iv) Loan accounts include an amount of approximately $410.7 million (2019: $511.3 million), the repayment of which is subordinated to that of the external borrowings of certain joint ventures.

NOTES TO THE FINANCIAL STATEMENTS

8 JOINT VENTURES (continued)

		Note	The Group 2020 $'000	The Group 2019 $'000
(b)	Amounts due from joint ventures:			
	Current accounts (unsecured)			
	– interest free (trade)		41,062	37,396
	– interest free (non-trade)		163,048	141,072
	– interest bearing (mainly non-trade)		21,881	21,173
			225,991	199,641
	Less:			
	Allowance for impairment loss on receivables	34	(24,639)	(20,814)
	Presented in trade and other receivables	12	201,352	178,827
	Non-current loans (unsecured)			
	– interest free		176,055	5,618
	– interest bearing		431,230	373,865
	Presented in other non-current assets	10	607,285	379,483

(i) The effective interest rates for amounts due from joint ventures ranged from 0.14% to 3.85% (2019: 1.38% to 4.00%) per annum.

(ii) The Group and the Company's exposure to credit and currency risks, and impairment losses for trade and other receivables, are disclosed in note 34.

		Note	The Group 2020 $'000	The Group 2019 $'000
(c)	Amounts due to joint ventures:			
	Current accounts (unsecured)			
	– interest free (mainly non-trade)		(27,099)	(76,054)
	– interest bearing (non-trade)		(673,266)	(339,740)
	Presented in trade and other payables	17	(700,365)	(415,794)

(i) The effective interest rates for amounts due to joint ventures ranged from 3.85% to 4.35% (2019: 4.35% to 5.22%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

8 JOINT VENTURES (continued)

(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 2020 %	Effective interest 2019 %
Orchard Turn Holding Pte Ltd[1,3] (OTH)	Owner of an integrated development in Singapore	Singapore	50.0	50.0
CapitaLand Shanghai Malls[2,3,4,5]	Owner of two integrated developments in China	China	65.0 to 73.0	65.0 to 73.0
Sino-Singapore Guangzhou Knowledge City Investment and Development Co., Ltd. (GKC)[2]	Owner of urban development projects in China	China	50.0	50.0

1 Audited by KPMG LLP Singapore.
2 Audited by other member firms of KPMG International.
3 Indirectly held through CapitaLand Mall Asia Limited.
4 Considered to be a joint venture as the Group had joint control over the relevant activities of the trust with the joint venture partners.
5 CapitaLand Shanghai Malls comprised two joint ventures held through the Group's subsidiary, CapitaLand Mall Asia Limited, namely, Ever Bliss International Limited and Full Grace Enterprises Limited.

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.

NOTES TO THE FINANCIAL STATEMENTS

8 JOINT VENTURES (continued)

	OTH Group $'000	GKC $'000	CapitaLand Shanghai Malls $'000	Other individually immaterial joint ventures $'000	Total $'000
31 December 2020					
Revenue[1]	214,381	11,986	157,934		
(Loss)/ Profit[2] after tax	(185,203)	101,643	18,106		
Other comprehensive income	3,572	(115)	104,955		
Total comprehensive income	(181,631)	101,528	123,061		
[1] Includes:					
– revenue from contract with customers for sale of residential, commercial strata and urban development	11,500	11,986	–		
– rental and related income from investment properties	202,881	–	157,934		
[2] Includes:					
– depreciation and amortisation	(2,771)	–	(454)		
– interest income	968	50,768	15,093		
– interest expense	(45,797)	(54)	(49,307)		
– tax expense	(18,337)	(14,462)	(18,974)		
Current assets[3]	160,546	1,773,770	354,317		
Non-current assets	3,110,834	868,399	2,917,719		
Current liabilities[4]	(89,213)	(708,759)	(98,245)		
Non-current liabilities[5]	(1,682,608)	(66,031)	(1,262,119)		
Net assets	1,499,559	1,867,379	1,911,672		
[3] Includes cash and cash equivalents	151,585	675,199	344,182		
[4] Includes current financial liabilities (excluding trade and other payables and provisions)	(20,148)	–	(29,282)		
[5] Includes non-current financial liabilities (excluding trade and other payables and provisions)	(1,681,965)	(30,807)	(1,092,988)		
Carrying amount of interest in joint venture at beginning of the year	867,575	837,424	601,695		
Group's share of:					
– (Loss)/ Profit	(92,602)	50,821	8,900	61,705	28,824
– Other comprehensive income	1,804	(57)	54,326	25,679	81,752
– Total comprehensive income	(90,798)	50,764	63,226	87,384	110,576
Dividends received during the year	(27,000)	–	–		
Translation and other adjustments	–	45,501	(4,841)		
Carrying amount of interest in joint venture at end of the year	749,777	933,689	660,080	1,809,773	4,153,319

NOTES TO THE FINANCIAL STATEMENTS

8 JOINT VENTURES (continued)

	OTH Group $'000	GKC $'000	CapitaLand Shanghai Malls $'000	Other individually immaterial joint ventures $'000	Total $'000
31 December 2019					
Revenue[1]	261,236	22,500	177,591		
Profit[2] after tax	166,103	164,000	134,320		
Other comprehensive income	179	(14)	(25,278)		
Total comprehensive income	166,282	163,986	109,042		
[1] Includes:					
– revenue from contract with customers for sale of residential, commercial strata and urban development	–	22,500	354		
– rental and related income from investment properties	261,236	–	176,328		
[2] Includes:					
– depreciation and amortisation	(2,645)	–	(500)		
– interest income	1,910	13,820	8,365		
– interest expense	(50,390)	–	(50,719)		
– tax expense	(8,158)	(9,125)	(60,159)		
Current assets[3]	136,158	959,393	492,202		
Non-current assets	3,385,534	1,258,513	3,016,191		
Current liabilities[4]	(100,021)	(504,203)	(156,776)		
Non-current liabilities[5]	(1,686,516)	(38,200)	(1,365,841)		
Net assets	1,735,155	1,675,503	1,985,776		
[3] Includes cash and cash equivalents	122,937	486,444	356,442		
[4] Includes current financial liabilities (excluding trade and other payables and provisions)	(17,531)	–	(19,394)		
[5] Includes non-current financial liabilities (excluding trade and other payables and provisions)	(1,685,981)	–	(1,111,092)		
Carrying amount of interest in joint venture at beginning of the year	844,437	–	552,322		
Acquisition during the year	–	774,210	–		
Group's share of:					
– Profit	83,052	82,012	65,146	114,741	344,951
– Other comprehensive income	89	(7)	(12,428)	(6,459)	(18,805)
– Total comprehensive income	83,141	82,005	52,718	108,282	326,146
Dividends received during the year	(60,000)	–	–		
Translation and other adjustments	–	(18,791)	(3,345)		
Carrying amount of interest in joint venture at end of the year	867,578	837,424	601,695	1,865,288	4,171,985

(e) As at 31 December 2020, the Group's share of the capital commitments of the joint ventures is $799.5 million (2019: $1,091.2 million).

NOTES TO THE FINANCIAL STATEMENTS

9 DEFERRED TAX

The movements in the deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) were as follows:

	At 1/1/2020 $'000	Recognised in profit or loss $'000	Acquisition/ Disposal of subsidiaries $'000	Transferred to liabilities held for sale $'000	Translation differences $'000	At 31/12/2020 $'000
The Group						
Deferred tax liabilities						
Accelerated tax depreciation	19,161	1,223	–	–	232	20,616
Discounts on compound financial instruments	1,572	(1,024)	–	–	–	548
Accrued income and interest receivable	4,411	2,784	–	–	193	7,388
Profits recognised on percentage of completion and fair value adjustments on initial recognition of development properties for sale	324,360	(13,718)	–	–	10,511	321,153
Fair value adjustments arising from a business combination	89,129	(2,462)	11,323	–	130	98,120
Fair value changes of investment properties	836,265	(105,070)	(25,844)	(2,473)	25,627	728,505
Unremitted earnings	148,347	6,645	(296)	(20)	957	155,633
Others	39,195	(5,996)	(2)	(1,282)	2,953	34,868
Total	1,462,440	(117,618)	(14,819)	(3,775)	40,603	1,366,831
Deferred tax assets						
Unutilised tax losses	(2,363)	(3,209)	–	–	22	(5,550)
Provisions and expenses	(291,647)	(124,234)	(1,073)	–	(19,069)	(436,023)
Fair value adjustments on initial recognition of development properties for sale	(14,489)	–	–	–	–	(14,489)
Deferred income	(1,562)	471	–	–	(41)	(1,132)
Others	(43,755)	(2,492)	77	–	(92)	(46,262)
Total	(353,816)	(129,464)	(996)	–	(19,180)	(503,456)

NOTES TO THE FINANCIAL STATEMENTS

9 DEFERRED TAX (continued)

	At 1/1/2019 $'000	Recognised in profit or loss $'000	Acquisition/ Disposal of subsidiaries $'000	Transferred to liabilities held for sale $'000	Translation differences $'000	At 31/12/2019 $'000
The Group						
Deferred tax liabilities						
Accelerated tax depreciation	7,782	(4,932)	17,723	–	(1,412)	19,161
Discounts on compound financial instruments	3,329	(1,757)	–	–	–	1,572
Accrued income and interest receivable	4,580	(26)	50	–	(193)	4,411
Profits recognised on percentage of completion and fair value adjustments on initial recognition of development properties for sale	231,748	(44,173)	141,026	–	(4,241)	324,360
Fair value adjustments arising from a business combination	29,887	(160)	59,468	–	(66)	89,129
Fair value changes of investment properties	537,703	175,034	142,675	(9,002)	(10,145)	836,265
Unremitted earnings	102,418	24,777	19,200	(126)	2,078	148,347
Others	43,566	(6,993)	3,197	–	(575)	39,195
Total	961,013	141,770	383,339	(9,128)	(14,554)	1,462,440
Deferred tax assets						
Unutilised tax losses	(2,402)	50	(5)	–	(6)	(2,363)
Provisions and expenses	(231,291)	(62,135)	(3,243)	–	5,022	(291,647)
Fair value adjustments on initial recognition of development properties for sale	(14,489)	–	–	–	–	(14,489)
Deferred income	(33)	(388)	(1,140)	–	(1)	(1,562)
Others	(37,275)	(2,338)	(4,200)	–	58	(43,755)
Total	(285,490)	(64,811)	(8,588)	–	5,073	(353,816)

	At 1/1/2019 $'000	Recognised in profit or loss $'000	At 31/12/2019 $'000	Recognised in profit or loss $'000	At 31/12/2020 $'000
The Company					
Deferred tax liabilities					
Discounts on compound financial instruments	3,329	(1,757)	1,572	(1,023)	549
Deferred tax assets					
Provisions	(423)	–	(423)	–	(423)

9 DEFERRED TAX (continued)

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:

	The Group		
	Gross Amount $'000	Offset $'000	Net Amount $'000
31 December 2020			
Deferred tax liabilities	1,366,831	–	1,366,831
Deferred tax assets	(503,456)	–	(503,456)
	863,375	–	863,375
31 December 2019			
Deferred tax liabilities	1,462,440	–	1,462,440
Deferred tax assets	(353,816)	–	(353,816)
	1,108,624	–	1,108,624

As at 31 December 2020, deferred tax liabilities amounting to $5.2 million (2019: $5.1 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.

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	
	2020 $'000	2019 $'000
Deductible temporary differences	225,357	289,136
Tax losses	1,359,902	922,731
Unutilised capital allowances	19,648	6,347
	1,604,907	1,218,214

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	2020 $'000	2019 $'000
No expiry	616,137	597,777
Not later than 1 year	122,744	47,148
Between 1 and 5 years	653,877	473,251
After 5 years	212,149	100,038
	1,604,907	1,218,214

NOTES TO THE FINANCIAL STATEMENTS

10 OTHER NON-CURRENT/CURRENT ASSETS

(a) Other non-current assets

	Note	The Group 2020 $'000	The Group 2019 $'000
Equity investments at FVTPL		368,372	378,671
Equity investments at FVOCI		232,589	280,826
Derivative financial instruments		85,628	95,783
Amounts due from:			
– associates	7(b)	248,482	227,753
– joint ventures	8(b)	607,285	379,483
Other receivables		17,971	17,935
Deposits		8,641	1,272
Prepayments		2,532	724
		1,571,500	1,382,447

(b) Other current assets

	Note	The Group 2020 $'000	The Group 2019 $'000
Derivative financial instruments		7,508	15,982
Contract costs	(i)	31,987	29,629
Total		39,495	45,611

(i) Contract costs relate to commission fees paid to property agents and legal fees for securing sale contracts which were capitalised during the year. The capitalised costs are amortised when the related revenue is recognised. During the year, $31.9 million (2019: $14.9 million) was amortised and there was no impairment loss in relation to the costs capitalised.

NOTES TO THE FINANCIAL STATEMENTS

11 DEVELOPMENT PROPERTIES FOR SALE AND STOCKS

		The Group	
		2020 $'000	2019 $'000
(a)	Properties under development, units for which revenue is recognised over time		
	Land and land related cost	969,119	1,016,088
	Development costs	18,417	12,323
		987,536	1,028,411
	Allowance for foreseeable losses	(24,190)	(44,956)
		963,346	983,455
	Properties under development, units for which revenue is recognised at a point in time		
	Land and land related costs	3,003,754	3,194,164
	Development costs	1,265,559	1,791,660
		4,269,313	4,985,824
	Allowance for foreseeable losses	(150,316)	–
		4,118,997	4,985,824
	Properties under development	5,082,343	5,969,279
(b)	Completed development properties, at cost	1,799,622	1,760,895
	Allowance for foreseeable losses	(104,371)	(6,159)
	Completed development properties	1,695,251	1,754,736
(c)	Consumable stocks	616	1,044
	Total development properties for sale and stocks	6,778,210	7,725,059

(d) The Group recognises revenue over time for residential projects under progressive payment scheme in Singapore. The progress towards completing the construction is measured in accordance with the accounting policy stated in note 2.15. Significant assumptions are required in determining the stage of completion and the Group evaluates them by relying the work of specialists.

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.

(e) As at 31 December 2020, development properties for sale amounting to approximately $3,017.0 million (2019: $3,225.0 million) were mortgaged to banks to secure credit facilities of the Group (note 19).

NOTES TO THE FINANCIAL STATEMENTS

11 DEVELOPMENT PROPERTIES FOR SALE AND STOCKS (continued)

(f) During the financial year, the following amounts were capitalised as cost of development properties for sale:

	Note	The Group 2020 $'000	The Group 2019 $'000
Staff costs	28(b)	18,704	19,069
Interest costs paid/payable	28(d)	53,971	41,126
Less:			
Interest income received/receivable from project fixed deposit accounts	28(a)	(135)	(987)
		72,540	59,208

(g) Movements in allowance for foreseeable losses in respect of development properties for sale were as follows:

	Note	The Group 2020 $'000	The Group 2019 $'000
At 1 January		(51,115)	(57,086)
(Allowances)/Reversal during the year	28(c)(i)	(251,329)	3,499
Utilisation during the year		29,352	2,472
Translation differences		(5,785)	–
At 31 December		(278,877)	(51,115)

12 TRADE AND OTHER RECEIVABLES

	Note	The Group 2020 $'000	The Group 2019 $'000	The Company 2020 $'000	The Company 2019 $'000
Trade receivables	13	373,259	341,620	–	7
Deposits and other receivables	14	750,418	682,698	1,202	474
Amounts due from:					
– subsidiaries	18	–	–	802,599	889,090
– associates	7(b)	463,141	198,788	–	–
– joint ventures	8(b)	201,352	178,827	–	–
– investee (non-trade)	(b)	122,412	116,484	–	–
– non-controlling interests (non-trade)	(c)	188,942	142,755	–	–
		2,099,524	1,661,172	803,801	889,571
Prepayments	(d)	976,464	640,425	233	188
		3,075,988	2,301,597	804,034	889,759

(a) As at 31 December 2020, certain trade and other receivables amounting to approximately $8.4 million (2019: $3.3 million) were mortgaged to banks to secure credit facilities of the Group (note 19).

(b) Amount due from an investee is unsecured, interest-bearing and effective interest rate for the interest-bearing loan to an investee is 8.00% (2019: 8.00%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

12 TRADE AND OTHER RECEIVABLES (continued)

(c) Amounts due from non-controlling interests are unsecured, interest-free and repayable on demand.

(d) As at 31 December 2020, prepayments of $707.1 million (2019: $227.1 million) were made for the acquisition of shares and land, pending completion of transactions.

13 TRADE RECEIVABLES

	Note	The Group 2020 $'000	The Group 2019 $'000	The Company 2020 $'000	The Company 2019 $'000
Trade receivables		410,656	357,075	–	7
Less:					
Allowance for impairment loss on receivables	34	(37,397)	(15,455)	–	–
	12	373,259	341,620	–	7

The Group and the Company's exposure to credit and currency risks, and impairment losses for trade and other receivables, are disclosed in note 34.

14 DEPOSITS AND OTHER RECEIVABLES

	Note	The Group 2020 $'000	The Group 2019 $'000	The Company 2020 $'000	The Company 2019 $'000
Deposits		29,111	26,435	459	458
Other receivables		724,152	639,405	743	16
Less:					
Allowance for impairment loss on receivables	34	(18,775)	(15,074)	–	–
		705,377	624,331	743	16
Tax recoverable		15,930	31,932	–	–
	12	750,418	682,698	1,202	474

NOTES TO THE FINANCIAL STATEMENTS

15 ASSETS/LIABILITIES HELD FOR SALE

	Note	The Group 2020 $'000	 2019 $'000
Property, plant and equipment		53	2,035
Intangible assets		7	36
Investment properties	35(c)	229,404	336,719
Associates		67,388	22,831
Trade and other receivables		1,006	1,554
Cash and cash equivalents		24,804	21,936
Assets held for sale		322,662	385,111
Trade and other payables		4,562	7,929
Current tax payables		81	122
Deferred tax liabilities		12,903	9,128
Loans and borrowings		13,696	10,387
Other non-current liabilities		436	231
Liabilities held for sale		31,678	27,797

Details of assets and liabilities held are as follows:

2020

(a) On 17 July 2020 and 8 September 2020, ART entered into conditional agreements to divest Citadines Didot Montparnasse Paris and Citadines City Centre Grenoble in France respectively to an unrelated third party. Accordingly, the properties were reclassified from investment property to asset held for sale as at 31 December 2020. The transactions are expected to be completed in 2021.

(b) During the year, the Group assessed that the synergistic partnership with its investment in associate listed in Hong Kong, Lai Fung, may not be as relevant today due to its transition towards a more rental-led strategy versus a stronger residential development emphasis at the time of the Group's initial investment, as well as its expansion into MICE-related asset in China which is not in line with the Group's strategy. As the Group is now exploring options regarding its investment in Lai Fung, the investment has been reclassified from an associate to assets held for sale. Upon the reclassification, a fair value loss of $416.5 million was recognised based on Lai Fung's quoted share price as at 31 December 2020.

(c) On 11 January 2021, CLCT announced that it has, through its wholly owned subsidiary, Somerset (Wuhan) Investments Pte. Ltd., entered into a conditional equity interests transfer agreement to divest its entire equity interest in Wuhan New Min Zhong Le Yuan Co., Ltd. which holds CapitaMall Mingzhongleyuan. Accordingly, all assets and liabilities held by the entity were reclassified to asset held for sale and liabilities held for sale respectively as at 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS

15 ASSETS/LIABILITIES HELD FOR SALE (continued)

2019

(a) On 1 February 2019, the Group announced that it has, through its subsidiary, entered into a co-operative framework agreement with unrelated party to divest the issued shares of Huaxin Saihan Huhhot Real Estate Co., Ltd, which holds CapitaMall Saihan. Accordingly, all assets and liabilities held by the entity were reclassified to asset held for sale and liabilities held for sale respectively as at 31 December 2019. The transaction is expected to be completed in 2021.

(b) On 21 November 2019, ART entered into a put and call option agreement with an unrelated third party for the sale of its partial interest of the gross floor area of the land, on which Somerset Liang Court Singapore is located, for a purchase consideration of approximately $163.3 million. The transaction was completed in 2020.

