



**CAPITALAND INVESTMENT LIMITED AND ITS
SUBSIDIARIES**

(Registration Number: 200308451M)

**CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX- MONTH
PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021**

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

**CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND
FULL YEAR ENDED 31 DECEMBER 2021**

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CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

**Condensed Interim Consolidated Income Statement
For The Six-Month Period and Full Year Ended 31 December 2021**

Note	The Group Six-month Period Ended			The Group Full Year			
	31 December 2021 \$'M	31 December 2020 \$'M	Better / (Worse) %	31 December 2021 \$'M	31 December 2020 \$'M	Better / (Worse) %	
Revenue	6	1,244	986	26.2	2,293	1,983	15.6
Cost of sales		(691)	(564)	(22.5)	(1,235)	(1,111)	(11.2)
Gross profit		553	422	31.0	1,058	872	21.3
Other operating income	7(a)	444	274	62.0	888	364	144.0
Administrative expenses	7(b)	(499)	(239)	(108.8)	(763)	(475)	(60.6)
Other operating expenses	7(c)	(171)	(910)	81.2	(92)	(918)	90.0
Profit / (Loss) from operations		327	(453)	NM	1,091	(157)	NM
Finance costs		(170)	(195)	12.8	(353)	(377)	6.4
Share of results (net of tax) of:							
- associates		610	13	NM	1,008	81	NM
- joint ventures		167	(135)	NM	210	(106)	NM
		777	(122)	NM	1,218	(25)	NM
Profit / (Loss) before tax		934	(770)	NM	1,956	(559)	NM
Tax expense	8	(200)	(60)	(233.3)	(396)	(114)	(247.4)
Profit / (Loss) for the period / year		734	(830)	NM	1,560	(673)	NM
Attributable to:							
Owners of the Company (PATMI/(Net loss))		647	(680)	NM	1,349	(559)	NM
Non-controlling interests (NCI)		87	(150)	NM	211	(114)	NM
Profit / (Loss) for the period / year		734	(830)	NM	1,560	(673)	NM
Basic earnings per share (cents)	13	15.3	(24.3)	NM	38.3	(19.9)	NM
Diluted earnings per share (cents)	13	15.1	(24.3)	NM	37.6	(19.9)	NM

NM: Not meaningful

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

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

**Condensed Interim Consolidated Statement of Comprehensive Income
For The Six-Month Period and Full Year Ended 31 December 2021**

	The Group Six-month Period Ended			The Group Full Year		
	31 December 2021	31 December 2020	Better/ (Worse)	31 December 2021	31 December 2020	Better/ (Worse)
	\$'M	\$'M	%	\$'M	\$'M	%
Profit/ (Loss) for the period/ year	734	(830)	NM	1,560	(673)	NM
Other comprehensive income:						
<u>Items that are/may be reclassified subsequently</u>						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	48	(191)	NM	71	189	(62)
Recognition of foreign exchange differences on disposal or liquidation of foreign operations in profit or loss	(16)	*	NM	(19)	(1)	NM
Effective portion of change in fair value of cash flow hedges	25	21	19	56	(24)	NM
Recognition of hedging reserves in profit or loss	2	2	NM	2	2	NM
Share of other comprehensive income of associates and joint ventures	58	440	(87)	244	330	(19)
	<u>117</u>	<u>272</u>	<u>57</u>	<u>354</u>	<u>496</u>	<u>29</u>
<u>Item that will not be reclassified subsequently</u>						
Change in fair value of equity investments at fair value through other comprehensive income	(15)	(30)	50	(15)	(30)	50
Total other comprehensive income, net of tax	<u>102</u>	<u>242</u>	<u>(58)</u>	<u>339</u>	<u>466</u>	<u>(27)</u>
Total comprehensive income	<u>836</u>	<u>(588)</u>	<u>NM</u>	<u>1,899</u>	<u>(207)</u>	<u>NM</u>
Attributable to:						
Owners of the Company	762	(461)	NM	1,672	(146)	NM
Non-controlling interests	74	(127)	NM	227	(61)	NM
Total comprehensive income	<u>836</u>	<u>(588)</u>	<u>NM</u>	<u>1,899</u>	<u>(207)</u>	<u>NM</u>