(c) On 18 December 2019, ART entered into two sale and purchase agreements to divest its wholly-owned subsidiaries, Suzhou Chong Rui Xin Shi Ji Real Estate Co., Ltd and Wuhan Citadines Property Development Co., Ltd. Accordingly, all the assets and liabilities of the entities were reclassified to assets held for sale and liabilities held for sale respectively. As of 31 December 2020, the two subsidiaries were reclassified from assets/liabilities held for sale to the respective assets and liabilities lines due to the termination of the sale and purchase agreement by the buyer.

16 CASH AND CASH EQUIVALENTS

	Note	The Group 2020 $'000	The Group 2019 $'000	The Company 2020 $'000	The Company 2019 $'000
Fixed deposits		4,093,420	2,145,037	–	–
Cash at banks and in hand		5,081,958	4,022,569	25,199	18,098
Cash and cash equivalents		9,175,378	6,167,606	25,199	18,098
Restricted bank deposits	(a)	(86,542)	(106,208)		
Cash and cash equivalents in the statement of cash flows		9,088,836	6,061,398		

(a) These are deposit placed in escrow account for acquisition of a subsidiary; bank balances of certain subsidiaries pledged in relation to bankers' guarantees issued to the subsidiaries' contractors and banking facilities and bank balances required to be maintained as security for outstanding CapitaVoucher, as well as 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) As at 31 December 2020, the Group's cash and cash equivalents of $328.1 million (2019: $199.9 million) were held under project accounts and withdrawals from which are designated for payments for expenditure incurred on projects.

(c) The Group's cash and cash equivalents are denominated mainly in Singapore Dollars, Chinese Renminbi, Japanese Yen and US Dollars. As at 31 December 2020, the effective interest rates for cash and cash equivalents denominated in these currencies ranged from 0% to 2.75% (2019: 0% to 2.83%) per annum.

The cash and cash equivalents are placed with banks and financial institutions which meet the appropriate credit criteria.

NOTES TO THE FINANCIAL STATEMENTS

17 TRADE AND OTHER PAYABLES

	Note	The Group 2020 $'000	The Group 2019 $'000	The Company 2020 $'000	The Company 2019 $'000
Trade payables		299,311	282,154	944	903
Accruals	(a)	840,599	967,322	24,891	31,097
Accrued development expenditure		1,223,268	1,249,332	–	–
Other payables	(b)	1,038,906	1,152,654	1,171	980
Rental and other deposits		278,423	276,687	–	–
Derivative financial instruments		44,820	18,035	–	–
Liability for employee benefits	22	55,705	69,571	60	2,469
Amounts due to:					
– subsidiaries	18	–	–	375,725	76,980
– associates	7(c)	743,781	567,357	–	–
– joint ventures	8(c)	700,365	415,794	–	–
– non-controlling interests (unsecured):					
– interest free		30,786	27,746	–	–
– interest bearing	(c)	651	20,916	–	–
		5,256,615	5,047,568	402,791	112,429

(a) Accruals included accrued operating expenses $472.1 million (2019: $527.7 million), accrued interest payable $141.9 million (2019: $154.6 million) as well as accrued expenditure for tax and administrative expenses which are individually immaterial.

(b) Other payables included retention sums and amounts payable in connection with capital expenditure incurred.

(c) The effective interest rates for amounts due to non-controlling interests ranged from 1.96% to 3.70% (2019: 4.00% to 6.38%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

18 AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Note	The Company 2020 $'000	2019 $'000
(a) Current			
Amounts due from subsidiaries:			
– current accounts, mainly trade		67,096	68,952
– loans			
– interest free		344,612	97,002
– interest bearing		465,433	773,478
		810,045	870,480
Less:			
Allowance for impairment loss on receivables	34	(74,542)	(50,342)
		735,503	820,138
	12	802,599	889,090
Current			
Amounts due to subsidiaries:			
– loans, interest free		(364,929)	(63,215)
– current accounts, mainly trade		(10,796)	(13,765)
	17	(375,725)	(76,980)

All balances with subsidiaries are unsecured and repayable on demand. The interest-bearing loans due from a subsidiary bore effective interest rate of 0.09% (2019: 1.06% to 1.85%) per annum.

The Company's exposure to credit risks for amounts due from subsidiaries are disclosed in note 34.

	Note	The Company 2020 $'000	2019 $'000
(b) Non-current			
Amounts due to subsidiaries:			
– interest bearing		–	(864,416)
– interest free		(659,114)	(402,500)
	21	(659,114)	(1,266,916)

All balances with subsidiaries are unsecured and not expected to be repaid within twelve months from 31 December 2020. In 2019, the interest-bearing loan due to a subsidiary bore an effective interest rate of 3.05% per annum.

NOTES TO THE FINANCIAL STATEMENTS

19 BORROWINGS

	Note	The Group 2020 $'000	The Group 2019 $'000	The Company 2020 $'000	The Company 2019 $'000
Bank borrowings					
– secured		10,733,194	10,464,389	–	–
– unsecured		11,723,574	8,360,189	–	–
		22,456,768	18,824,578	–	–
Lease liabilities	(c)	1,054,936	684,966	34,777	45,230
		23,511,704	19,509,544	34,777	45,230
Repayable:					
Not later than 1 year		3,938,561	2,501,026	10,808	10,453
Between 1 and 5 years		16,292,269	14,128,079	23,969	34,777
After 5 years		3,280,874	2,880,439	–	–
After 1 year		19,573,143	17,008,518	23,969	34,777
		23,511,704	19,509,544	34,777	45,230

(a) The Group's borrowings are denominated mainly in Singapore Dollars, Chinese Renminbi, Japanese Yen, Euro and US Dollars. As at 31 December 2020, the effective interest rates for bank borrowings denominated in these currencies ranged from 0.30% to 4.92% (2019: 0.30% to 4.95%) per annum.

(b) 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, development properties for sale, trade and other receivables and shares of certain subsidiaries of the Group; and

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

(c) Lease liabilities relate to the leases of property, plant and equipment (note 3) and investment properties (note 5).

NOTES TO THE FINANCIAL STATEMENTS

19 BORROWINGS (continued)

(d) The reconciliation of liabilities arising from financing activities were as follows:

	Note	At 1/1/2020 $'000	Financing cashflows * $'000	Acquisition of subsidiaries $'000	Disposal of subsidiaries@ $'000	Changes in fair value $'000	Amortisation of bond discount $'000	Rent concession $'000	Modification of lease liability $'000	Foreign exchange movement $'000	Others $'000	At 31/12/2020 $'000
				<— Non-cash changes							—>	
The Group												
Bank borrowings		18,824,578	3,385,266	–	(96,278)	–	–	–	–	323,821	19,381	22,456,768
Debt securities	20	11,901,519	(268,368)	–	–	–	6,016	–	–	6,543	977	11,646,687
Lease liabilities	19	684,966	(68,341)	264,969	(13,696)	–	–	(7,500)	(2,230)	22,561	174,207	1,054,936
Derivative liabilities		130,503	–	–	–	130,670	–	–	–	–	–	261,173
Derivative assets		(102,878)	–	–	–	15,278	–	–	–	–	–	(87,600)

	Note	At 1/1/2019 $'000	Financing cashflows * $'000	Adoption of SFRS(I) 16 $'000	Acquisition of subsidiaries $'000	Disposal of subsidiaries@ $'000	Changes in fair value $'000	Amortisation of bond discount $'000	Foreign exchange movement $'000	Others $'000	At 31/12/2019 $'000
				<— Non-cash changes					—>		
The Group											
Bank borrowings		13,003,206	227,143	–	5,750,625	(56,700)	–	–	(97,552)	(2,144)	18,824,578
Debt securities	20	10,630,214	375,891^	–	848,865	–	–	10,327	37,987	(1,765)	11,901,519
Lease liabilities	19	525	(63,256)	548,780	173,064	(51,873)	–	–	(9)	77,735	684,966
Derivative liabilities		128,929	(32,975)^	–	36,603	–	(2,054)	–	–	–	130,503
Derivative assets		(93,431)	–	–	(7,744)	–	(1,703)	–	–	–	(102,878)

* Cashflow from financing activities presented in the consolidated statement of cash flows include interest expense paid of $990.4 million (2019: $890.8 million) which are included under accruals, amount due to associates, joint ventures and non-controlling interests of note 17 – trade and other payables. There are no material non-cash changes associated with interest payables. Refer to note 33 for issue of shares for the acquisition of subsidiaries in 2019.

@ Includes borrowings of $13.7 million (2019: $10.4 million) under liabilities held for sale.

^ In 2019, cashflows from debt securities comprise $375.9 million relate to net proceeds from issuance of debt securities and settlement of derivative financial instruments used to hedge the debt securities amounted to $33.0 million.

NOTES TO THE FINANCIAL STATEMENTS

20 DEBT SECURITIES

	The Group		The Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Convertible bonds	1,172,050	1,815,209	1,172,783	1,816,767
Notes and bonds	10,474,637	10,086,310	–	–
	11,646,687	11,901,519	1,172,783	1,816,767
Secured notes and bonds	259,420	258,088	–	–
Unsecured notes and bonds	11,387,267	11,643,431	1,172,783	1,816,767
	11,646,687	11,901,519	1,172,783	1,816,767
Repayable:				
Not later than 1 year	998,728	1,449,027	–	646,236
Between 1 and 5 years	6,902,881	6,080,972	1,172,783	526,000
After 5 years	3,745,078	4,371,520	–	644,531
After 1 year	10,647,959	10,452,492	1,172,783	1,170,531
	11,646,687	11,901,519	1,172,783	1,816,767

(a) The repayment schedule for convertible bonds was based on the final maturity dates.

(b) As at 31 December 2020, the effective interest rates for debt securities ranged from 0.40% to 4.14% (2019: 0.37% to 4.25%) per annum.

(c) As at 31 December 2020, the convertible bonds issued by the Company which remained outstanding are as follows:

Principal amount $ million	Final maturity date Year	Conversion price $	Convertible into new ordinary shares No. of shares
650.00	2025	4.9697	130,792,603
326.75	2022	11.5218	28,359,284
199.25	2023	4.1936	47,512,876

There has been no conversion of any of the above convertible bonds since the date of their respective issue.

(d) Details of the outstanding convertible bonds as at 31 December 2020 are as follows:

(i) $326.8 million principal amount of convertible bonds of the Company due on 20 June 2022 with interest rate at 2.95% per annum. These bonds are convertible into new ordinary shares at the conversion price of $11.5218 per share on or after 20 June 2008 and may be redeemed at the option of the Company or at the option of the bondholders on specified dates.

(ii) $199.3 million principal amounts of convertible bonds of the Company due on 17 October 2023 with interest rate at 1.95% per annum. These bonds are convertible into new ordinary shares at the conversion price of $4.1936 per share on or after 27 November 2013 and may be redeemed at the option of the Company or at the option of the bondholders on specified dates.

(iii) $650.0 million principal amount of convertible bonds of the Company due on 8 June 2025 with interest rate at 2.8% per annum. These bonds are convertible into new ordinary shares at the conversion price of $4.9697 per share on or after 19 July 2015 and may be redeemed at the option of the Company or at the option of the bondholders on specified dates.

NOTES TO THE FINANCIAL STATEMENTS

20 DEBT SECURITIES (continued)

(e) During the year, the Company settled convertible bonds with an aggregate principal amount of $650.0 million (2019: $245.0 million) due on 19 June 2020 with interest rate of 1.85% (2019: 2.95%) per annum upon the redemption by bondholders.

(f) Notes and bonds

The Group's notes and bonds are mainly issued by the Company, CapitaLand Treasury Limited, Ascendas Pte Ltd, The Ascott Capital Limited, CapitaLand Integrated Commercial Trust, Ascott Residence Trust, RCS Trust, CapitaLand China Trust and CapitaLand Malaysia Mall Trust under their respective issuance programs. These notes and bonds were denominated mainly in Singapore Dollars, Malaysian Ringgit, Japanese Yen, Hong Kong Dollars, Euro and US Dollars. Saved for the secured notes and bonds below, the notes and bonds issued were unsecured.

As at 31 December 2020, the secured notes and bonds amounting to $259.4 million (2019: $258.1 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.

21 OTHER NON-CURRENT LIABILITIES

	Note	The Group 2020 $'000	The Group 2019 $'000	The Company 2020 $'000	The Company 2019 $'000
Amounts due to non-controlling interests (unsecured):					
– interest free		63,612	68,494	–	–
– interest bearing	(a)	35,300	35,957	–	–
Amounts due to subsidiaries	18	–	–	659,114	1,266,916
Liability for employee benefits	22	26,000	30,419	12,966	15,454
Derivative financial instruments		222,964	113,680	–	–
Security deposits and other non-current payables		396,079	456,471	235	235
Deferred income		7,064	7,395	–	–
		751,019	712,416	672,315	1,282,605

(a) As at 31 December 2020, the effective interest rate for the amounts due to non-controlling interests is 2.50% (2019: 2.50% to 4.55%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

22 EMPLOYEE BENEFITS

	Note	The Group 2020 $'000	The Group 2019 $'000	The Company 2020 $'000	The Company 2019 $'000
Liability for short term accumulating compensated absences		13,698	20,800	192	1,195
Liability for staff incentive	(a)	58,135	64,700	12,834	16,728
Liability for cash-settled share-based payments		9,872	14,490	–	–
		81,705	99,990	13,026	17,923
Current	17	55,705	69,571	60	2,469
Non-current	21	26,000	30,419	12,966	15,454
		81,705	99,990	13,026	17,923

(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.

(b) Equity compensation benefits

Share Plans of the Company

The CapitaLand Performance Share Plan 2010 (PSP 2010) and CapitaLand Restricted Share Plan 2010 (RSP 2010) were approved by the members of the Company at the Extraordinary General Meeting held on 16 April 2010. The duration of each share plan is 10 years commencing on 16 April 2010. The PSP 2010 and RSP 2010 have expired on 15 April 2020. Awards made prior to expiry are not affected and no further awards were made subsequent to expiry. No new awards were made under PSP 2010 and RSP 2010 during the year.

The CapitaLand Performance Share Plan 2020 (PSP 2020) and CapitaLand Restricted Share Plan 2020 (RSP 2020) were approved by the members of the Company at the Extraordinary General Meeting held on 12 April 2019. The duration of each share plan is 10 years commencing on 1 April 2020.

The ERCC of the Company has instituted a set of share ownership guidelines for members of senior management who receive shares under the CapitaLand Restricted Share Plans and CapitaLand Performance Share Plans. Under these guidelines, members of senior management are required to retain a portion of the total number of CapitaLand shares received under the aforementioned share-based plans, which will vary according to their respective job grade and salary.

NOTES TO THE FINANCIAL STATEMENTS

22 EMPLOYEE BENEFITS (continued)

(b) Equity compensation benefits (continued)

Share Plans of the Company *(continued)*

The details of awards in the Company since commencement of the Share Plans were as follows:

	<—— Aggregate shares		——>	
	Granted No. of shares	Released No. of shares	Lapsed/ Cancelled No. of shares	Balance as of 31 December 2020 No. of shares
CapitaLand Performance Share Plan 2010	34,508,581	(5,844,914)	(23,101,009)	5,562,658
CapitaLand Restricted Share Plan 2010	114,232,095	(82,162,115)	(19,778,811)	12,291,169
CapitaLand Performance Share Plan 2020	3,194,293	–	–	3,194,293
CapitaLand Restricted Share Plan 2020	9,132,455	(212,897)	(109,885)	8,809,673

The total number of new shares issued and/or to be issued pursuant to the Share Plans did not exceed 8% (2019: 8%) of the total number of shares (excluding treasury shares) in the capital of the Company.

CapitaLand Performance Share Plans

This relates to compensation costs of the Company's PSP 2010 and PSP 2020 reflecting the benefits accruing to the employees over the service period to which the performance criteria relate.

Movements in the number of shares outstanding under Performance Share Plans were summarised below:

	2020 ('000)	2019 ('000)
At 1 January	9,160	9,503
Granted	3,416	3,462
Released	(3,396)	(1,270)
Lapsed/Cancelled	(423)	(2,535)
At 31 December	8,757	9,160

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. Conversely, 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 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.

NOTES TO THE FINANCIAL STATEMENTS

22 EMPLOYEE BENEFITS (continued)

(b) Equity compensation benefits (continued)

***Share Plans of the Company** (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	2020	2019
Weighted average fair value of shares and assumptions		
Weighted average fair value at measurement date	$2.11	$2.74
Expected volatility of Company's share price based on 36 months closing share price prior to grant date	22.63%	17.18%
Average volatility of companies in the peer group based on 36 months prior to grant date	29.73%	27.12%
Share price at grant date	$2.72	$3.45
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	0.37%	1.65%
Expected dividend yield over the vesting period	1.89% to 3.78%	3.54% to 4.14%
Initial total shareholder return (TSR) performance based on historical TSR performance of the Company and each company in the peer group	–	13.46%
Average correlation of Company's TSR with those companies in the peer group	59.96%	50.11%

CapitaLand Restricted Share Plans – Equity-settled/Cash-settled

This relates to compensation costs of the Company's RSP 2010 and RSP 2020 reflecting the benefits accruing to the employees over the service period to which the performance criteria relate.

Movements in the number of shares outstanding under the Restricted Share Plans were summarised below:

	2020 ('000)	2019 ('000)
At 1 January	28,126	22,971
Granted	11,077	20,744
Released@	(15,727)	(13,794)
Lapsed/Cancelled	(2,375)	(1,795)
At 31 December	21,101	28,126

@ The number of shares released during the year was 15,726,797 (2019: 13,794,140) of which 4,078,753 (2019: 2,648,242) were cash-settled.

NOTES TO THE FINANCIAL STATEMENTS

22 EMPLOYEE BENEFITS (continued)

(b) Equity compensation benefits (continued)

CapitaLand Restricted Share Plans – Equity-settled/Cash-settled *(continued)*

As at 31 December 2020, the number of shares in awards granted under the Restricted Share Plans are as follows:

	2020			2019		
	Equity-settled ('000)	Cash-settled ('000)	Total ('000)	Equity-settled ('000)	Cash-settled ('000)	Total ('000)
Final number of shares has not been determined (baseline award) #	6,883	1,767	8,650	12,244	2,708	14,952
Final number of shares determined but not released	10,136^	2,315	12,451	10,513	2,661	13,174
	17,019	4,082	21,101	22,757	5,369	28,126

The final number of shares released could range from 0% to 150% of the baseline award.

^ Includes time-based awards granted under RSP 2020 vesting on 1 March 2021 for selected senior management new hires.

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. 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 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. The shares will vest over a period of three years. Recipients can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost. 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 forgone due to the vesting mechanism of the Restricted Share Plans, will also be released upon the final vesting. For time-based awards granted to facilitate the strategic employment of key executives, the shares will be released upon the completion of a specified period of service following the commencement of employment with the Group.

Cash-settled awards of shares are measured at their current fair values at each balance sheet date.

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	2020	2019
Weighted average fair value of shares and assumptions		
Weighted average fair value at measurement date	$2.60	$3.26
Share price at grant date	$2.72	$3.45
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	0.22% to 0.37%	1.64% to 1.72%

The fair value of the shares awarded to non-executive directors for the payment of directors' fees in 2020 was $2.88 (2019: $3.51) which was the volume-weighted average price of a CapitaLand share on the SGX-ST over the 14 trading days from (and including) the ex-dividend date following the date of CapitaLand's Annual General Meeting.

NOTES TO THE FINANCIAL STATEMENTS

22 EMPLOYEE BENEFITS (continued)

(b) Equity compensation benefits (continued)

Unit-based Plans of Subsidiaries

(a) Ascott Residence Trust Management Limited (ARTML)

The ARTML Performance Unit Plan 2016 and the ARTML Restricted Unit Plan 2016 (collectively referred to as the "ARTML Unit Plans") were approved by the Board of Directors of ARTML on 15 April 2016.

(b) CapitaLand Integrated Commercial Trust Management Limited (CICTML) (formerly known as CapitaLand Mall Trust Management Limited (CMTML))

With the merger of CapitaLand Mall Trust and CapitaLand Commercial Trust, the CMTML Performance Unit Plan 2016 and the CMTML Restricted Unit Plan 2016 approved by the Board of Directors of CMTML on 15 April 2016 have been renamed to the CICTML Performance Share Plan 2016 and the CICTML Restricted Share Plan 2016 (collectively referred to as the "CICTML Unit Plans") respectively. Awards previously granted pursuant to the CapitaLand Commercial Trust Management Limited Performance Unit Plan 2016 and Restricted Unit Plan 2016 will be settled in units of CapitaLand Integrated Commercial Trust.

(c) CapitaLand Retail China Trust Management Limited (CRCTML)

The CRCTML Performance Unit Plan 2016 and the CRCTML Restricted Unit Plan 2016 (collectively referred to as the "CRCTML Unit Plans") were approved by the Board of Directors of CRCTML on 13 April 2016. With effect from 25 January 2021, CRCTML has been renamed to CapitaLand China Trust Management Limited (CLCTML). Accordingly, the CRCTML Units Plans have been renamed to CLCTML Performance Unit Plan 2016 and CLCTML Restricted Unit Plan 2016 (collectively referred to as the "CLCTML Unit Plans").

The Boards of ARTML, CICTML and CLCTML have instituted a set of unit ownership guidelines for senior management who receive units under the ARTML Unit Plans, CICTML Unit Plans and CLCTML Unit Plans (collectively referred to as "Subsidiary Unit Plans") respectively. Under these guidelines, members of the senior management team are required to retain a portion of the total number of units received under the Subsidiary Unit Plans, which will vary according to their respective job grade and salary.

During the financial year ended 31 December 2020, the Group recognised share-based expenses in relation to the Subsidiary Unit Plans of $2,770,462 (2019: $2,704,630) in profit or loss.

Performance Unit Plan 2016 of ARTML, CICTML and CLCTML

This relates to compensation costs of the Performance Unit Plans of ARTML, CICTML and CLCTML that reflects the benefits accruing to the participants over the service period to which the performance criteria relate.

The final number of units to be released will depend on the achievement of pre-determined relative total unitholder return targets over a three-year performance period. No unit will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, up to a maximum of 200% of the baseline award could be released. The Board of Directors of each respective subsidiary has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors. Participants receive fully paid units at no cost upon vesting.

NOTES TO THE FINANCIAL STATEMENTS

22 EMPLOYEE BENEFITS (continued)

(b) Equity compensation benefits (continued)

Restricted Unit Plan 2016 of ARTML, CICTML and CLCTML

This relates to compensation costs of the Restricted Unit Plans for ARTML, CICTML and CLCTML that reflects the benefits accruing to the participants over the service period to which the performance criteria relate.

The final number of units to be released will depend on the achievement of pre-determined distribution per unit and net property income or gross profit targets over a one-year performance period. No unit will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, up to a maximum of 150% of the baseline award could be released. The Board of Directors of each respective subsidiary has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors. The units will vest over three years. Participants receive fully paid units at no cost upon vesting. An additional number of units of a total value equal to the value of the accumulated distributions which are declared during each of the vesting periods and deemed forgone due to the vesting mechanism of the Restricted Unit Plans, will also be released upon the final vesting.

Units vested to participants will be delivered using existing units held by ARTML, CICTML and CLCTML. No new units will be issued by the respective REITs to meet the obligations under the Subsidiary Unit Plans.

23 SHARE CAPITAL

Issued and fully paid, with no par value	Note	The Company 2020 No. of shares ('000)	 2019 No. of shares ('000)
At 1 January and 31 December, including treasury shares		5,136,648	4,274,384
Add: Issue of new shares	(a)	140,343	862,264
Less: Treasury shares		(84,110)	(99,154)
At 31 December, excluding treasury shares		5,192,881	5,037,494

(a) On 20 August 2020, the Company issued 140,343,222 shares at an issue price of $2.767 under the Company's scrip dividend scheme.

(b) In 2019, the company issued 862,264,714 shares at an issue price of $3.50 per share for the settlement of 50% consideration for the acquisition of ASB (note 33).

(c) The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares (excluding treasury shares) rank equally with regard to the Company's residual assets.

(d) At 31 December 2020, there is a maximum of 17,513,902 (2019: 18,319,660) shares under the Performance Share Plans and 18,646,801 (2019: 30,734,937) shares under the Restricted Share Plans, details of which are disclosed in note 22(b).

NOTES TO THE FINANCIAL STATEMENTS

23 SHARE CAPITAL (continued)

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

	The Company 2020 No. of shares ('000)	The Company 2019 No. of shares ('000)
At 1 January	99,154	111,570
Treasury shares transferred pursuant to employee share plans	(14,831)	(12,243)
Payment of directors' fees	(213)	(173)
At 31 December	84,110	99,154

Capital management

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

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

	The Group 2020 $'000	The Group 2019 $'000
Borrowings and debt securities	35,158,391	31,411,063
Cash and cash equivalents	(9,175,378)	(6,167,606)
Net debt	25,983,013	25,243,457
Total equity	38,292,041	40,282,875
Net debt-to-equity ratio	0.68	0.63

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 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, eight of the Group's subsidiaries (2019: nine) 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 management. In addition, the consolidated REITs are subject to the aggregate leverage limit as defined in the Property Funds Appendix of the Code of Investment Scheme. 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.

NOTES TO THE FINANCIAL STATEMENTS

24 OTHER RESERVES

	The Group		The Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Reserve for own shares	(290,302)	(342,225)	(290,302)	(342,225)
Capital reserve	299,195	295,073	45,809	92,799
Equity compensation reserve	53,334	77,869	14,218	23,266
Hedging reserve	(199,528)	(104,727)	–	–
Fair value reserve	93,622	138,489	–	–
Assets revaluation reserve	6,161	6,161	–	–
Foreign currency translation reserve	(275,116)	(1,112,601)	–	–
	(312,634)	(1,041,961)	(230,275)	(226,160)

Reserve for own shares comprises the purchase consideration for issued shares of the Company acquired and held as treasury shares.

The capital reserve comprises mainly the value of the options granted to bondholders to convert their convertible bonds into ordinary shares of the Company, reserves set aside by certain subsidiaries in compliance with the relevant regulations in the People's Republic of China and share of associates' and joint ventures' capital reserve.

The equity compensation reserve comprises the cumulative value of employee services received for shares under the share plans of the Company (note 22(b)).

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 assets revaluation reserve comprises the revaluation gain of 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, 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, Indian Rupee, Vietnamese Dong and Malaysian Ringgit.

NOTES TO THE FINANCIAL STATEMENTS

25 PERPETUAL SECURITIES

The Group's perpetual securities comprise perpetual securities and perpetual notes issued by its subsidiaries, ART, CLCT and CapitaLand Treasury Limited (CTL) (collectively referred to as "Issuers"). The perpetual securities comprise:

Perpetual securities or notes	Issue date	Principal amount $
<u>ART</u>		
– Fixed rate perpetual securities with an initial distribution rate of 4.68% per annum	30 June 2015	250,000,000
– Fixed rate perpetual securities with an initial distribution rate of 3.88% per annum	4 September 2019	150,000,000
<u>CLCT</u>		
– Fixed rate subordinated perpetual securities with an initial distribution rate of 3.375% per annum	27 October 2020	100,000,000
<u>Issued under CTL's $5,000,000,000 Euro Medium Term Note Programme:</u>		
– Fixed rate subordinated perpetual notes with an initial distribution rate of 3.65% per annum	17 October 2019	500,000,000

(a) On 27 October 2020, CLCT issued S$100.0 million of fixed rate subordinated perpetual notes with an initial distribution rate of 3.375% per annum, with the first distribution rate reset on 27 October 2025 and subsequent resets occurring every five years thereafter. Distributions are payable semi-annually in arrears on a discretionary basis and are non-cumulative in accordance with the terms and conditions of the perpetual securities.

The perpetual securities will constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any parity obligations of the Issuer from time to time outstanding.

(b) On 4 September 2019, ART issued $150.0 million of fixed rate perpetual securities with an initial distribution rate of 3.88% per annum, with the first distribution rate reset falling on 4 September 2024 and subsequent resets occurring every five years thereafter. The proceeds were used to redeem the $150.0 million perpetual securities with its first call date on 27 October 2019.

The perpetual securities have no fixed redemption date and redemption is at the option of the ART in accordance with the terms of issue of the securities. The distribution will be payable semi-annually at the discretion of the ART 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 the ART, but junior to the claims of all other present and future creditors of the ART.

(c) On 17 October 2019, CTL issued $500.0 million of fixed rate subordinated perpetual notes guaranteed by the Company, with an initial distribution rate of 3.65% per annum with the first distribution rate reset falling on 17 October 2024 and subsequent resets occurring every five years thereafter.

The perpetual notes have no fixed redemption date and redemption is at the option of CTL in accordance to the terms and conditions of the perpetual notes. The distribution will be payable semi-annually at the discretion of CTL and will be cumulative. The perpetual notes will constitute direct, unconditional, unsecured and subordinated obligations of CTL and shall at all times rank *pari passu* and without any preference among themselves and with any parity obligations of CTL.

NOTES TO THE FINANCIAL STATEMENTS

25 PERPETUAL SECURITIES (continued)

As the perpetual securities have no fixed maturity date and the payment of distributions is at the discretion of the Issuers, the Issuers are 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: Disclosure and Presentation*, they are presented within equity, and distributions are treated as dividends.

26 OTHER COMPREHENSIVE INCOME

	2020			2019		
	Before tax $'000	Tax expense $'000	Net of tax $'000	Before tax $'000	Tax expense $'000	Net of tax $'000
The Group						
Exchange differences arising from translation of foreign operations and foreign currency loans, forming part of net investment in foreign operations	677,957	–	677,957	(285,143)	–	(285,143)
Recognition of foreign exchange differences on disposal or liquidation of foreign operations in profit or loss	22,146	–	22,146	78,884	–	78,884
Change in fair value of equity investments at fair value through other comprehensive income	(50,940)	–	(50,940)	144,372	–	144,372
Revaluation of a property, plant and equipment	–	–	–	6,161	–	6,161
Effective portion of change in fair value of cash flow hedges	(107,987)	–	(107,987)	(77,828)	–	(77,828)
Recognition of hedging reserve in profit or loss	10,245	–	10,245	7,652	–	7,652
Share of other comprehensive income of associates and joint ventures	349,320	–	349,320	(161,143)	–	(161,143)
	900,741	–	900,741	(287,045)	–	(287,045)

NOTES TO THE FINANCIAL STATEMENTS

27 REVENUE

Revenue of the Group and of the Company is analysed as follows:

	The Group 2020 $'000	The Group 2019 $'000	The Company 2020 $'000	The Company 2019 $'000
Revenue from contract with customers	3,502,535	2,400,456	78,686	70,319
Rental of investment properties:				
– Retail, office, business park, industrial and logistics rental and related income	2,186,073	2,415,989	–	–
– Lodging properties rental and related income	805,972	1,381,393	–	–
Others	37,992	36,926	–	–
Dividend income from subsidiaries	–	–	2,538,538	446,794
	6,532,572	6,234,764	2,617,224	517,113

(a) Disaggregation of revenue from contracts with customers:

2020	The Group Residential, commercial strata and urban development $'000	The Group Fee income $'000	The Group Total $'000	The Company Fee income $'000
Primary segment				
CL Singapore and International	449,027	76,876	525,903	–
CL China	2,570,917	140,242	2,711,159	–
CL India	–	17,289	17,289	–
CL Lodging	–	87,765	87,765	–
CL Financial	–	159,942	159,942	–
Corporate and Others	–	477	477	78,686
	3,019,944	482,591	3,502,535	78,686
Secondary segment				
Singapore	44,789	140,544	185,333	78,686
China[1]	2,570,917	223,496	2,794,413	–
Other developed markets	–	43,225	43,225	–
Other emerging markets	404,238	75,326	479,564	–
	3,019,944	482,591	3,502,535	78,686

1 Includes Hong Kong

Timing of revenue recognition				
Product transferred at a point in time	2,975,155	–	2,975,155	–
Products and services transferred over time	44,789	482,591	527,380	78,686
	3,019,944	482,591	3,502,535	78,686

NOTES TO THE FINANCIAL STATEMENTS

27 REVENUE (continued)

(a) Disaggregation of revenue from contracts with customers (continued):

2019	The Group Residential, commercial strata and urban development $'000	Fee income $'000	Total $'000	The Company Fee income $'000
Primary segment				
CL Singapore and International	179,206	41,223	220,429	–
CL China	1,838,947	118,436	1,957,383	–
CL India	–	10,114	10,114	–
CL Lodging	–	92,910	92,910	–
CL Financial	–	120,715	120,715	–
Corporate and Others	–	(1,095)	(1,095)	70,319
	2,018,153	382,303	2,400,456	70,319
Secondary segment				
Singapore	128,458	88,084	216,542	70,319
China[1]	1,838,947	199,024	2,037,971	–
Other developed markets	–	22,709	22,709	–
Other emerging markets	50,748	72,486	123,234	–
	2,018,153	382,303	2,400,456	70,319

[1] Includes Hong Kong

Timing of revenue recognition				
Product transferred at a point in time	1,889,695	–	1,889,695	–
Products and services transferred over time	128,458	382,303	510,761	70,319
	2,018,153	382,303	2,400,456	70,319

(b) Contract liabilities

The Group's contract liabilities relate primarily to:

- advance consideration received from customers; and
- progress billings issued in excess of the Group's right to the consideration.

The contract liabilities are recognised as revenue when the Group fulfils its performance obligation under the contract with the customer. The significant changes in the contract liabilities during the year are as follows:

	Note	The Group 2020 $'000	2019 $'000
Revenue recognised that was included in contract liabilities at the beginning of the year		1,368,488	720,282
Increase due to cash received, excluding amounts recognised as revenue during the year		(724,938)	(529,753)
Acquisition of subsidiaries	32(b)	–	(808,041)

NOTES TO THE FINANCIAL STATEMENTS

28 (LOSS)/PROFIT BEFORE TAX

(Loss)/Profit before tax includes the following:

	Note	The Group 2020 $'000	The Group 2019 $'000	The Company 2020 $'000	The Company 2019 $'000
(a) Other operating income					
Interest income from:					
– deposits		70,093	77,133	89	164
– subsidiaries		–	–	37,727	51,492
– associates and joint ventures		18,745	18,222	–	–
– investee companies and others		9,839	3,955	–	–
– interest capitalised in development properties for sale	11(f)	(135)	(987)	–	–
		98,542	98,323	37,816	51,656
Dividend income		13,629	8,726	–	–
Foreign exchange gain		22,561	–	109	145
Mark-to-market gain on					
– derivative instruments		–	1,475	–	–
– financial assets designated as fair value through profit or loss		–	9,937	–	–
Net fair value gains from investment properties and assets held for sale		–	1,163,944	–	–
Gain on disposal/redemption of available-for-sale financial assets		–	3	–	–
Gain on disposal of property, plant and equipment		404	677	2	7
Gain from change of ownership interests in subsidiaries, associates and joint ventures		232,457	218,520	–	–
Gain on disposal of investment properties		40,156	124,744	–	–
Service contract income		3,723	170	7,930	8,231
Reversal of allowance for impairment loss on receivables from:					
– subsidiaries		–	–	–	4,678
– others		–	162	–	–
Reversal of impairment of:					
– subsidiary	6(a)(iii)	–	–	–	1
– associates	7(a)(i)	–	7,571	–	–
– joint ventures	8(a)(ii)	136	–	–	–
Income from pre-termination of contracts		22,177	49,884	–	–
Forfeiture of security deposits		15,110	6,546	–	–
Government grants	(i)	204,638	–	5,926	–
Others	(ii)	66,383	81,476	1,265	1,570
		719,916	1,772,158	53,048	66,288

NOTES TO THE FINANCIAL STATEMENTS

28 (LOSS)/PROFIT BEFORE TAX (continued)

(Loss)/Profit before tax includes the following (continued):

(i) Government grants relate to COVID-19 support measures comprising $139.8 million property tax rebate benefit granted by the Singapore government which were passed on to the tenants and recognise as grant expenses and $64.8 million grants from the Job Support Scheme or equivalents in Singapore, Australia and Europe.

(ii) Included an amount of $1.6 million (2019: nil) recognised during the year relates to the changes in lease payments arising from rent concessions to which the Group has applied practical expedient under COVID-19-Related Rent Concessions – Amendment to SFRS(I) 16 (see note 2.14(i)).

	Note	The Group 2020 $'000	The Group 2019 $'000	The Company 2020 $'000	The Company 2019 $'000
(b) Staff costs					
Wages and salaries		657,612	669,371	49,091	56,348
Contributions to defined contribution plans		61,448	70,731	4,962	1,187
Share-based expenses:					
– equity-settled		33,039	56,016	10,106	16,877
– cash-settled		3,807	10,718	–	–
(Decrease)/Increase in liability for short term accumulating compensated absences		(3,454)	1,595	(1,003)	129
Staff benefits, training/ development costs and others		81,837	87,340	3,161	5,551
		834,289	895,771	66,317	80,092
Less:					
Staff costs capitalised in development properties for sale	11(f)	(18,704)	(19,069)	–	–
		815,585	876,702	66,317	80,092
Recognised in:					
Cost of sales	(c)(i)	586,059	611,037	–	–
Administrative expenses	(c)(ii)	229,526	265,665	66,317	80,092
		815,585	876,702	66,317	80,092

NOTES TO THE FINANCIAL STATEMENTS

28 (LOSS)/PROFIT BEFORE TAX (continued)

(Loss)/Profit before tax includes the following (continued):

		The Group		The Company	
	Note	2020 $'000	2019 $'000	2020 $'000	2019 $'000
(c)(i) Cost of sales include:					
Costs of development properties for sale		1,603,668	1,266,693	–	–
Foreseeable losses / (Reversal of foreseeable losses) on development properties for sale	11(g)	251,329	(3,499)	–	–
Operating expenses of investment properties that generated rental income		958,044	977,569	–	–
Lease expenses (short-term lease)		168,683	247,372	–	–
Lease expenses (low value assets, excluding short-term leases of low value assets)		69	28	–	–
Lease expenses (variable lease payments not included in the measurement of lease liabilities)		1,499	10,020	–	–
Staff costs	(b)	586,059	611,037	–	–
(c)(ii) Administrative expenses include:					
Allowance for impairment loss on trade receivables		22,926	3,572	–	–
Amortisation of intangible assets	4	22,922	18,461	117	113
Auditors' remuneration:					
– auditors of the Company		4,569	5,529	235	359
– other auditors		6,381	6,750	–	–
Non-audit fees:					
– auditors of the Company		531	1,996	368	1,705
– other auditors		3,023	2,095	–	–
Depreciation of property, plant and equipment	3	95,783	80,225	310	523
Depreciation expenses of right-of-use assets	3	61,023	38,193	11,115	11,010
Lease expenses (short-term lease)		2,609	5,403	–	–
Lease expenses (low value assets, excluding short-term leases of low value assets)		230	374	–	–
Lease expenses (variable lease payments not included in the measurement of lease liabilities)		200	178	–	–
Staff costs	(b)	229,526	265,665	66,317	80,092

NOTES TO THE FINANCIAL STATEMENTS

28 (LOSS)/PROFIT BEFORE TAX (continued)

(Loss)/Profit before tax includes the following (continued):

	Note	The Group 2020 $'000	The Group 2019 $'000	The Company 2020 $'000	The Company 2019 $'000
(c)(iii) Other operating expenses include:					
Allowance for impairment loss on non-trade receivables		9,980	7,067	38,883	13,494
Foreign exchange loss		–	38,238	–	–
Impairment loss on investment in / amounts due from:					
– subsidiaries		–	–	–	24
– joint ventures	8(a)(ii)	17	25,822	–	–
– associates	7(a)(i)	402	–	–	–
Impairment and write-off of property, plant and equipment		27,524	10,984	–	–
Impairment and write-off of intangible assets	4	154,580	5,263	–	–
Mark-to-market loss on					
– derivative instruments		2,051	–	–	–
– financial assets designated as fair value through profit or loss		12,990	–	–	–
Net fair value loss from investment properties	(i)	2,085,197	–	–	–
Fair value loss from assets held for sale	15	416,479	–	–	–
Grant expenses	(ii)	130,009	–	–	–

(i) The COVID-19 pandemic dampened the economic and operating environment in many countries, and negatively impacted the Group's investment property portfolio's performance, particularly the Group's mall, office and lodging properties. As such, the appraised value of the Group's investment properties registered a decline of $2,085.2 million for the year ended 31 December 2020.