* Less than \$1 million

NM: Not meaningful

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

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

**Condensed Interim Balance Sheets
As At 31 December 2021**

Note	The Group		The Company	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	\$'M	\$'M	\$'M	\$'M
Non-current assets				
	1,067	1,096	21	*
Property, plant and equipment				
	990	1,006	*	*
Intangible assets				
9	16,249	15,852	-	-
Investment properties				
	-	-	11,159	1,575
Subsidiaries				
	10,466	10,908	-	-
Associates				
	2,782	2,290	-	-
Joint ventures				
	58	58	-	-
Deferred tax assets				
	212	770	3	-
Other non-current assets				
	31,824	31,980	11,183	1,575
Current assets				
	268	211	-	-
Development properties for sale				
10	1,661	4,258	243	93
Trade and other receivables				
	14	6	-	-
Other current assets				
11	2	32	-	-
Assets held for sale				
	3,877	1,736	362	10
Cash and cash equivalents				
	5,822	6,243	605	103
Less: current liabilities				
	2,128	5,513	269	29
Trade and other payables				
12				
	1,941	1,132	11	-
Short term borrowings				
18				
	608	22	-	-
Current portion of debt securities				
19				
	939	470	1	*
Current tax payable				
	5,616	7,137	281	29
Net current assets / (liabilities)				
	206	(894)	324	74
Less: non-current liabilities				
	10,428	6,049	12	-
Long term borrowings				
18				
	571	1,263	-	-
Debt securities				
19				
	538	464	-	-
Deferred tax liabilities				
	392	7,576	819	1,435
Other non-current liabilities				
20				
	11,929	15,352	831	1,435
Net assets				
	20,101	15,734	10,676	214
Representing:				
	10,760	7,926	10,760	*
Share capital				
21				
	10,165	8,916	105	203
Revenue reserve				
	(4,881)	(4,967)	(189)	11
Other reserves				
	16,044	11,875	10,676	214
Equity attributable to owners of the Company				
	396	396	-	-
Perpetual securities				
	3,661	3,463	-	-
Non-controlling interests				
Total equity	20,101	15,734	10,676	214

* Less than \$1 million

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

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

**Condensed Interim Statement of Changes in Equity
For the Full Year Ended 31 December 2021**

The Group	Share capital \$'M	Revenue reserve \$'M	Reserve for own shares \$'M	Capital reserve [#] \$'M	Hedging reserve \$'M	Fair value reserve \$'M	Assets revaluation reserve \$'M	Foreign currency translation reserve \$'M	Total \$'M	Perpetual securities \$'M	Non-controlling interests \$'M	Total Equity \$'M
At 1 January 2021	7,926	8,916	-	(4,756)	(110)	52	6	(159)	11,875	396	3,463	15,734
Total comprehensive income												
Profit for the year	-	1,349	-	-	-	-	-	-	1,349	-	211	1,560
Other comprehensive income												
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	-	-	-	-	-	-	-	65	65	-	6	71
Recognition of foreign exchange differences on disposal or liquidation of foreign operations in profit or loss	-	-	-	-	-	-	-	(19)	(19)	-	-	(19)
Effective portion of change in fair value of cash flow hedges	-	-	-	-	49	-	-	-	49	-	7	56
Recognition of hedging reserve in profit or loss	-	-	-	-	1	-	-	-	1	-	1	2
Share of other comprehensive income of associates and joint ventures	-	-	-	-	61	(1)	-	182	242	-	2	244
Change in fair value of equity investment at fair value through other comprehensive income	-	-	-	-	-	(15)	-	-	(15)	-	-	(15)
Total other comprehensive income, net of tax	-	-	-	-	111	(16)	-	228	323	-	16	339
Total comprehensive income	-	1,349	-	-	111	(16)	-	228	1,672	-	227	1,899
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners												
Issue of new shares	2,870	-	-	-	-	-	-	-	2,870	-	-	2,870
Purchase of treasury shares	-	-	(208)	-	-	-	-	-	(208)	-	-	(208)
Contributions from non-controlling interests (net)	-	-	-	-	-	-	-	-	-	-	51	51
Dividends paid/payable	-	(4)	-	-	-	-	-	-	(4)	-	(103)	(107)
Distribution attributable to perpetual securities	-	(5)	-	-	-	-	-	-	(5)	13	(8)	-
Distribution paid to perpetual securities	-	-	-	-	-	-	-	-	-	(13)	-	(13)
Reclassification of other capital reserve	-	38	-	(38)	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	31	-	-	-	-	31	-	5	36
Total contributions by and distributions to owners	2,870	29	(208)	(7)	-	-	-	-	2,684	-	(55)	2,629