(ii) Relates to property tax rebates from the Singapore government which were passed on to tenants in response to the COVID-19 pandemic (see note 28(a)).

NOTES TO THE FINANCIAL STATEMENTS

28 (LOSS)/PROFIT BEFORE TAX (continued)

(Loss)/Profit before tax includes the following (continued):

	Note	The Group 2020 $'000	The Group 2019 $'000	The Company 2020 $'000	The Company 2019 $'000
(d) Finance costs					
Interest costs paid and payable:					
– on bank loans and overdrafts		491,983	495,248	–	–
– on debt securities		317,986	300,509	–	–
– to non-controlling interests		24,533	10,165	–	–
– related party		–	–	11,544	20,160
Convertible bonds:					
– interest expense		37,412	47,116	37,412	47,116
– amortisation of bond discount		6,016	10,327	6,016	10,327
Lease liabilities		33,941	22,369	1,406	1,713
Others		33,390	32,058	27	28
Interest on financial liabilities measured at amortised cost		945,261	917,792	56,405	79,344
Derivative financial instruments		74,360	8,765	–	–
Total borrowing costs		1,019,621	926,557	56,405	79,344
Less:					
Borrowing costs capitalised in:					
– investment properties	5(e)	(52,501)	(46,290)	–	–
– development properties for sale	11(f)	(53,971)	(41,126)	–	–
		(106,472)	(87,416)	–	–
		913,149	839,141	56,405	79,344

29 TAX EXPENSE

	The Group 2020 $'000	The Group 2019 $'000	The Company 2020 $'000	The Company 2019 $'000
Current tax expense				
– Based on current year's results	485,777	469,148	1,010	503
– Over provision in respect of prior years	(23,026)	(42,938)	(2,547)	–
– Group relief	(2,463)	(23,967)	–	–
	460,288	402,243	(1,537)	503
Deferred tax expense				
– Origination and reversal of temporary differences	(231,618)	78,796	(1,023)	(1,757)
– Over provision in respect of prior years	(15,464)	(1,837)	–	–
	(247,082)	76,959	(1,023)	(1,757)
Land appreciation tax				
– Current year	530,052	302,432	–	–
– Under/(Over) provision in respect of prior years	131,865	(1,600)	–	–
	661,917	300,832	–	–
Withholding tax				
– Current year	73,249	34,926	–	–
– Under/(Over) provision in respect of prior years	5,113	(132)	–	–
	78,362	34,794	–	–
	953,485	814,828	(2,560)	(1,254)

NOTES TO THE FINANCIAL STATEMENTS

29 TAX EXPENSE (continued)

Reconciliation of effective tax rate

	The Group	
	2020 $'000	2019 $'000
(Loss)/Profit before tax	(681,662)	4,228,469
Less: Share of results of associates and joint ventures	(51,717)	(988,775)
(Loss)/Profit before share of results of associates and joint ventures and tax	(733,379)	3,239,694
Income tax using Singapore tax rate of 17% (2019: 17%)	(124,675)	550,748
Adjustments:		
Expenses not deductible for tax purposes	860,788	209,668
Income not subject to tax	(314,656)	(347,683)
Effect of unrecognised tax losses and other deductible temporary differences	62,684	28,912
Effect of different tax rates in foreign jurisdictions	(110,409)	131,562
Effect of taxable distributions from REITs	51,614	52,450
Land appreciation tax	530,052	302,432
Effect of tax reduction on land appreciation tax	(164,618)	(72,219)
Withholding taxes	73,249	34,926
Under/(Over) provision in respect of prior years	98,488	(46,507)
Group relief	(2,463)	(23,967)
Others	(6,569)	(5,494)
	953,485	814,828

	The Company	
	2020 $'000	2019 $'000
Profit before tax	2,470,608	329,051
Income tax using Singapore tax rate of 17% (2019: 17%)	420,003	55,939
Adjustments:		
Expenses not deductible for tax purposes	20,282	19,307
Income not subject to tax	(437,980)	(75,974)
Effect of other deductible temporary differences	–	1,728
Over provision in respect of prior years	(2,547)	–
Others	(2,318)	(2,254)
	(2,560)	(1,254)

NOTES TO THE FINANCIAL STATEMENTS

30 EARNINGS PER SHARE

(a) Basic earnings per share

	The Group 2020 $'000	The Group 2019 $'000
Basic earnings per share is based on:		
Net (loss)/profit attributable to owners of the Company	(1,574,259)	2,135,894

	2020 No. of shares ('000)	2019 No. of shares ('000)
Weighted average number of ordinary shares in issue during the year	5,085,169	4,607,830

(b) Diluted earnings per share

In calculating diluted earnings per share, the net (loss)/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 dilutive potential ordinary shares:

	The Group 2020 $'000	The Group 2019 $'000
Net (loss)/profit attributable to owners of the Company	(1,574,259)	2,135,894
Profit impact of conversion of the potential dilutive shares	–	56,124
Adjusted net (loss)/profit attributable to owners of the Company	(1,574,259)	2,192,018

	2020 No. of shares ('000)	2019 No. of shares ('000)
Weighted average number of ordinary shares in issue during the year	5,085,169	4,607,830
Adjustments for dilutive potential ordinary shares under:		
– CapitaLand Performance Share Plan	–	18,320
– CapitaLand Restricted Share Plan	–	30,735
– Convertible bonds	–	347,196
	–	396,251
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	5,085,169	5,004,081

NOTES TO THE FINANCIAL STATEMENTS

31 DIVIDENDS

The Board of Directors of the Company has proposed a tax-exempt ordinary dividend of 9.0 cents per share in respect of the financial year ended 31 December 2020. This would amount to a payout of approximately $467.4 million based on the number of issued shares (excluding treasury shares) as at 31 December 2020. The tax-exempt dividends are subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

For the financial year ended 31 December 2019, a tax-exempt ordinary dividend of 12.0 cents per share was approved at the Annual General Meeting held on 29 June 2020. The said dividends of $606.3 million were paid in August 2020, of which $388.3 million were settled in shares issued pursuant to the Company Scrip Dividend Scheme (see note 23 (a)).

32 ACQUISITION/DISPOSAL OF SUBSIDIARIES, NET OF CASH ACQUIRED/DISPOSED OF

(a) Acquisition of subsidiaries

The list of significant subsidiaries acquired during 2020 is as follows:

Name of subsidiary	Date acquired	Effective interest acquired
Lux Arlington Sarl	February 2020	100%
QSA Group Pty Ltd	July 2020	80%

The list of significant subsidiaries acquired during 2019 is as follows:

Name of subsidiary	Date acquired	Effective interest acquired
Ascendas Pte Ltd#	June 2019	100%
Singbridge Pte. Ltd.#	June 2019	100%
CTM Property Trust#	June 2019	37.5%
CapitaRetail Harbin Shangdu Real Estate Co., Ltd.*	August 2019	26.5%
Beijing Hualian Harbin Real Estate Development Co., Ltd.*	August 2019	26.5%
LFIE Holding Limited	December 2019	34.9%

Refer to note 33.

* Acquired through the Group's interests in CRCT.

NOTES TO THE FINANCIAL STATEMENTS

32 ACQUISITION/DISPOSAL OF SUBSIDIARIES, NET OF CASH ACQUIRED/DISPOSED OF (continued)

(b) Effects of acquisitions

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

	Note	Recognised values 2020 $'000	2019 $'000
The Group			
Property, plant and equipment	3	978	636,400
Right-of-use assets	3	233,241	76,380
Intangible assets	4	59,834	314,495
Investment properties	5	222,929	9,115,132
Associates		–	2,219,878
Joint ventures		–	1,364,292
Other non-current assets		1,073	97,699
Development properties for sale and stocks		–	2,528,103
Trade and other receivables		22,413	449,929
Other current assets		–	16,990
Cash and cash equivalents		8,704	1,052,005
Trade and other payables		(28,623)	(1,090,033)
Contract liabilities	27(b)	–	(808,041)
Current tax payable		–	(138,787)
Borrowings and debt securities		(264,969)	(6,772,554)
Other non-current liabilities		–	(154,896)
Deferred tax liabilities		(11,323)	(442,741)
Non-controlling interests		(3,120)	(1,156,802)
		241,137	7,307,449
Amounts previously accounted for as associates and joint ventures, remeasured at fair value		(161,537)	(827,986)
Net assets acquired		79,600	6,479,463
Goodwill arising from acquisition	4	148,698	49,565
Realisation of reserves previously accounted for as a joint venture		(6,233)	–
Total purchase consideration		222,065	6,529,028
Deferred purchase consideration and other adjustments		–	(19,881)
Deferred purchase consideration paid in relation to prior year's acquisition of subsidiaries		–	60,933
Transaction costs paid		–	43,549
Settlement by way of issuance of new shares	23	–	(3,017,926)
Cash of subsidiaries acquired		(8,704)	(1,052,005)
Cash outflow on acquisition of subsidiaries		213,361	2,543,698

NOTES TO THE FINANCIAL STATEMENTS

32 ACQUISITION/DISPOSAL OF SUBSIDIARIES, NET OF CASH ACQUIRED/DISPOSED OF (continued)

(c) Disposal of subsidiaries

The list of significant subsidiaries disposed during 2020 is as follows:

Name of subsidiary	Date disposed	Effective interest disposed
Shengyang Aoyuan Real Estate Development Co. Ltd	May 2020	60%
CapitaRetail Henan Zhongzhou Real Estate Co., Ltd	May 2020	28.1%
Ascendas Korea Office Private Real Estate Investment Trust 5	August 2020	99%
Guangzhou Kai Ke Xing Mao Real Estate Dev Co., Ltd	August 2020	30%
Guangzhou Hai Yi Real Estate Development Co. Ltd	December 2020	40.6%

The disposed subsidiaries previously contributed net profit of $3.6 million from 1 January 2020 to the date of disposal.

The list of significant subsidiaries disposed during 2019 is as follows:

Name of subsidiary	Date disposed	Effective interest disposed
Storhub Group *	April 2019	100%
Excel Chinese International Limited	November 2019	100%
Ascendas US Holdco Pte Ltd	December 2019	100%

* Comprised 29 entities which own and/or have interests in a portfolio of 12 self-storage properties in Singapore and China.

The disposed subsidiaries previously contributed net profit of $66.1 million from 1 January 2019 to the date of disposal.

NOTES TO THE FINANCIAL STATEMENTS

32 ACQUISITION/DISPOSAL OF SUBSIDIARIES, NET OF CASH ACQUIRED/DISPOSED OF (continued)

(d) Effects of disposals

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

	Note	The Group 2020 $'000	The Group 2019 $'000
Property, plant and equipment		1,091	11,083
Investment properties	5	376,699	1,618,548
Other non-current assets		77	191
Assets held for sale		22,831	–
Other current assets		237,365	10,696
Cash and cash equivalents		107,304	50,849
Trade and other payables		(22,916)	(71,299)
Other current liabilities		(7,911)	(358)
Borrowings		(96,278)	(98,186)
Other non-current liabilities		(40,543)	(10,729)
Non-controlling interests		(20,172)	(3,113)
Equity interest retained as joint ventures		(80,370)	–
Net assets disposed		477,177	1,507,682
Realisation of reserves		25,445	1,655
Gain on disposal of subsidiaries		188,879	109,023
Sale consideration		691,501	1,618,360
Deferred proceeds and other adjustments		(111,718)	(35,381)
Deposits received in prior year		(3,865)	(11,627)
Payment received for prior year disposals		–	16,685
Cash of subsidiaries disposed		(107,304)	(50,849)
Cash inflow on disposal of subsidiaries		468,614	1,537,188

33 BUSINESS COMBINATIONS

The Group acquires subsidiaries that own real estate. 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.

In 2020, the Group had the following significant business combination:

Acquisition of QSA Group

With effect from July 2020, the Group consolidated QSA Group. The Group has assessed that it has control over QSA Group following a change in board composition, amongst other changes, as stipulated in the shareholder agreement. Prior to July 2020, the Group equity accounted for QSA Group as a joint venture as the partner has joint control over the key activities of QSA Group. QSA Group is primarily in the business of establishing and franchising serviced apartments through the Quest brand in the Australian domestic market.

The consolidation of QSA Group resulted in an increase of $32.6 million in revenue but no change in profit attributable to owners as there is no change in the ownership interest of the Group in QSA Group, from the date of acquisition to 31 December 2020. If the acquisition had occurred on 1 January 2020, management estimates that the contribution from QSA Group in terms of revenue would have been $63.4 million with no change in profit attributable to owners.

NOTES TO THE FINANCIAL STATEMENTS

33 BUSINESS COMBINATIONS (continued)

***Acquisition of QSA Group** (continued)*

The change in control is accounted for using the acquisition method, and the Group's previously held equity interest is re-measured to fair value and a loss of $10.5 million on deemed disposal was recognised in profit or loss. The fair value of the joint venture was based on external valuation of QSA Group at the date of acquisition. Goodwill of $148.7 million was attributed to the franchise business acquired, which was recognised as a result of the difference between the fair value of the Group's interest in QSA Group and the fair value of the assets acquired and liabilities assumed.

	2020 $'000
Property, plant and equipment	978
Right-of-use assets	233,241
Intangible assets	59,834
Other non-current assets	1,073
Other current assets	21,199
Cash and cash equivalents	8,704
Current liabilities	(26,545)
Borrowings	(264,969)
Deferred tax liabilities	(11,323)
Non-controlling interests	(3,120)
Total identifiable net assets	19,072
Less: amount previously accounted for as joint venture, remeasured at fair value	(161,537)
Net identifiable assets acquired	(142,465)
Goodwill on acquisition	148,698
Realisation of reserves previously accounted for as a joint venture	(6,233)
Total purchase consideration	–
Less: cash and cash equivalents in subsidiary acquired	(8,704)
Net cash inflow on acquisition	(8,704)

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
Right-of-use assets, Lease liabilities (classified as borrowings)	Right-of-use assets and lease liabilities (classified as borrowings) mainly relate to lease arrangements in QSA Group's franchise business and the fair values were determined based on the present value of future rental payments.

The non-controlling interests were measured based on their proportionate interest in the recognised amounts of the assets and liabilities (excluding goodwill) of the acquiree.

NOTES TO THE FINANCIAL STATEMENTS

33 BUSINESS COMBINATIONS (continued)

In 2019, the Group had the following significant business combination:

Acquisition of ASB

On 28 June 2019, the Group acquired 100% of the shares and voting interests in ASB from CLA Real Estate Holdings Pte Ltd (formerly known as Ascendas-Singbridge Pte Ltd) a related party. Following the acquisition, ASB became wholly owned subsidiaries of the Group.

With the acquisition of ASB, the Group's aggregate equity interests in CTM Property Trust (CTM) increased from 62.5% to 100%. As a result, the Group also consolidated CTM. Prior to the acquisition of ASB, CTM was equity accounted for as joint venture by the Group.

ASB offers real estate solutions, from development and project management to facilities and estate management, as well as property investments and fund management across 11 countries including Singapore, China, India, Australia and the United States of America. ASB also holds interests in, and manages, A-REIT, Ascendas India Trust (A-ITRUST) and A-HTRUST.

The acquisition of ASB allows the Group to create a leading diversified real estate group in Asia and achieve the following benefits:

i) The ASB added well-established capabilities as a real estate developer, owner, operator and manager in sectors complementary to the Group's portfolio, and which have been benefitting from new economy trends relating to e-commerce, urbanisation and knowledge economies. It also broadens the Group's footprint in existing core markets and provides scale in markets with growth potential;

ii) Following the acquisition of ASB, the Group will become one of the top 10 real estate investment managers globally. With recurring income from investment properties and fee-based income from fund management contributing to the Group's profit as well as reinforce the earnings quality; and

iii) The combined leasing network of the groups are expected to bring about scale and cross selling potential, whilst the enhanced digital capabilities through the combined groups collective technological capabilities are expected to drive further business innovation.

From the date of acquisition to 31 December 2019, ASB Group and CTM Group contributed revenue of $1,097.5 million and net profit of $365.8 million to the Group's results. If the acquisition had occurred on 1 January 2019, management estimates that the contribution to the Group's revenue and net profits from ASB Group and CTM Group would have been $1,506.3 million and $760.8 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 2019.

Details of the consideration paid, the assets acquired and liabilities assumed, the non-controlling interest recognised and the effects on the cash flows of the Group, at the acquisition date, are as follows:

NOTES TO THE FINANCIAL STATEMENTS

33 BUSINESS COMBINATIONS (continued)

Purchase consideration

The consideration for the acquisition was $6,035.9 million and was settled as follows:

i) $3,017.9 million in cash, being 50% of the consideration; and
ii) Allotted and issued 862,264,714 shares at an issue price of $3.50 per share amounting to $3,017.9 million, being the remaining 50% of the consideration.

The Group has performed purchase price allocation exercise (PPA) for ASB Group. Based on the PPA, part of the consideration paid for the assets acquired and liabilities assumed have been identified and allocated to property, plant and equipment, investment properties, management contracts, development properties for sale, associates, joint ventures and deferred tax liabilities. Goodwill of $49.6 million, attributed to the fund management business acquired, was recognised as a result of the difference between consideration transferred and fair value of the assets acquired and liabilities assumed.

The identifiable assets acquired, liabilities assumed and effect of cash flows are presented as follows:

	2019 $'000
Property, plant and equipment	635,737
Right-of-use assets	76,380
Intangible assets	314,495
Investment properties	8,674,334
Associates	2,219,878
Joint ventures	1,364,292
Other non-current assets	97,674
Development properties for sale and stocks	1,825,320
Trade and other receivables	341,495
Other current assets	16,990
Cash and cash equivalents	863,707
Trade and other payables	(949,626)
Contract liabilities	(785,490)
Current tax payable	(138,787)
Borrowings and debt securities	(6,313,865)
Deferred tax liabilities	(345,457)
Other non-current liabilities	(148,851)
Non-controlling interests	(1,101,349)
Less: amount previously accounted for as joint venture, remeasured at fair value	(660,590)
Net assets acquired	5,986,287
Goodwill arising from acquisition	49,565
Total purchase consideration	6,035,852
Settlement by way of issuance of new shares	(3,017,926)
Cash of subsidiaries acquired	(863,707)
Transaction costs paid	43,549
Cash outflow on business combination	2,197,768

NOTES TO THE FINANCIAL STATEMENTS

33 BUSINESS COMBINATIONS (continued)

Acquisition-related costs

Total acquisition-related costs of $43.5 million related to stamp duties and legal, due diligence and financial advisory service fees were included in administrative expenses in the current and last financial year.

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
Property, Plant and equipment (PPE)	PPE mainly consist of hospitality properties held by A-HTRUST. These properties are valued by independent valuers using discounted cashflow approach and capitalisation approach.
Intangible assets	Intangible assets mainly consist of REITs management contracts 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.
Investment properties	Independent valuations are conducted for significant properties under development using the following methods: • Direct comparison approach • Residual value approach • Discounted cashflow approach • Capitalisation approach For operational investment properties, the fair values were determined to approximate the carrying amounts. This is supported by independent valuers' certification confirming that there were no material changes in fair values between March 2019, where last full valuations were carried out, and the date of acquisition.

NOTES TO THE FINANCIAL STATEMENTS

33 BUSINESS COMBINATIONS (continued)

Measurement of fair value *(continued)*

Assets acquired and liabilities assumed	Valuation technique
Investments in associates and joint ventures	Investments in associates and joint ventures included two listed REIT and business trust, A-REIT and A-ITRUST, whose valuations are based on share price. The fair values of investment in non-listed associates and jointed ventures approximate the fair value of the properties held by these entities, supported by independent valuations for significant properties under development and development properties for sale using income approach and direct comparison approach. For operational investment properties, the fair values were determined to approximate the carrying amounts. This is supported by independent valuers' certification confirming that there were no material changes in fair values between March 2019, where last full valuations were carried out, and the date of acquisition.
Development properties for sale	Independent valuations conducted using the income approach, direct comparison approach and residual value approach.
Other current assets and liabilities	Other current assets and liabilities include trade and other receivables, cash and cash equivalents, trade and other payables, other current liabilities and short-term borrowings. The fair values of these assets and liabilities are determined to approximate the carrying amounts since they are short term in nature.
Long-term borrowings	Long-term borrowings consist of floating rate loans and fixed rate medium term notes and bank loans. The carrying amount of floating rate loans are determined to approximate the fair values as floating rate instruments are re-priced to market interest rates on or near balance sheet dates. The fair values of fixed rate medium term notes and bank loans are estimated by discounting expected future cash flows at market incremental lending rate for similar types of borrowing arrangements as at balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL RISK MANAGEMENT

(a) Financial risk management objectives and policies

The Group and the Company are exposed to market risk (including interest rate, foreign currency and price risks), credit risk and liquidity risk arising from its diversified 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 currency forwards, interest rate swaps and cross currency swaps as well as foreign currency borrowings to hedge certain financial risk exposures.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the 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). GRM generates a comprehensive portfolio risk report to assist the committee. This quarterly report measures a spectrum of risks, including property market risks, construction risks, interest rate risks, refinancing risks and currency risks. In response to COVID-19, the Group has also increased the monitoring of the economic environment, operational risks and impact of the pandemic on its businesses.

(b) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices 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 adopts a policy of ensuring that between 60% and 70% of its interest rate risk exposure is at a fixed rate. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve certain level of protection against rate hikes. The Group also uses hedging instruments such as interest rate swaps to minimise its exposure to interest rate volatility and classifies these interest rate swaps as cash flow hedge.

As at 31 December 2020, the Group has interest rate swaps classified as cash flow hedges with notional contractual amount of $7,716.0 million (2019: $6,983.5 million) which pay fixed interest rates and receive variable rates equal to the Singapore swap offer rates (SOR), London interbank offered rates (LIBOR), Australia bank bill swap bid rates (BBSY), Tokyo interbank offered rates (TIBOR) and Euro interbank offered rates (EURIBOR) on the notional amount.

As at 31 December 2020, the Group has cross currency swaps classified as cash flow hedges with notional contractual amount of $2,770.8 million (2019: $2,483.6 million) which pay fixed interest rates and receive variable rates equal to the swap rates for US Dollars, Japanese Yen, Hong Kong Dollars and Singapore Dollars on the notional amount.

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

(i) Interest rate risk (continued)

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. There is uncertainty over the timing and the methods of transition in some jurisdictions that the Group operates in. The Group anticipates that IBOR reform will impact its risk management and hedge accounting.

No derivative instruments or loans have been modified in relation to the interest rate benchmark reform as at 31 December 2020.

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. If a hedging relationship is directly affected by uncertainty arising from interest rate benchmark reform, then the Group assumes for this purpose that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

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. Hedging relationships that are impacted by interest rate benchmark reform may experience ineffectiveness because of a timing mismatch between the hedged item and the hedging instrument regarding interest rate benchmark reform transition.

The net fair value loss of interest rate swaps as at 31 December 2020 was $172.5 million (2019: $88.9 million) comprising derivative assets of $nil (2019: $0.8 million) and derivative liabilities of $172.5 million (2019: $89.7 million).

Sensitivity analysis

For variable rate financial liabilities and interest rate derivative instruments used for hedging, 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 $127.5 million (2019: $98.7 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.

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

(ii) Equity price risk

As at 31 December 2020, the Group has financial assets at FVOCI and at FVTPL in equity securities and is exposed to equity price risk. The securities listed in Malaysia and Singapore are accounted for at FVOCI and FVTPL respectively.

Sensitivity analysis

It is estimated that if the prices for equity securities listed in Malaysia increase by five percentage points with all other variables including tax rate being held constant, the Group's fair value reserve would increase by approximately $1.7 million (2019: $1.9 million). A decrease in five percentage points will have an equal but opposite effect.

There is no significant exposure from equity securities listed in Singapore.

(iii) Foreign currency risk

The Group operates internationally and is exposed to various currencies, mainly Chinese Renminbi, Euro, Indian Rupee, 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 the reporting date, the Group uses certain foreign currency denominated borrowings, which include bank loans and medium term notes, and cross currency interest rate swaps to hedge against the currency risk arising from the Group's net investments in certain subsidiaries in United States of America, Europe and Japan. The carrying amount of these US Dollars, Euro, Sterling Pound and Japanese Yen denominated borrowings as at 31 December 2020 was $1,359.8 million (2019: $1,304.0 million) and the fair value of the borrowings was $1,367.6 million (2019: $1,338.1 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 fair value loss of the forward exchange and cross currency swap contracts as at 31 December 2020 was $2.2 million (2019: gain of $68.9 million), comprising derivative assets of $93.1 million (2019: $111.0 million) and derivative liabilities of $95.3 million (2019: $42.1 million).

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

34 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

The Group's exposure to foreign currencies were as follows:

	Singapore Dollars $'000	US Dollars $'000	Australian Dollars $'000	Chinese Renminbi $'000	Indian Rupee $'000	Japanese Yen $'000	Euro $'000	Malaysian Ringgit $'000	Others# $'000	Total $'000
The Group										
31 December 2020										
Other financial assets	184,572	93,350	–	34,275	–	254,254	1,223	33,287	–	600,961
Trade and other receivables	1,791,604	226,677	258,403	1,205,007	158,081	176,428	223,716	31,625	281,933	4,353,474
Cash and cash equivalents	4,446,145	383,769	50,914	3,367,413	36,061	441,778	91,067	55,976	302,255	9,175,378
Bank borrowings and debt securities	(19,916,867)	(3,750,739)	(531,735)	(4,579,183)	(102,947)	(2,599,736)	(1,341,796)	(528,542)	(1,806,846)	(35,158,391)
Trade and other payables	(1,875,880)	(588,967)	(91,483)	(3,636,252)	(39,078)	(99,043)	(71,679)	(66,597)	(210,220)	(6,679,199)
Gross currency exposure	(15,370,426)	(3,635,910)	(313,901)	(3,608,740)	52,117	(1,826,319)	(1,097,469)	(474,251)	(1,432,878)	(27,707,777)
Add/Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	14,773,454	1,964,082	371,027	3,537,013	(53,217)	1,128,458	463,375	466,652	451,356	23,102,200
Add: Bank borrowings and debt securities designated for net investment hedge	–	48,523	88,214	–	–	358,833	828,059	–	38,406	1,362,035
Add: Cross currency swaps/ foreign exchange forward contracts	–	1,192,828	–	–	–	494,803	–	–	1,009,215	2,696,846
Less: Financial assets at FVOCI	–	–	–	–	–	–	–	(33,287)	–	(33,287)
Net currency exposure	(596,972)	(430,477)	145,340	(71,727)	(1,100)	155,775	193,965	(40,886)	66,099	(579,983)

Others include mainly Korean Won, United Arab Emirates Dirham, Sterling Pound, Thai Baht, Hong Kong Dollars and Vietnamese Dong.

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

	Singapore Dollars $'000	US Dollars $'000	Australian Dollars $'000	Chinese Renminbi $'000	Indian Rupee $'000	Japanese Yen $'000	Euro $'000	Malaysian Ringgit $'000	Others# $'000	Total $'000
The Group										
31 December 2019										
Other financial assets	235,207	104,562	–	32,033	–	247,803	1,736	38,156	–	659,497
Trade and other receivables	1,006,195	682,550	214,679	795,801	85,553	205,266	227,867	34,304	450,113	3,702,328
Cash and cash equivalents	2,565,610	395,646	36,254	2,468,010	36,582	226,343	113,349	49,765	276,048	6,167,607
Bank borrowings and debt securities	(17,240,291)	(3,571,299)	(187,420)	(4,147,956)	(117,474)	(2,786,533)	(1,236,427)	(518,424)	(1,605,239)	(31,411,063)
Trade and other payables	(1,087,199)	(783,404)	(61,782)	(3,523,493)	(44,295)	(111,433)	(86,031)	(71,052)	(232,219)	(6,000,908)
Gross currency exposure	(14,520,478)	(3,171,945)	1,731	(4,375,605)	(39,634)	(2,218,554)	(979,506)	(467,251)	(1,111,297)	(26,882,539)
Add: Net financial liabilities denominated in the respective entities' functional currencies	14,050,616	2,065,946	125,988	4,080,608	38,884	1,445,844	392,003	511,909	179,199	22,890,997
Add: Bank borrowings and debt securities designated for net investment hedge	–	48,980	83,434	–	–	356,512	781,696	–	37,908	1,308,530
Add: Cross currency swaps/ foreign exchange forward contracts	–	947,310	–	–	–	603,607	–	–	948,941	2,499,858
Less: Financial assets at FVOCI	–	(3,398)	–	–	–	–	–	(38,156)	–	(41,554)
Net currency exposure	(469,862)	(113,107)	211,153	(294,997)	(750)	187,409	194,193	6,502	54,751	(224,708)

Others include mainly Korean Won, United Arab Emirates Dirham, Sterling Pound, Thai Baht, Hong Kong Dollars and Vietnamese Dong.

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

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 $29.0 million (2019: $11.2 million) and increase the Group's other components of equity by approximately $1.7 million (2019: $2.1 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.

There was no significant exposure to foreign currencies for the Company as at 31 December 2020 and 31 December 2019.

(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, contract assets 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 and contract assets relate mainly to the Group's customers who bought its residential units and tenants from its office buildings, shopping malls, business parks and serviced residences. 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 and the Company 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 balance sheet date is disclosed in note 37.

The Group has a diversified portfolio of businesses and as at balance sheet 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 ventures.

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

(i) Trade receivables and contract assets

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 receivable required for each customer.

The Group also uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets.

In measuring the expected credit losses, trade receivables and contract assets 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 and contract assets 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. During the year ended 31 December 2020, the Group temporarily extended the credit terms for specific customers with liquidity constraints or as stipulated by government legislation as a direct result of the COVID-19 pandemic. All extensions were granted within current sales limits after careful evaluation of the creditworthiness of the customer and each customer that was granted an extension is closely monitored for credit deterioration.

(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

34 FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

(a) The movements in credit loss allowance are as follows:

	Trade receivables $'000	Other receivables $'000	Amounts due from associates $'000	Amounts due from joint ventures (current) $'000	Amounts due from joint ventures (non-current) $'000	Total $'000
The Group						
At 1 January 2020	15,455	15,074	105	20,814	15,139	66,587
Allowance utilised	(1,298)	(45)	–	–	–	(1,343)
Allowance during the year	24,368	3,480	–	4,661	–	32,509
Reversal of allowance during the year	(1,802)	–	–	–	–	(1,802)
Translation differences	674	266	5	(836)	(130)	(21)
At 31 December 2020	37,397	18,775	110	24,639	15,009	95,930
At 1 January 2019	14,867	15,392	102	14,938	13,778	59,077
Allowance utilised	(598)	(143)	–	–	–	(741)
Allowance during the year	3,431	1,327	–	4,817	–	9,575
Reversal of allowance during the year	(375)	(168)	–	–	–	(543)
Disposal of subsidiaries	(1,726)	(1,346)	–	–	–	(3,072)
Translation differences	(144)	12	3	1,059	1,361	2,291
At 31 December 2019	15,455	15,074	105	20,814	15,139	66,587

The movements in allowance for impairment loss on loans (note 6) and amounts due from subsidiaries (note 18) were as follows:

	Loans/Amounts due from subsidiaries 2020 $'000	2019 $'000
The Company		
At 1 January	134,021	125,205
Allowance during the year	38,883	13,494
Reversal of allowance during the year	–	(4,678)
At 31 December	172,904	134,021

Cash and cash equivalents are subject to immaterial credit loss.

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

(b) The maximum exposure to credit risk for trade receivables and other financial assets at the reporting date (by strategic business units) was:

	Trade receivables 2020 $'000	Other financial assets 2020 $'000	Trade receivables 2019 $'000	Other financial assets 2019 $'000
The Group				
CL Singapore and International	159,768	995,165	79,081	764,093
CL China	111,189	1,208,120	157,606	860,354
CL India	12,044	210,835	9,933	184,375
CL Lodging	82,738	84,071	78,289	52,682
CL Financial	7,196	90,110	16,597	67,263
Corporate and Others	324	20,343	114	17,228
	373,259	2,608,644	341,620	1,945,995

(c) The credit quality of trade and other receivables is assessed based on credit policies established by the Risk Committee. 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. Where a customer has been granted a temporary extension in the credit period as a result of the COVID-19 pandemic, the past-due status is based on the extended credit period. The Group's and the Company's credit risk exposure in relation to trade and other receivables under SFRS(I) 9 as at 31 December 2020 are set out in the provision matrix as follows:

		<——— Past due	———>		
	Current $'000	Within 30 days $'000	30 to 90 days $'000	More than 90 days $'000	Total $'000
The Group					
2020					
Expected loss rate	1.6%	5.4%	12.9%	41.0%	
Trade receivables	246,424	76,239	23,464	64,529	410,656
Loss allowance	3,820	4,084	3,032	26,461	37,397
Trade receivables under deferment scheme	26,795	55	56	1,421	28,327
Expected loss rate	–	–	–	0.1%	
Amounts due from associates	288,733	20,662	24,293	129,563	463,251
Loss allowance	–	–	–	110	110
Expected loss rate	0.4%	1.1%	2.2%	13.8%	
Amounts due from joint ventures	45,581	2,234	1,120	177,056	225,991
Loss allowance	194	24	25	24,396	24,639

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

	Current $'000	<—— Past due —— Within 30 days $'000	30 to 90 days $'000	More than 90 days ——> $'000	Total $'000
The Group					
2019					
Expected loss rate	–	0.7%	0.9%	27.5%	
Trade receivables	206,894	50,101	46,480	53,600	357,075
Loss allowance	–	331	409	14,715	15,455
Expected loss rate	–	–	–	0.4%	
Amounts due from associates	151,834	12,271	7,545	27,243	198,893
Loss allowance	–	–	–	105	105
Expected loss rate	–	–	–	11.8%	
Amounts due from joint ventures	13,038	4,945	4,524	177,134	199,641
Loss allowance	–	–	–	20,814	20,814

No aging analysis of contract assets and other receivables are presented as the majority of outstanding balances as at 31 December 2020 and 31 December 2019 are current.

The Company's credit risk exposure to other receivables as at 31 December 2020 and 31 December 2019 are immaterial.

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that these subsidiaries have sufficient financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

(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 banking facilities to meet working capital and funding needs. As part of its financing strategy, the Group diversifies its borrowings by tapping debt capital markets at the appropriate window and putting in place banking facilities. The Group has been actively managing its liquidity position amid the COVID-19 pandemic. As at 31 December 2020, the Group has approximately $15.3 billion (31 December 2019: $13.1 billion) of total cash and available undrawn 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

34 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:

		<—— Contractual cash flows ——>			
	Carrying amount $'000	Total $'000	Not later than 1 year $'000	Between 1 and 5 years $'000	After 5 years $'000
The Group					
31 December 2020					
Financial liabilities, at amortised cost					
Bank borrowings	(22,456,768)	(24,039,759)	(4,240,354)	(16,864,188)	(2,935,217)
Debt securities	(11,646,687)	(13,423,861)	(1,327,499)	(7,883,754)	(4,212,608)
Lease liabilities	(1,054,936)	(1,419,462)	(123,845)	(515,773)	(779,844)
Trade and other payables#	(5,233,038)	(5,242,340)	(4,771,753)	(448,686)	(21,901)
	(40,391,429)	(44,125,422)	(10,463,451)	(25,712,401)	(7,949,570)
Derivative financial assets/ (liabilities), at fair value					
Interest rate swaps (net-settled)					
– liabilities	(172,488)	(172,872)	(67,654)	(104,808)	(410)
Forward foreign exchange contracts (net-settled)					
– assets	5,535	5,535	5,535	–	–
– liabilities	(6,049)	(5,438)	(5,438)	–	–
Forward foreign exchange contracts (gross-settled)	1				
– outflow		(1,500)	(1,500)	–	–
– inflow		1,501	1,501	–	–
Forward foreign exchange contracts (gross-settled)	(562)				
– outflow		(34,918)	(34,918)	–	–
– inflow		33,745	33,745	–	–
Cross currency swaps (gross-settled)	87,600				
– outflow		(1,021,672)	(174,949)	(846,723)	–
– inflow		1,057,076	175,401	881,675	–
Cross currency swaps (gross-settled)	(88,685)				
– outflow		(1,838,095)	(143,599)	(799,570)	(894,926)
– inflow		1,781,970	150,457	774,143	857,370
	(174,648)	(194,668)	(61,419)	(95,283)	(37,966)
	(40,566,077)	(44,320,090)	(10,524,870)	(25,807,684)	(7,987,536)

Excludes liability for employee benefits and deferred income.

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL RISK MANAGEMENT (continued)

	Carrying amount $'000	Total $'000	Not later than 1 year $'000	Between 1 and 5 years $'000	After 5 years $'000
		<——— Contractual cash flows			———>
The Group					
31 December 2019					
Financial liabilities, at amortised cost					
Bank borrowings	(18,824,578)	(20,693,013)	(2,908,007)	(15,187,943)	(2,597,063)
Debt securities	(11,901,519)	(13,689,530)	(1,786,734)	(7,144,966)	(4,757,830)
Lease liabilities	(684,966)	(960,901)	(79,179)	(265,430)	(616,292)
Trade and other payables#	(5,003,901)	(5,012,477)	(4,452,082)	(532,703)	(27,692)
	(36,414,964)	(40,355,921)	(9,226,002)	(23,131,042)	(7,998,877)
Derivative financial assets/ (liabilities), at fair value					
Interest rate swaps (net-settled)					
– assets	759	921	726	195	–
– liabilities	(89,647)	(79,055)	(29,841)	(36,715)	(12,499)
Forward foreign exchange contracts (net-settled)					
– assets	4,366	4,427	4,427	–	–
– liabilities	(1,181)	(1,181)	(1,181)	–	–
Forward foreign exchange contracts (gross-settled)	4,521				
– outflow		(201,827)	(201,827)	–	–
– inflow		206,348	206,348	–	–
Forward foreign exchange contracts (gross-settled)	(31)				
– outflow		(5,316)	(5,316)	–	–
– inflow		5,285	5,285	–	–
Cross currency swaps (gross-settled)	102,119				
– outflow		(1,364,337)	(63,638)	(1,190,654)	(110,045)
– inflow		1,439,392	73,579	1,254,217	111,596
Cross currency swaps (gross-settled)	(40,856)				
– outflow		(1,610,694)	(199,494)	(396,490)	(1,014,710)
– inflow		1,556,416	193,514	388,896	974,006
	(19,950)	(49,621)	(17,418)	19,449	(51,652)
	(36,434,914)	(40,405,542)	(9,243,420)	(23,111,593)	(8,050,529)

Excludes liability for employee benefits and deferred income.

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

	Carrying amount $'000	<—— Contractual cash flows —— Total $'000	Not later than 1 year $'000	Between 1 and 5 years $'000	After 5 years $'000 —— >
The Company					
31 December 2020					
Financial liabilities, at amortised cost					
Debt securities	(1,172,783)	(1,281,703)	(29,402)	(1,252,301)	–
Lease liabilities	(34,777)	(37,019)	(11,886)	(25,133)	–
Amounts due to subsidiaries	(659,114)	(659,114)	–	(659,114)	–
Trade and other payables#	(402,731)	(402,731)	(402,731)	–	–
	(2,269,405)	(2,380,567)	(444,019)	(1,936,548)	–
31 December 2019					
Financial liabilities, at amortised cost					
Debt securities	(1,816,767)	(1,969,116)	(685,090)	(624,951)	(659,075)
Lease liabilities	(45,230)	(48,875)	(11,856)	(37,019)	–
Amounts due to subsidiaries	(1,266,916)	(1,266,916)	–	(1,266,916)	–
Trade and other payables#	(109,959)	(109,959)	(109,959)	–	–
	(3,238,872)	(3,394,866)	(806,905)	(1,928,886)	(659,075)

Excludes liability for employee benefits.

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

At 31 December 2020, the Group held the following instruments to hedge exposures to changes in foreign currency and interest rates:

	Carrying amount			Changes in fair value used for calculating hedge ineffectiveness				
	Contractual notional amount $'000	Assets/ (Liabilities) $'000	Financial statement line item	Hedging instrument $'000	Hedged item $'000	Hedge ineffectiveness recognised in profit or loss $'000	Weighted average hedge forex rate/ interest rate (%)	Maturity date
The Group								
31 December 2020								
Cashflow hedges								
Foreign exchange risk								
– Cross currency swaps to hedge foreign currency borrowings	2,770,760	8,535	Derivative financial instruments	(26,208)	26,208	–	USD: SGD1.307 (USD 2.605%) JPY: SGD0.0120 (JPY 1.040%) HKD: SGD0.1702 (HKD 2.85%)	February 2021 to November 2030
– Forward contracts to hedge foreign currency borrowings	15,107	(611)	Derivative financial instruments	611	(611)	–	EUR: SGD1.564	February 2021
Interest rate risk								
– Interest rate swaps to hedge floating rate borrowings	7,715,988	(172,488)	Derivative financial instruments	(97,764)	97,408	(356)	1.388%	March 2021 to October 2026
Net investment hedges								
Foreign exchange risk								
– Borrowings to hedge net investments in foreign operations	–	(1,359,768)	Borrowings	(38,905)	38,905	–	JPY: SGD0.0127 EUR: SGD1.591 GBP: SGD1.753 AUD: SGD0.98 KRW: SGD0.0009	October 2021 to September 2026
– Forward contracts to hedge net investments in foreign operations	456,672	98	Derivative financial instruments	(2,747)	2,747	–	USD: SGD1.354 RMB: SGD0.203 JPY: SGD0.0130 EUR: SGD1.606 AUD: SGD0.966 GBP: SGD1.759 MYR: SGD0.326	January 2021 to March 2021
– Cross currency swaps to hedge net investments in foreign operations	489,000	(9,620)	Derivative financial instruments	(28,652)	28,652	–	JPY: SGD0.011 EUR: SGD1.531 KRW: SGD0.0009	January 2022 to August 2025

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

	Carrying amount			Changes in fair value used for calculating hedge ineffectiveness				
	Contractual notional amount $'000	Assets/ (Liabilities) $'000	Financial statement line item	Hedging instrument $'000	Hedged item $'000	Hedge ineffectiveness recognised in profit or loss $'000	Weighted average hedge forex rate/ interest rate (%)	Maturity date
The Group								
31 December 2019								
Cashflow hedges								
Foreign exchange risk								
– Cross currency swaps to hedge foreign currency borrowings	2,483,636	45,410	Derivative financial instruments	45,728	(45,728)	–	USD: SGD1.285 (USD 3.274%)	November 2020 to April 2029
– Forward contracts to hedge foreign currency borrowings and receivables from divestment proceeds	211,389	4,178	Derivative financial instruments	1,309	(1,312)	(3)	EUR: SGD1.541 HKD: SGD0.176 MYR: SGD0.326	February 2020 to June 2020
Interest rate risk								
– Interest rate swaps to hedge floating rate borrowings	6,983,505	(89,044)	Derivative financial instruments	(59,378)	59,378	–	2.010%	February 2020 to October 2026
Net investment hedges								
Foreign exchange risk								
– Borrowings to hedge net investments in foreign operations	–	(1,303,966)	Borrowings	(16,567)	16,567	–	JPY: SGD0.0124 EUR: SGD1.500 GBP: SGD1.753 AUD: SGD0.928	August 2020 to September 2026
– Forward contracts to hedge net investments in foreign operations	478,420	2,844	Derivative financial instruments	(665)	665	–	USD: SGD1.366 RMB: SGD0.194 JPY: SGD0.0126 EUR: SGD1.512 AUD: SGD0.936	January 2020 to March 2020
– Cross currency swaps to hedge net investments in foreign operations	682,203	15,853	Derivative financial instruments	14,498	(14,498)	–	JPY: SGD0.011 EUR: SGD1.531 KRW: SGD0.00116	April 2020 to April 2023

NOTES TO THE FINANCIAL STATEMENTS

34 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.

	Hedging reserve 2020 $'000	Hedging reserve 2019 $'000
The Group		
At 1 January	(74,401)	(42,939)
Change in fair value:		
– Foreign currency risk	(28,860)	10,728
– Interest rate risk	(60,619)	(46,206)
Amount reclassified to profit or loss:		
– Foreign currency risk	17,631	(1,614)
– Interest rate risk	(3,092)	5,630
At 31 December	(149,341)	(74,401)

(e) Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Group's and the Company's balance sheets; or
- are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the balance sheets.

Financial instruments such as trade receivables and trade payables are not disclosed in the tables below unless they are offset in the balance sheets.

The Group's derivative transactions that are not transacted through an exchange, are governed by the International Swaps and Derivatives Association (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.

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL RISK MANAGEMENT (continued)

(e) Offsetting financial assets and financial liabilities (continued)

	Note	Gross amount of recognised financial assets/ (liabilities) $'000	Gross amount of recognised financial assets/ (liabilities) offset in the balance sheet $'000	Net amount of financial assets/ (liabilities) presented in the balance sheet $'000	Related amount not offset in the balance sheet $'000	Net amount $'000
The Group						
31 December 2020						
Types of financial assets						
Forward foreign exchange contracts		5,536	–	5,536	(5,439)	97
Cross currency swaps		87,600	–	87,600	(8,897)	78,703
	10(a), 10(b)	93,136	–	93,136	(14,336)	78,800
Types of financial liabilities						
Interest rate swaps		(172,488)	–	(172,488)	–	(172,488)
Forward foreign exchange contracts		(6,611)	–	(6,611)	5,439	(1,172)
Cross currency swaps		(88,685)	–	(88,685)	8,897	(79,788)
	17, 21	(267,784)	–	(267,784)	14,336	(253,448)
31 December 2019						
Types of financial assets						
Interest rate swaps		759	–	759	(5)	754
Forward foreign exchange contracts		8,887	–	8,887	(1,197)	7,690
Cross currency swaps		102,119	–	102,119	(26,181)	75,938
	10(a), 10(b)	111,765	–	111,765	(27,383)	84,382
Types of financial liabilities						
Interest rate swaps		(89,647)	–	(89,647)	5	(89,642)
Forward foreign exchange contracts		(1,212)	–	(1,212)	1,197	(15)
Cross currency swaps		(40,856)	–	(40,856)	26,181	(14,675)
	17, 21	(131,715)	–	(131,715)	27,383	(104,332)

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL RISK MANAGEMENT (continued)

(e) Offsetting financial assets and financial liabilities (continued)

	Note	Gross amount of recognised financial assets/ (liabilities) $'000	Gross amount of recognised financial assets/ (liabilities) offset in the balance sheet $'000	Net amount of financial assets/ (liabilities) presented in the balance sheet $'000	Related amount not offset in the balance sheet $'000	Net amount $'000
The Company						
31 December 2020						
Types of financial assets						
Amount due from subsidiaries, current account	18	67,096	–	67,096	(10,796)	56,300
Types of financial liabilities						
Amount due to subsidiaries, current account	18	(10,796)	–	(10,796)	10,796	–
31 December 2019						
Types of financial assets						
Amount due from subsidiaries, current account	18	68,952	–	68,952	(13,765)	55,187
Types of financial liabilities						
Amount due to subsidiaries, current account	18	(13,765)	–	(13,765)	13,765	–

NOTES TO THE FINANCIAL STATEMENTS

35 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. Given the uncertainty of the extent of COVID-19, changes to the estimates and outcomes that have been applied in the valuation of the Group's assets and liabilities may arise in the future.

(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 valuation 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.

In respect of the liability component of convertible bonds, the fair value at initial recognition is determined using a market interest rate of similar liabilities that do not have a conversion option.

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 balance sheet 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 or net asset techniques 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 in the balance sheet.

(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 and on completion of construction 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 including direct comparison method, capitalisation approach, discounted cash flows and residual method in arriving at the open market value as at the balance sheet 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.

Investment property under development is valued by estimating the fair value of the completed investment property and then deducting from that amount the estimated costs to complete the construction and a reasonable profit margin on construction and development. The estimated cost to complete is determined based on the construction cost per square metre in the pertinent area.

NOTES TO THE FINANCIAL STATEMENTS

35 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 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, direct comparison and income capitalisation approaches in arriving at the open market value as at the balance sheet 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.

The fair value of the Group's investment in quoted shares held for sale is valued based on its quoted price on 31 December 2020.

(vi) Property, plant and equipment

The fair value of the property, plant and equipment is the estimated amount for which a property could be exchanged on the date of acquisition between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly.

(vii) Share-based payment transactions

The fair values of employee performance share plan and restricted share plan are measured using valuation methodology described in note 22. Measurement inputs include the share price at grant date, expected volatility (based on an evaluation of the historical volatility of the Company's and peer group's share price), expected correlation of the Company's return with those of peer group, expected dividends 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).

35 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(c) Accounting classification and fair values

	Note	Carrying amount: Fair value – hedging instruments $'000	Carrying amount: FVOCI $'000	Carrying amount: FVTPL $'000	Carrying amount: Amortised Cost $'000	Carrying amount: Total $'000	Fair value: Level 1 $'000	Fair value: Level 2 $'000	Fair value: Level 3 $'000	Fair value: Total $'000
The Group										
31 December 2020										
Financial assets measured at fair value										
Equity investments at FVOCI	10(a)	–	232,589	–	–	232,589	161,211	–	71,378	232,589
Equity investments at FVTPL	10(a)	–	–	368,372	–	368,372	3,285	–	365,087	368,372
Derivative financial assets:										
– Forward foreign exchange contracts and cross currency swaps	10(b)	7,508	–	–	–	7,508	–	7,508	–	7,508
– Cross currency swaps	10(a)	85,628	–	–	–	85,628	–	85,628	–	85,628
Equity investment classified as assets held for sale		–	–	–	67,388	67,388	67,388	–	–	67,388
		93,136	232,589	368,372	67,388	761,485				
Financial assets not measured at fair value										
Other non-current assets		–	–	–	882,379	882,379				
Loans due from associates	7(a)	–	–	–	86,243	86,243				
Loans due from joint ventures	8(a)	–	–	–	648,477	648,477				
Trade and other receivables	12	–	–	–	2,099,524	2,099,524				
Cash and cash equivalents	16	–	–	–	9,175,378	9,175,378				
		–	–	–	12,892,001	12,892,001				

The above 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.

35 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(c) Accounting classification and fair values (continued)

		Carrying amount					Fair value			
	Note	Fair value – hedging instruments $'000	FVOCI $'000	FVTPL $'000	Amortised Cost $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
The Group										
31 December 2020										
Financial liabilities measured at fair value										
Derivative financial instruments:										
– Interest rate swaps, forward foreign exchange contracts and cross currency swaps	17	(44,820)	–	–	–	(44,820)	–	(44,820)	–	(44,820)
– Interest rate swaps and cross currency swaps	21	(222,964)	–	–	–	(222,964)	–	(222,964)	–	(222,964)
		(267,784)	–	–	–	(267,784)				
Financial liabilities not measured at fair value										
Other non-current liabilities#		–	–	–	(494,991)	(494,991)	–	–	(493,141)	(493,141)
Bank borrowings^	19	–	–	–	(22,456,768)	(22,456,768)	–	(22,497,552)	–	(22,456,552)
Debt securities	20	–	–	–	(11,646,687)	(11,646,687)	(1,804,142)	(10,287,242)	–	(12,091,384)
Trade and other payables#		–	–	–	(4,770,218)	(4,770,218)				
		–	–	–	(39,368,664)	(39,368,664)				

Excludes liability for employee benefits, derivative liabilities and deferred income.

^ Excludes lease liability.

NOTES TO THE FINANCIAL STATEMENTS

35 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(c) Accounting classification and fair values (continued)

	Note	Carrying amount					Fair value			
		Fair value – hedging instruments $'000	FVOCI $'000	FVTPL $'000	Amortised Cost $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
The Group										
31 December 2019										
Financial assets measured at fair value										
Equity investments at FVOCI	10(a)	–	280,826	–	–	280,826	206,044	–	74,782	280,826
Equity investments at FVTPL	10(a)	–	–	378,671	–	378,671	3,489	–	375,182	378,671
Derivative financial assets:										
– Forward foreign exchange contracts and cross currency swaps	10(b)	15,982	–	–	–	15,982	–	15,982	–	15,982
– Interest rate swaps, forward foreign exchange contracts and cross currency swaps	10(a)	95,783	–	–	–	95,783	–	95,783	–	95,783
		111,765	280,826	378,671	–	771,262				
Financial assets not measured at fair value										
Other non-current assets		–	–	–	626,443	626,443				
Loans due from associates	7(a)	–	–	–	176,294	176,294				
Loans due from joint ventures	8(a)	–	–	–	743,322	743,322				
Trade and other receivables	12	–	–	–	1,661,172	1,661,172				
Cash and cash equivalents	16	–	–	–	6,167,606	6,167,606				
		–	–	–	9,374,837	9,374,837				

The above 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.

NOTES TO THE FINANCIAL STATEMENTS

35 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(c) Accounting classification and fair values (continued)

		Carrying amount					Fair value			
	Note	Fair value – hedging instruments $'000	FVOCI $'000	FVTPL $'000	Amortised Cost $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
The Group										
31 December 2019										
Financial liabilities measured at fair value										
Derivative financial instruments:										
– Interest rate swaps and forward foreign exchange contracts	17	(18,035)	–	–	–	(18,035)	–	(18,035)	–	(18,035)
– Interest rate swaps, forward foreign exchange contracts and cross currency swaps	21	(113,680)	–	–	–	(113,680)	–	(113,680)	–	(113,680)
		(131,715)	–	–	–	(131,715)				
Financial liabilities not measured at fair value										
Other non-current liabilities#		–	–	–	(560,922)	(560,922)	–	–	(555,019)	(555,019)
Bank borrowings^	19	–	–	–	(18,824,578)	(18,824,578)	–	(18,856,534)	–	(18,856,534)
Debt securities	20	–	–	–	(11,901,519)	(11,901,519)	(2,452,455)	(9,939,996)	–	(12,392,451)
Trade and other payables#		–	–	–	(4,443,152)	(4,443,152)				
		–	–	–	(35,730,171)	(35,730,171)				

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

35 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(c) Accounting classification and fair values (continued)

		Carrying amount		Fair value			
	Note	Amortised Cost $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
The Company							
31 December 2020							
Financial assets not measured at fair value							
Amount due from subsidiaries	6	5,846,672	5,846,672				
Trade and other receivables	12	803,801	803,801				
Cash and cash equivalents	16	25,199	25,199				
		6,675,672	6,675,672				
Financial liabilities not measured at fair value							
Other non-current liabilities#		(659,349)	(659,349)				
Debt securities	20	(1,172,783)	(1,172,783)	(1,193,687)	–	–	(1,193,687)
Trade and other payables#		(402,731)	(402,731)				
		(2,234,863)	(2,234,863)				
31 December 2019							
Financial assets not measured at fair value							
Amount due from subsidiaries	6	4,535,771	4,535,771				
Trade and other receivables	12	889,571	889,571				
Cash and cash equivalents	16	18,098	18,098				
		5,443,440	5,443,440				
Financial liabilities not measured at fair value							
Other non-current liabilities#		(1,267,151)	(1,267,151)				
Debt securities	20	(1,816,767)	(1,816,767)	(1,836,037)	–	–	(1,836,037)
Trade and other payables#		(109,960)	(109,960)				
		(3,193,878)	(3,193,878)				

Excludes liability for employee benefits.

NOTES TO THE FINANCIAL STATEMENTS

35 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.

	Note	Fair value Level 3 $'000
The Group		
31 December 2020		
Non-financial assets measured at fair value		
Investment properties	5	47,872,910
Assets held for sale – investment properties	15	229,404
		48,102,314
31 December 2019		
Non-financial assets measured at fair value		
Investment properties	5	48,731,897
Assets held for sale – investment properties	15	336,719
		49,068,616

(d) Level 3 fair value measurements

(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:

	Equity investments at FVOCI $'000	Equity investments at FVTPL $'000	Assets held for sale – investment properties $'000
The Group			
2020			
At 1 January 2020	74,782	375,182	336,719
Additions	1,148	721	46,366
Disposals	–	–	(153,681)
Changes in fair value recognised in profit or loss	–	(12,537)	–
Changes in fair value recognised in other comprehensive income	(5,912)	–	–
Return of capital	–	(5,138)	–
Translation differences	1,360	6,859	–
At 31 December 2020	71,378	365,087	229,404

NOTES TO THE FINANCIAL STATEMENTS

35 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(d) Level 3 fair value measurements (continued)

(i) Reconciliation of Level 3 fair value (continued)

	Equity investments at FVOCI $'000	Equity investments at FVTPL $'000	Assets held for sale – investment properties $'000
The Group			
2019			
At 1 January 2019	71,345	296,858	254,080
Additions	10,647	10,731	274,609
Disposals	–	–	(389,147)
Changes in fair value recognised in profit or loss	–	9,898	197,604
Changes in fair value recognised in other comprehensive income	146,847	–	–
Reclassification to Level 1 fair value hierarchy	(167,888)	–	–
Acquisition of subsidiaries	14,678	51,786	–
Return of capital	(172)	(2,337)	–
Translation differences	(675)	8,246	(427)
At 31 December 2019	74,782	375,182	336,719

Movements for investment properties are set out in note 5.

NOTES TO THE FINANCIAL STATEMENTS

35 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(d) Level 3 fair value measurements (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	Shopping mall	Office	Integrated development	Business park, industrial and logistics	Lodging	Inter-relationship between key unobservable inputs and fair value measurement
Capitalisation approach	Capitalisation rate (net)						
	2020	4.4% to 10.0%	3.5% to 5.0%	4.0% to 7.5%	5.0% to 9.0%	4.8% to 5.3%	The estimated fair value varies inversely against the capitalisation rate and increases with higher occupancy rate.
	2019	4.4% to 7.3%	3.5% to 6.0%	4.8% to 7.5%	5.0% to 9.0%	4.5% to 7.0%	
	Occupancy rate						
	2020	45.0% to 100%	82.0% to 99.0%	68.0% to 100%	81.0% to 100%	91.4% to 99.0%	
	2019	58.4% to 100%	95.3% to 99.0%	68.6% to 99.0%	85.0% to 100%	90.0% to 95.0%	
Discounted cash flow approach	Discount rate						
	2020	5.1% to 10.0%	3.1% to 7.8%	6.8% to 15.0%	7.0% to 20.0%	3.9% to 11.0%	The estimated fair value varies inversely against the discount rate and terminal yield rate and increases with higher occupancy rate.
	2019	5.0% to 13.5%	2.9% to 7.8%	6.8% to 15.0%	7.3% to 21.0%	3.8% to 10.7%	
	Terminal yield rate						
	2020	4.4% to 10.5%	3.5% to 4.7%	4.2% to 7.8%	5.0% to 9.0%	3.0% to 8.0%	
	2019	4.3% to 11.0%	3.4% to 6.3%	4.2% to 10.0%	5.3% to 9.0%	3.0% to 8.1%	
	Occupancy rate						
	2020	45.0% to 99.0%	95.0% to 98.5%	61.0% to 90.0%	87.0% to 99.0%	45.0% to 98.0%	
	2019	52.9% to 100%	90.1% to 100%	68.6% to 100%	50.0% to 100%	55.0% to 99.0%	
Residual value method	Gross development value ($ million)						
	2020	–	280 to 587	1,978	92	55 to 131	The estimated fair value increases with higher gross development value and decreases with higher cost to completion.
	2019	193	285 to 516	168 to 2,012	92	–	
	Estimated cost to completion ($ million)						
	2020	–	71 to 161	267	44	31 to 129	
	2019	26	93 to 109	38 to 350	36	–	

NOTES TO THE FINANCIAL STATEMENTS

35 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(d) Level 3 fair value measurements (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 investments at FVTPL	Income approach	– Enterprise value/ Revenue multiple of comparable companies: 2.8x to 7.3x (2019: 2.4x to 3.9x) – Volatility of comparable companies: 55% (2019: 40% to 47%)	The estimated fair value increases with higher multiple and varies inversely against volatility.
Equity investments at FVTPL	Income approach	– Discount rate:12% to 13% (2019: 11% to 14%) – Terminal growth rate: 2% (2019: 2%)	The estimated fair value increases with lower discount rate and varies inversely against growth rate.

The fair value of other equity investments at FVTPL amounted to $261.5 million (2019: $255.3 million) was estimated based on the fair value of the underlying investment properties of the investee company. The valuation was based on discounted cash flow approach and its significant unobservable inputs were consistent with the investment properties information presented above.

(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 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 Audit Committee and Board of Directors in accordance with the Group's reporting policies.

NOTES TO THE FINANCIAL STATEMENTS

36 COMMITMENTS

As at the reporting date, the Group and the Company had the following commitments:

(a) Operating lease

The Group's operating lease relates to leases with lease terms of 12 months or less or low value assets. Future minimum lease payments for the Group and the Company on non-cancellable operating leases are as follows:

	The Group		The Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Lease payments payable:				
Not later than 1 year	33,923	68,231	–	–
Between 1 and 5 years	5,181	253	–	–
	39,104	68,484	–	–

(b) Commitments

	The Group		The Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Commitments in respect of:				
– capital expenditure contracted but not provided for in the financial statements	128,246	120,214	–	–
– development expenditure contracted but not provided for in the financial statements	1,969,937	2,215,750	–	–
– capital contribution in associates, joint ventures and investee companies	1,755,841	1,754,906	–	–
– purchase of land contracted but not provided for in the financial statements	212,926	196,627	–	–
– shareholders' loan committed to joint ventures and associates	47,435	66,215	–	–
	4,114,385	4,353,712	–	–

NOTES TO THE FINANCIAL STATEMENTS

36 COMMITMENTS (continued)

(c) As at the reporting date, the notional principal values of financial instruments were as follows:

	The Group 2020 $'000	The Group 2019 $'000	The Company 2020 $'000	The Company 2019 $'000
Interest rate swaps	7,584,488	6,712,450	–	–
Forward start interest rate swaps	131,500	–	–	–
Forward foreign exchange contracts	492,479	734,382	–	–
Cross currency swaps	3,259,760	3,096,616	–	–
	11,468,227	10,543,448	–	–

The maturity profile of these financial instruments was:

	The Group 2020 $'000	The Group 2019 $'000	The Company 2020 $'000	The Company 2019 $'000
Not later than 1 year	3,193,921	3,145,778	–	–
Between 1 and 5 years	7,275,544	6,007,007	–	–
After 5 years	998,762	1,390,663	–	–
	11,468,227	10,543,448	–	–

37 FINANCIAL GUARANTEE CONTRACTS

The Group accounts for its financial guarantees as insurance contracts. There are no terms and conditions attached to the financial guarantee contracts that would have a material effect on the amount, timing and uncertainty of the Group's and the Company's future cash flows. At the reporting date, the Group and the Company do not consider that it is probable that a claim will be made against the Group and the Company under the financial guarantee contracts. Accordingly, the Group and the Company do not expect any net cash outflows resulting from the financial guarantee contracts. The Group and the Company issue guarantees only for their subsidiaries and related parties.

	The Group 2020 $'000	The Group 2019 $'000	The Company 2020 $'000	The Company 2019 $'000
(a) Guarantees given to banks to secure banking facilities provided to:				
– subsidiaries	–	–	8,864,747	6,579,212
– joint ventures	5,345	99,153	–	–
– associate	134,770	–	–	–
	140,115	99,153	8,864,747	6,579,212

NOTES TO THE FINANCIAL STATEMENTS

37 FINANCIAL GUARANTEE CONTRACTS (continued)

(b) Undertakings by the Group:

(i) Two subsidiaries of the Group provided project completion undertakings on a joint and several basis, in respect of multi-currency term loan and revolving loan facilities amounting to $500.0 million (2019: $300.0 million) granted to an associate. In addition, the shares in this associate were pledged as part of the securities to secure the credit facilities. As at 31 December 2020, the total amount outstanding under the facilities was $484.3 million (2019: $267.6 million).

(ii) A subsidiary of the Group has provided several undertakings on cost overrun, security margin and interest shortfall issued on a 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 $631.0 million (2019: $631.0 million) granted to joint ventures. As at 31 December 2020, the amounts outstanding under the term loan is $538.3 million (2019: $534.8 million).

(iii) Two subsidiaries of the Group has pledged its shares and redeemable preference shares in an associate for a term loan facility obtained by the associate amounting to $1,078.3 million (2019: $1,088.4 million).

(iv) A subsidiary of the Group provided an indemnity for banker's guarantee issuance on a joint and several basis, in respect of term loan and revolving loan facilities amounting to $161.7 million granted to a joint venture. As at 31 December 2020, the total amount outstanding under the facilities was $148.1 million (2019: $142.3 million).

(v) Certain subsidiaries of the Group in China, whose principal activities are the trading of development properties, would in the ordinary course of business act as guarantors for the bank loans taken by the buyers to finance the purchase of residential properties developed by these subsidiaries. As at 31 December 2020, the outstanding notional amount of the guarantees amounted to $892.5 million (2019: $490.5 million).

(c) Government assistance

In response to the economic impacts of the COVID-19 pandemic, the governments of the Japan, France and United States of America introduced various financial support schemes, which provided guarantees for bank loans borrowed by the Group's subsidiaries amounting to $51.5 million issued by the respective banks during the year. The interest rates of the loans ranged from 0% to 1.11%.

The Group determined that the interest rates for an equivalent loan issued on an arm's length basis without the guarantee would have ranged from 0.4% to 2.5%. There are no unfilled conditions or contingencies for the government assistance as 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS

38 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, and CapitaLand Management Council comprising the Group CEO and key management officers of the corporate office as well as CEOs of the strategic business units, to be key management personnel in accordance with SFRS(I) 1-24 *Related Party Disclosures*.

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		The Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Related corporations				
Management fee income	904	1,533	–	–
Rental income	32,293	17,357	–	–
Purchase consideration for the acquisition of investments	–	6,035,853	–	4,734,842
Utilities expenses	(9,196)	(5,343)	(1)	(1)
Telecommunication expenses	(7,783)	(2,990)	(297)	(184)
Security services expenses	(9,635)	(2,698)	–	–
Other expenses	(3,168)	(485)	(269)	(352)
Payables included in trade and other payables and non-current liabilities	(3,001)	(1,379)	(1)	(95)
Receivables included in trade and other receivables	797	1,438	–	127
Subsidiaries				
Management fee income	–	–	74,755	67,509
IT and administrative support services	–	–	3,931	2,796
Rental expense	–	–	(646)	–
Others	–	–	(6,782)	(8,185)

NOTES TO THE FINANCIAL STATEMENTS

38 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

	The Group		The Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Associates and joint ventures				
Management fee income	242,413	197,911	–	–
Construction and project management income	23,965	10,159	–	–
Rental expense	(3,308)	(2,194)	–	–
Proceeds from the sale of properties	–	380,000	–	–
Proceeds from the sale of investment	–	1,295,764	–	–
Purchase consideration for acquisition of investments	–	(436,735)	–	–
Acquisition and divestment fees, accounting service fee, marketing income and others	59,582	66,724	*	(6)

* Less than $1,000

	The Group		The Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Key management personnel				
Purchase of units pursuant to preferential offering of a subsidiary	30	47	13	30
Units and cash received pursuant to the combination of ART and A-HTRUST	–	2,000	–	1,749
Units and cash received pursuant to the combination of CCT and CMT	844	–	584	–
Interest paid/payable by the Company and its subsidiaries	62	54	53	54
Other benefits	4	6	4	6
Remuneration of key management personnel				
Salary, bonus and other benefits	16,198	20,995	8,421	11,570
Employer's contributions to defined contribution plans	202	160	65	65
Equity compensation benefits	9,753	11,643	5,463	6,259
	26,153	32,798	13,949	17,894

NOTES TO THE FINANCIAL STATEMENTS

39 OPERATING SEGMENTS

Management determines the operating segment based on the reports reviewed and used by the CapitaLand Management Council for strategic decision making and resources allocation. The Group organises its reporting structure into strategic business units (SBUs) by geography to more accurately reflect the way the Group manage its businesses. The geographical SBUs comprise the Group's integrated capabilities in the residential, retail, commercial, industrial, logistics and business parks asset classes, strategically deployed in each market. The geographical SBU's are CapitaLand Singapore and International (CL Singapore and International, comprising CL Singapore, Malaysia and Indonesia, CL Vietnam and CL International), CapitaLand China (CL China) and CapitaLand India (CL India). The asset class SBUs comprise CapitaLand Lodging (CL Lodging) and CapitaLand Financial (CL Financial). CL Lodging, with its global network and scale, comprises the Group's lodging business. CL Financial is the real estate fund management unit comprising the Group's REIT managers and Fund managers.

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

The Group's reportable operating segments are as follows:

(i) CL Singapore and International – involves in the residential, office, shopping malls, industrial, logistics and business parks property development in Singapore, Malaysia, Indonesia, Vietnam, The United States of America, Europe, Japan and Korea.

(ii) CL China – involves in the residential, commercial strata and urban development, office, shopping malls, lodging, industrial, logistics and business parks property development in China.

(iii) CL India – involves in the logistics and business parks property development in India.

(iv) CL Lodging – an international serviced residence owner-operator with operations in key cities of Asia Pacific, Europe, United States of America and Middle East, under the brands of Ascott, Somerset, Citadines, The Crest Collection, lyf and other brands.

(v) CL Financial – involves in real estate fund management and financial advisory services.

(vi) Corporate and Others – includes Corporate office and corporate treasury vehicles.

Information regarding the operations of each reportable segment is included below. Management monitors the operating results of each of its business units for the purpose of making decisions on resource allocation and performance assessment. Performance is measured based on segment earnings before interest and tax (EBIT). EBIT 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

39 OPERATING SEGMENTS (continued)

Operating Segments – 31 December 2020

	CL Singapore and International $'000	CL China $'000	CL India $'000	CL Lodging $'000	CL Financial $'000	Corporate and Others $'000	Elimination $'000	Total $'000
Revenue								
External revenue	2,222,915	3,264,398	40,014	804,316	186,231	14,698	–	6,532,572
Inter-segment revenue	54,367	29,061	2,445	14,313	139,326	446,323	(685,835)	–
Total revenue	**2,277,282**	**3,293,459**	**42,459**	**818,629**	**325,557**	**461,021**	**(685,835)**	**6,532,572**
Segmental results								
Company and subsidiaries	629,997	(17,532)	3,542	(606,735)	171,461	34,878	(35,841)	179,770
Associates	41,024	(25,595)	13,553	(7,978)	3,629	(1,740)	–	22,893
Joint ventures	(120,096)	170,796	2,181	(22,894)	(1,702)	539	–	28,824
Earnings before interest and tax	**550,925**	**127,669**	**19,276**	**(637,607)**	**173,388**	**33,677**	**(35,841)**	**231,487**
Finance costs								(913,149)
Tax expense								(953,485)
Loss for the year								**(1,635,147)**
Segment assets	**38,772,045**	**29,221,425**	**1,136,851**	**9,586,861**	**1,234,109**	**15,494,536**	**(11,075,949)**	**84,369,878**
Segment liabilities	**16,285,284**	**13,716,855**	**177,646**	**4,562,220**	**582,465**	**10,753,367**	**–**	**46,077,837**

NOTES TO THE FINANCIAL STATEMENTS

39 OPERATING SEGMENTS (continued)

Operating Segments – 31 December 2020

	CL Singapore and International $'000	CL China $'000	CL India $'000	CL Lodging $'000	CL Financial $'000	Corporate and Others $'000	Elimination $'000	Total $'000
Other segment items:								
Interest income	21,268	43,616	8,000	4,085	402	21,171	–	98,542
Depreciation and amortisation	(16,637)	(25,345)	(1,609)	(109,904)	(939)	(25,294)	–	(179,728)
Provision for foreseeable losses	(2,424)	(248,905)	–	–	–	–	–	(251,329)
Allowance for impairment losses on assets	(6,563)	(2,926)	(3,684)	(193,993)	–	(5,485)	–	(212,651)
Fair value loss on assets held for sale	–	(416,479)	–	–	–	–	–	(416,479)
Fair value (loss)/gain on investment properties	(645,861)	(955,313)	7,972	(474,879)	(20,931)	3,815	–	(2,085,197)
Share-based expenses	(9,150)	(6,541)	(400)	(2,920)	(6,067)	(11,768)	–	(36,846)
Gains/(loss) on disposal of investments	64,690	141,040	–	57,180	(7)	10,118	(4)	273,017
Associates	2,222,876	5,057,546	345,980	17,371	69,864	12,380	–	7,726,017
Joint ventures	1,336,441	3,189,366	35,381	96,333	146,891	371	(2,987)	4,801,796
Capital expenditure#	640,049	239,435	66,407	124,251	898	4,476	–	1,075,516
Non-current assets[1]	34,699,573	17,275,957	749,954	8,000,606	1,111,281	14,818,289	(14,484,659)	62,171,001

Capital expenditure consists of additions of property, plant and equipment, investment properties and intangible assets.

[1] Non-current assets comprised property, plant and equipment, intangible assets, investment properties, investment in associates and joint ventures.

NOTES TO THE FINANCIAL STATEMENTS

39 OPERATING SEGMENTS (continued)

Operating Segments – 31 December 2019

	CL Singapore and International $'000	CL China $'000	CL India $'000	CL Lodging $'000	CL Financial $'000	Corporate and Others $'000	Elimination $'000	Total $'000
Revenue								
External revenue	2,175,718	2,526,229	23,013	1,379,715	129,999	90	–	6,234,764
Inter-segment revenue	41,169	26,387	–	10,908	170,422	422,034	(670,920)	–
Total revenue	**2,216,887**	**2,552,616**	**23,013**	**1,390,623**	**300,421**	**422,124**	**(670,920)**	**6,234,764**
Segmental results								
Company and subsidiaries	2,037,576	1,334,661	8,270	563,578	229,160	(58,569)	(35,841)	4,078,835
Associates	84,300	541,532	32,085	978	(1,797)	(13,274)	–	643,824
Joint ventures	85,874	246,163	(1,606)	15,089	(268)	(301)	–	344,951
Earnings before interest and tax	**2,207,750**	**2,122,356**	**38,749**	**579,645**	**227,095**	**(72,144)**	**(35,841)**	**5,067,610**
Finance costs								(839,141)
Tax expense								(814,828)
Profit for the year								**3,413,641**
Segment assets	**37,655,404**	**29,936,882**	**1,061,618**	**9,612,088**	**1,282,776**	**13,772,531**	**(10,975,382)**	**82,345,917**
Segment liabilities	**15,054,640**	**12,678,182**	**223,009**	**4,159,526**	**601,257**	**9,346,428**	**–**	**42,063,042**

39 OPERATING SEGMENTS (continued)

Operating Segments – 31 December 2019

	CL Singapore and International $'000	CL China $'000	CL India $'000	CL Lodging $'000	CL Financial $'000	Corporate and Others $'000	Elimination $'000	Total $'000
Other segment items:								
Interest income	33,833	29,453	3,499	5,299	(34)	26,273	–	98,323
Depreciation and amortisation	(10,748)	(20,936)	(1,381)	(78,146)	(751)	(24,917)	–	(136,879)
Reversal of provision for foreseeable losses	3,499	–	–	–	–	–	–	3,499
Allowance for impairment losses on assets	(13,709)	(243)	(1,755)	(20,076)	–	(7,052)	–	(42,835)
Fair value gains on investment properties and assets held for sale	529,588	312,555	12,205	227,421	69,030	13,145	–	1,163,944
Share-based expenses	(16,694)	(17,254)	(961)	(5,024)	(6,465)	(20,336)	–	(66,734)
Gains/(loss) on disposal of investments	172,541	124,483	4,629	54,144	–	(11,853)	–	343,944
Associates	2,161,426	5,484,381	358,559	26,866	47,835	1,801	–	8,080,868
Joint ventures	1,505,257	2,928,241	35,729	307,731	142,279	–	(3,930)	4,915,307
Capital expenditure#	631,579	421,178	16,751	228,945	15,333	163,154	–	1,476,940
Non-current assets[1]	35,355,937	17,802,016	704,565	8,269,640	1,067,524	13,988,851	(14,122,754)	63,065,779

Capital expenditure consists of additions of property, plant and equipment, investment properties and intangible assets.

[1] Non-current assets comprised property, plant and equipment, intangible assets, investment properties, investment in associates and joint ventures.

NOTES TO THE FINANCIAL STATEMENTS

39 OPERATING SEGMENTS (continued)

Geographical Information

	Singapore $'000	China $'000	Other developed markets[2] $'000	Other emerging markets[3] $'000	Group $'000
31 December 2020					
External revenue	1,601,040	3,388,346	869,491	673,695	6,532,572
Earnings before interest and tax	389,484	139,440	(329,650)	32,213	231,487
Earnings before interest, tax, depreciation and amortisation[5]	446,341	166,476[1]	(245,524)	43,922	411,215
Non-current assets[4]	30,893,567	17,643,854	9,976,071	3,657,509	62,171,001
Total assets	37,308,227	30,919,939	11,289,199	4,852,513	84,369,878
31 December 2019					
External revenue	1,727,562	2,740,641	1,352,711	413,850	6,234,764
Earnings before interest and tax	1,953,289	2,288,159	658,634	167,528	5,067,610
Earnings before interest, tax, depreciation and amortisation[5]	2,004,725	2,310,375[1]	710,016	179,373	5,204,489
Non-current assets[4]	31,945,262	17,189,006	10,193,568	3,737,943	63,065,779
Total assets	34,819,142	30,701,229	11,621,049	5,204,497	82,345,917

1 Included losses from Hong Kong of $1.4 million (2019: Profit: $51.2 million).
2 Includes United Kingdom, France, Germany, Spain, Belgium, Ireland, Japan, South Korea, United States of America, Australia and New Zealand.
3 Other Asia excludes Singapore, China, Hong Kong, Japan and South Korea.
4 Non-current assets comprised property, plant and equipment, intangible assets, investment properties, investment in associates and joint ventures.
5 Fair value losses included in EBITDA $596.2 million (2019: $32.2 million)

NOTES TO THE FINANCIAL STATEMENTS

40 SUBSEQUENT EVENTS

a) On 11 January 2021, CapitaLand China Trust announced that its wholly owned subsidiary, Somerset (Wuhan) Investments Pte. Ltd had entered into a conditional equity interests transfer agreement to divest its entire equity interest in Wuhan New Min Zhong Le Yuan Co., Ltd., which holds CapitaMall Minzhongleyuan and three sets of premises located at Sanyang Complex, Jiangan District, Wuhan, to an unrelated third party for an aggregate consideration payable of RMB258.0 million (equivalent to approximately S$52.6 million).

b) On 27 January 2021, ART announced that its wholly owned subsidiary has entered into a conditional sale and purchase agreement to acquire a student accommodation property, a mid-rise building with an aggregate of 183 units/ 525 bed, in Georgia, USA for a consideration of USD95.0 million (equivalent to approximately S$126.3 million).

c) On 9 February 2021, ART announced that its wholly owned subsidiary has entered into a conditional sale and purchase agreement with an unrelated third party to divest, through the divestment of interests in Shanghai Xinwei Real Estate Development Co., Somerset Xuhui Shanghai (the "Property") at an agreed aggregate value of the Property of RMB1,050 million (equivalent to approximately S$215.6 million).

41 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 2020:

- Amendments to References to Conceptual Framework in SFRS(I) Standards
- Definition of a Business (Amendments to SFRS(I) 3)
- Definition of Material (Amendments to SFRS(I) 1-1 and SFRS(I) 1-8)

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

The Group applied the amendments relating to definition of a business to business combinations whose acquisition dates are on or after 1 January 2020 in assessing whether it had acquired a business or a group of assets. The details of accounting policies are set out in note 2.2. See also note 33 for details of the Group's acquisition of subsidiaries during the year.

The Group has early adopted *COVID-19-Related Rent Concessions – Amendment to SFRS(I) 16* issued on 28 May 2020. The amendment introduces an optional practical expedient for leases in which the Group is a lessee – i.e. for leases to which the Group applies the practical expedient, the Group is not required to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Group has applied the amendment retrospectively. The amendment has no impact on retained earnings at 1 January 2020. The details of accounting policies are set out in note 2.14.

Except for the adoption of *COVID-19-Related Rent Concessions – Amendment to SFRS(I) 16*, the Group has not early adopted the new standards, interpretations and amendments to standards (Changes) which are effective for annual periods beginning after 1 January 2020, in preparing these consolidated financial statements. These Changes are not expected to have a significant impact on the Group's financial statements.

ADDITIONAL INFORMATION

ECONOMIC VALUE ADDED STATEMENT

	Note	2020 S$ million	2019 S$ million
Net operating (loss)/profit before tax		**(733.4)**	3,239.7
Adjust for:			
Share of results of associates and joint ventures		**51.7**	988.8
Interest expense		**915.4**	840.6
Others		**628.8**	19.0
Adjusted profit before interest and tax		**862.5**	5,088.1
Cash operating taxes	1	**(1,362.7)**	(887.5)
Net operating (loss)/profit after tax (NOPAT)		**(500.2)**	4,200.6
Average capital employed	2	**68,752.8**	59,746.8
Weighted average cost of capital (%)	3	**4.900%**	5.924%
Capital charge (CC)		**3,368.9**	3,539.4
Economic value added (EVA) [NOPAT – CC]		**(3,869.1)**	661.2
Attributable to:			
Owners of the Company		**(2,600.2)**	721.7
Non-controlling interests		**(1,268.9)**	(60.5)
Economic value added (EVA) [NOPAT – CC]		**(3,869.1)**	661.2

1 The reported current tax is adjusted for the statutory tax impact of interest expense.

2 Monthly average capital employed included equity, interest-bearing liabilities, timing provision, cumulative goodwill and present value of operating leases.

Major capital components:

	S$ million
Borrowings	33,903.5
Equity	34,790.0
Others	59.3
Total	68,752.8

3 The weighted average cost of capital is calculated as follows:

(i) Cost of Equity using Capital Asset Pricing Model with market risk premium at 5.20% (2019: 5.82%) per annum;
(ii) Risk-free rate of 1.75% (2019: 2.21%) per annum based on yield-to-maturity of Singapore Government 10-year Bonds;
(iii) Ungeared beta ranging from 0.50 to 0.85 (2019: 0.50 to 0.93) based on the risk categorisation of CapitaLand's strategic business units; and
(iv) Cost of Debt rate at 2.68% (2019: 3.20%) per annum using 5-year Singapore Dollar Swap Offer rate plus 120 basis points (2019: 120 basis points).

ADDITIONAL INFORMATION

VALUE ADDED STATEMENT

	2020 S$ million	2019 S$ million
Value added from:		
Revenue earned	6,532.6	6,234.8
Less: Bought in materials and services	(2,758.7)	(2,433.6)
Gross value added	**3,773.9**	**3,801.2**
Share of results of associates and joint ventures	51.7	988.8
Exchange gain/(loss) (net)	22.6	(38.2)
Other operating (expenses)/income (net)	(2,245.3)	1,634.6
	(2,171.0)	2,585.2
Total value added	**1,602.9**	**6,386.4**
Distribution:		
To employees in wages, salaries and benefits	812.3	872.3
To government in taxes and levies	1,233.1	1,093.5
To providers of capital in:		
– Net interest on borrowings	980.0	859.6
– Dividends to owners of the Company	606.3	501.0
	3,631.7	3,326.4
Balance retained in the business:		
Depreciation and amortisation	179.7	136.9
Revenue reserves net of dividends to owners of the Company	(2,180.5)	1,634.9
Non-controlling interests	(60.9)	1,277.7
	(2,061.7)	3,049.5
Non-production cost:		
Allowance for doubtful receivables	32.9	10.5
Total distribution	**1,602.9**	**6,386.4**
Productivity analysis:		
Value added per employee (S$'000) #	360	362
Value added per dollar of employment cost (S$)	4.65	4.36
Value added per dollar sales (S$)	0.58	0.61

Based on average 2020 headcount of 10,473 (2019: 10,509).

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:

	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) $'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) $'000
Transactions with Temasek Holdings (Private) Limited and its associates:		
Purchase of goods and services	25,980^	–
Sale of goods and services	39,901	–
Transactions with Singapore Telecommunications Limited and its associates:		
Purchase of goods and services	491	–
Transactions with StarHub Ltd and its associates:		
Purchase of goods and services	4,944	–

^ Amount reported under Temasek Holdings (Private) Limited and its associates ("Temasek") includes transactions with StarHub Ltd and its associates ("StarHub"). The transactions pertain to the engagement of services with two companies, Ensign InfoSecurity (Singapore) Pte. Ltd. and Ensign InfoSecurity (SmartTech) Pte. Ltd., which are both indirectly held by Temasek and StarHub.

SHAREHOLDING STATISTICS

As at 8 March 2021

Number of Issued Shares (including Treasury Shares)	:	5,276,991,682
Number and Percentage of Treasury Shares	:	74,029,074 or 1.42%[1]
Number of Issued Shares (excluding Treasury Shares)	:	5,202,962,608
Number and Percentage of Subsidiary Holdings[2]	:	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	%[1]
1	CLA Real Estate Holdings Pte. Ltd.	2,693,106,549	51.76
2	Citibank Nominees Singapore Pte Ltd	641,725,476	12.33
3	DBS Nominees (Private) Limited	470,724,897	9.05
4	DBSN Services Pte. Ltd.	383,915,166	7.38
5	HSBC (Singapore) Nominees Pte Ltd	191,795,518	3.69
6	Raffles Nominees (Pte.) Limited	59,275,525	1.14
7	BPSS Nominees Singapore (Pte.) Ltd.	58,306,259	1.12
8	United Overseas Bank Nominees (Private) Limited	31,729,466	0.61
9	Phillip Securities Pte Ltd	20,741,188	0.40
10	OCBC Nominees Singapore Private Limited	14,310,103	0.28
11	OCBC Securities Private Limited	11,250,571	0.22
12	UOB Kay Hian Private Limited	7,400,539	0.14
13	Maybank Kim Eng Securities Pte. Ltd.	5,976,377	0.11
14	DB Nominees (Singapore) Pte Ltd	5,260,859	0.10
15	BNP Paribas Nominees Singapore Pte. Ltd.	4,741,843	0.09
16	CGS–CIMB Securities (Singapore) Pte. Ltd.	4,124,244	0.08
17	Nanyang Gum Benjamin Manufacturing (Pte) Ltd	3,410,000	0.07
18	Morgan Stanley Asia (Singapore) Securities Pte Ltd	3,383,815	0.07
19	IFAST Financial Pte. Ltd.	3,331,869	0.06
20	DBS Vickers Securities (Singapore) Pte Ltd	3,215,756	0.06
	Total	**4,617,726,020**	**88.76**

Notes:
1 Percentage is calculated based on 5,202,962,608 issued shares, excluding treasury shares.
2 "Subsidiary Holdings" is defined in the Listing Manual of the Singapore Exchange Securities Trading Limited to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Chapter 50 of Singapore.

SHAREHOLDING STATISTICS

As at 8 March 2021

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders	Direct Interest No. of Shares	%[4]	Deemed Interest No. of Shares	%[4]	Total Interest No. of Shares	%[4]
CLA Real Estate Holdings Pte. Ltd.	2,693,106,549	51.76	–	–	2,693,106,549	51.76
TJ Holdings (III) Pte. Ltd.	–	–	2,693,106,549[1]	51.76	2,693,106,549	51.76
Glenville Investments Pte. Ltd.	–	–	2,693,106,549[1]	51.76	2,693,106,549	51.76
Mawson Peak Holdings Pte. Ltd.	–	–	2,693,106,549[1]	51.76	2,693,106,549	51.76
Bartley Investments Pte. Ltd.	–	–	2,693,106,549[1]	51.76	2,693,106,549	51.76
Tembusu Capital Pte. Ltd.	–	–	2,715,469,249[1,2]	52.19	2,715,469,249	52.19
Temasek Holdings (Private) Limited	–	–	2,717,152,020[1,3]	52.22	2,717,152,020	52.22

SIZE OF HOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares excluding Treasury Shares	%[4]
1 – 99	621	0.99	18,627	0.00
100 – 1,000	10,675	17.03	8,631,191	0.17
1,001 – 10,000	40,780	65.05	173,666,730	3.34
10,001 – 1,000,000	10,574	16.87	376,790,275	7.24
1,000,001 and above	38	0.06	4,643,855,785	89.25
Total	**62,688**	**100.00**	**5,202,962,608**	**100.00**

Based on the information available to the Company, approximately 47.63%[4] of the issued shares are held in the hands of the public as at 8 March 2021. Accordingly, Rule 723 of the Listing Manual of the SGX–ST has been complied with.

Notes:

1 CLA Real Estate Holdings Pte. Ltd. ("CLA Real Estate") was formerly known as Ascendas-Singbridge Pte. Ltd..

CLA Real Estate 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").

TJIII, Glenville, Mawson, Bartley, Tembusu and Temasek, respectively, are deemed to have an interest in the shares in which CLA Real Estate has or is deemed to have an interest, by virtue of section 4 of the Securities and Futures Act (Cap. 289) ("SFA").

2 Tembusu is deemed to have an interest in the shares in which its subsidiaries have or are deemed to have an interest, by virtue of section 4 of the SFA.

3 Temasek is deemed to have an interest in the shares in which its subsidiaries and associated companies have or are deemed to have an interest, by virtue of section 4 of the SFA.

4 Percentage is calculated based on 5,202,962,608 issued shares, excluding treasury shares.

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ADDITIONAL INFORMATION DIRECTORS SEEKING REELECTION

The following information relating to Mr Anthony Lim Weng Kin, Ms Goh Swee Chen and Mr Stephen Lee Ching Yen, each of whom is standing for reelection as a Director at the 2021 Annual General Meeting of the Company (AGM), 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
Date of first appointment as a Director	11 August 2017
Date of last reelection as a Director	30 April 2018
Age	62
Country of principal residence	Singapore
The Board's comments on the reelection	After reviewing the recommendation of the Nominating Committee, and considering the skills, experience and contributions of Mr Lim at Board and Board Committee meetings, the Board has approved that Mr Lim stands for reelection as a Non-Executive Independent Director. Upon reelection, Mr Lim will continue to serve as Chairman of the Audit Committee and a member of the Strategy, Investment and Finance Committee, and will join the Nominating Committee as a member. Mr Lim will also assume the duties and responsibilities of a Lead Independent Director after the conclusion of the AGM.^^
Whether appointment is executive and if so, the area of responsibility	Non-executive
Job title	• Non-Executive Independent Director (Lead Independent Director-Designate) • Audit Committee (Chairman) • Strategy, Investment and Finance Committee (Member)
Professional qualifications	• Bachelor of Science, National University of Singapore • Advanced Management Program, Harvard Business School, USA
Working experience and occupation(s) during the past 10 years	• President (Americas) of GIC Pte Ltd, retired in 2017 after 19 years of service
Shareholding interest in the listed issuer and its subsidiaries	35,476 CapitaLand shares (direct interest) 1,000 CapitaLand shares (deemed 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
Conflict of interest (including any competing business)	Nil

^^ Information on the changes proposed to the composition of the various Board Committees (to take effect after the conclusion of the AGM) can be found in the "Corporate Governance" section of the Company's Annual Report 2020.

ADDITIONAL INFORMATION DIRECTORS SEEKING REELECTION

	GOH SWEE CHEN	STEPHEN LEE CHING YEN
	1 September 2017	1 January 2013
	30 April 2018	12 April 2019
	60	74
	Singapore	Singapore
	After reviewing the recommendation of the Nominating Committee, and considering the skills, experience and contributions of Ms Goh at Board and Board Committee meetings, the Board has approved that Ms Goh stands for reelection as a Non-Executive Independent Director. Upon reelection, Ms Goh will continue to serve as a member of the Executive Resource and Compensation Committee, join the Risk Committee as a member and step down as a member of the Nominating Committee.^^	After reviewing the recommendation of the Nominating Committee, and considering the skills, experience and contributions of Mr Lee at Board and Board Committee meetings, the Board has approved that Mr Lee stands for reelection as a Non-Executive Independent Director. Upon reelection (and upon confirmation of his continued independent status under a two-tier vote process at the AGM), Mr Lee will continue to serve as Chairman of the Nominating Committee, and will assume the role of Chairman of the Executive Resource and Compensation Committee (of which he is currently a member).^^
	Non-executive	Non-executive
	• Non-Executive Independent Director • Executive Resource and Compensation Committee (Member) • Nominating Committee (Member)	• Non-Executive Independent Director • Executive Resource and Compensation Committee (Member) • Nominating Committee (Chairman)
	• Bachelor of Science in Information Science, Victoria University of Wellington, NZ • Master of Business Administration, University of Chicago, USA	• Master of Business Administration, Northwestern University, USA
	• Chairman of Shell Singapore, retired in January 2019 after 16 years of service • Chairman/Deputy Chairman of Shell Downstream Joint Ventures in China, Saudi Arabia and Korea (From 2011 to 2017)	• Managing Director of The Shanghai Commercial & Savings Bank Ltd, Taiwan (From 1979 to present) • Managing Director of Great Malaysia Textile Investments Pte Ltd (From 1994 to present) • Chairman of NTUC Income Insurance Co-operative Limited (From 2014 to 2018) • Chairman of SIA Engineering Company Limited (From 2005 to 2018) • Chairman of Singapore Airlines Limited (From 2006 to 2016) • President of Singapore National Employers Federation (From 1988 to 2014)
	29,592 CapitaLand shares (direct interest) 5,000 CapitaLand shares (deemed interest)	106,808 CapitaLand shares (direct interest)
	Nil	Nil
	Nil	Nil

ADDITIONAL INFORMATION DIRECTORS SEEKING REELECTION

NAME OF DIRECTOR	ANTHONY LIM WENG KIN
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments including Directorships	
Past (for the last 5 years)	Public Listed Company • Vista Oil & Gas S.A.B. de C.V. (Director) Non-Listed Company • Ripple Labs Singapore Pte Ltd (Advisor) Other • Global Advisory Council of Teach For All (Member)
Present	Public Listed Company • DBS Group Holdings Ltd. (Director) Non-Listed Company • CapitaLand Hope Foundation (Director) Other • Institute of International Education, Scholar Rescue Fund Selection Committee (Member)

ADDITIONAL INFORMATION DIRECTORS SEEKING REELECTION

GOH SWEE CHEN	STEPHEN LEE CHING YEN
Yes	Yes
Non-Listed Companies • BG Asia Pacific Holdings Pte. Limited (Director) • Hankook Shell Oil Company (Lead Director) • Shell Eastern Petroleum (Pte) Ltd (Chairman) • Shell Eastern Trading (Pte) Ltd (Chairman) • Shell Singapore Trustees Pte Ltd (Chairman) • Shell India Ventures Pte. Ltd. (Chairman) Others • Human Capital Leadership Institute Pte. Ltd. (Director) • Singapore University of Technology & Design (Trustee) • Singapore National Employers Federation (Vice President) • Singapore International Chamber of Commerce (Director) • The Centre for Liveable Cities (Advisory Board Member)	Public Listed Companies • SIA Engineering Company Limited (Chairman) • Singapore Airlines Limited (Chairman) Non-Listed Company • China National Petroleum Corporation (Director) Government/Statutory Boards • Council of Presidential Advisers (Alternate Member) • Council of Presidential Advisers (Member) • National Wages Council (Member) • Singapore Labour Foundation (Director) Others • NTUC Income Insurance Co-operative Limited (Chairman) • NTUC Enterprise Co-operative Limited (Director)
Public Listed Companies • Singapore Airlines Limited (Director) • Woodside Energy Ltd (Director) Non-Listed Company • Singapore Power Ltd (Director) Government/Statutory Boards • Legal Service Commission (Member) • National Arts Council (Chairman) Others • Global Compact Network Singapore (President) • Institute for Human Resource Professionals Limited (Chairman) • Nanyang Technological University (Chairman) • The Centre for Liveable Cities (Director)	Public Listed Company • The Shanghai Commercial & Savings Bank Limited (Deputy Chairman & Managing Director) Non-Listed Companies • G2000 Apparel (S) Private Limited (Director) • Great Malaysia Textile Investments Pte Ltd (Managing Director) • M+S Pte. Ltd. (Deputy Chairman) • Marina South Investments Pte. Ltd. (Director) • MS Property Management Pte. Ltd. (Director) • Ophir-Rochor Investments Pte. Ltd. (Director) • Shanghai Commercial Bank Ltd (Chairman) • Temasek Holdings (Private) Limited (Director) Others • Dr Goh Keng Swee Scholarship Fund (Board Member) • Kidney Dialysis Foundation (Director) • NTUC-ARU (Administration & Research Unit) (Member of the Board of Trustees) • Singapore University of Social Sciences (Chancellor) • Tripartite Alliance Limited (Chairman)

ADDITIONAL INFORMATION 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	
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?
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?
c)	Whether there is any unsatisfied judgment against him?
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?
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?
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?
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?
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?
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?
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
	(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
	(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
	(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?
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?

\# Ms Goh Swee Chen was employed by the Shell group, a global group of energy and petrochemical companies, from 2003 until her retirement in January 2019. She was the Country Chairperson of the Shell Companies (as defined below) in Singapore, and sat on the board of various Shell Companies in Singapore. "Shell Companies" refer to companies over which Royal Dutch Shell plc either directly or indirectly has control. Shell Companies are subject to various laws and regulations governing their day-to-day operations. The Shell Companies in Singapore may from time to time be investigated by regulatory authorities for possible breaches of such laws and regulations in the ordinary course of business, and have been subject to fines from time to time in the ordinary course of business.

To Ms Goh's knowledge, none of the investigations or fines imposed on such Shell Companies in Singapore (in connection with incidents occurring or arising during the period when she was a director of such entities) were material.

ADDITIONAL INFORMATION DIRECTORS SEEKING REELECTION

ANTHONY LIM WENG KIN	GOH SWEE CHEN	STEPHEN LEE CHING YEN
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No
No	Yes#	No
No	No	No
No	No	No
No	No	No
No	No	No

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CORPORATE INFORMATION
as at 8 March 2021

BOARD OF DIRECTORS

Ng Kee Choe
Chairman

Miguel Ko
Deputy Chairman
(Chairman-designate)

Lee Chee Koon
Group CEO

Tan Sri Amirsham Bin A Aziz
Goh Swee Chen
Kee Teck Koon
Stephen Lee Ching Yen
Gabriel Lim Meng Liang
Anthony Lim Weng Kin
(Lead Independent Director-designate)
Chaly Mah Chee Kheong
Dr Philip Nalliah Pillai

BOARD COMMITTEES

Audit Committee
Anthony Lim Weng Kin
Chairman

Tan Sri Amirsham Bin A Aziz
Gabriel Lim Meng Liang
Chaly Mah Chee Kheong
Dr Philip Nalliah Pillai

Executive Resource and Compensation Committee
Ng Kee Choe
Chairman

Goh Swee Chen
Miguel Ko
Stephen Lee Ching Yen

Nominating Committee
Stephen Lee Ching Yen
Chairman

Goh Swee Chen
Ng Kee Choe
Dr Philip Nalliah Pillai

Risk Committee
Tan Sri Amirsham Bin A Aziz
Chairman

Kee Teck Koon
Gabriel Lim Meng Liang

Strategy, Investment and Finance Committee
Ng Kee Choe
Chairman

Kee Teck Koon
Miguel Ko
Anthony Lim Weng Kin
Chaly Mah Chee Kheong

COMPANY SECRETARIES

Michelle Koh Chai Ping
Hon Wei Seng

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(Engagement Partner since financial year ended 31 December 2020: Ling Su Min)

PRINCIPAL BANKERS

Agricultural Bank of China Limited
Bank of China
Bank of Communications Co., Ltd
BNP Paribas
Cathay United Bank
China Construction Bank
China Merchants Bank
CIMB Bank Berhad
Crédit Agricole Corporate & Investment Bank
DBS Bank Ltd
Industrial and Commercial Bank of China Limited
Malayan Banking Berhad
Mizuho Bank, Ltd.
MUFG Bank, Ltd.
Münchener Hypothekenbank eG
Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank
Sumitomo Mitsui Banking Corporation
The Hongkong and Shanghai Banking Corporation Limited
United Overseas Bank Limited

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BECAUSE TOMORROW MATTERS

CAPITALAND LIMITED ANNUAL REPORT 2020