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

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

**Condensed Interim Statement of Changes in Equity
For the Full Year Ended 31 December 2021**

The Group	Share capital \$'M	Revenue reserve \$'M	Reserve for own shares \$'M	Capital reserve# \$'M	Hedging reserve \$'M	Fair value reserve \$'M	Assets revaluation reserve \$'M	Foreign currency translation reserve \$'M	Total \$'M	Perpetual securities \$'M	Non-controlling interests \$'M	Total Equity \$'M
Changes in ownership interests in subsidiaries and other capital transactions												
Changes in ownership interests in subsidiaries with a change in control	-	20	-	(21)	(17)	-	-	(2)	(20)	-	(145)	(165)
Changes in ownership interests in subsidiaries with no change in control	-	(76)	-	-	-	-	-	4	(72)	-	172	100
Share of reserves of associates and joint ventures	-	(49)	-	9	-	-	-	-	(40)	-	-	(40)
Others	(36)	(24)	-	5	-	-	-	-	(55)	-	(1)	(56)
Total changes in ownership interests in subsidiaries and other capital transactions	(36)	(129)	-	(7)	(17)	-	-	2	(187)	-	26	(161)
Total transactions with owners	2,834	(100)	(208)	(14)	(17)	-	-	2	2,497	-	(29)	2,468
As at 31 December 2021	10,760	10,165	(208)	(4,770)	(16)	36	6	71	16,044	396	3,661	20,101

* Less than \$1 million

Includes equity compensation reserve and other capital reserves.

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

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

**Condensed Interim Statement of Changes in Equity
For The Full Year Ended 31 December 2021**

The Group	Share capital \$'M	Revenue reserve \$'M	Capital reserve* \$'M	Fair value reserve \$'M	Fair value reserve \$'M	Asset revaluation reserve \$'M	Foreign currency translation reserve \$'M	Total \$'M	Perpetual securities \$'M	Non-controlling interests \$'M	Total equity \$'M
At 1 January 2020	7,826	10,202	(4,792)	(77)	82	6	(636)	12,611	396	3,569	16,576
Total comprehensive income											
Loss for the year	-	(559)	-	-	-	-	-	(559)	-	(114)	(673)
Other comprehensive income											
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	-	-	-	-	-	-	135	135	-	54	189
Recognition of foreign exchange differences on disposal or liquidation of foreign operations in profit or loss	-	-	-	-	-	-	(1)	(1)	-	-	(1)
Effective portion of change in fair value of cash flow hedges	-	-	-	(20)	-	-	-	(20)	-	(4)	(24)
Recognition of hedging reserve in profit or loss	-	-	-	2	-	-	-	2	-	-	2
Share of other comprehensive income of associates and joint ventures	-	-	-	(15)	-	-	342	327	-	3	330
Change in fair value of equity investment at fair value through other comprehensive income	-	-	-	-	(30)	-	-	(30)	-	-	(30)
Total other comprehensive income, net of tax	-	-	-	(33)	(30)	-	476	413	-	53	466
Total comprehensive income	-	(559)	-	(33)	(30)	-	476	(146)	-	(61)	(207)
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Issue of new shares	100	-	-	-	-	-	-	100	-	-	100
Contributions from non-controlling interests (net)	-	-	-	-	-	-	-	-	-	73	73
Dividends paid/payable	-	(720)	-	-	-	-	-	(720)	-	(113)	(833)
Issue of perpetual securities (net)	-	-	-	-	-	-	-	-	*	-	*
Distribution attributable to perpetual securities	-	(6)	-	-	-	-	-	(6)	16	(10)	-
Distribution paid to perpetual securities	-	-	-	-	-	-	-	-	(16)	-	(16)
Share-based payments	-	-	(3)	-	-	-	-	(3)	-	4	1
Total contributions by and distributions to owners	100	(726)	(3)	-	-	-	-	(629)	-	(46)	(675)

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

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

**Condensed Interim Statement of Changes in Equity
For The Full Year Ended 31 December 2021**

The Group	Share capital \$'M	Revenue reserve \$'M	Capital reserve# \$'M	Hedging reserve \$'M	Fair value reserve \$'M	Asset revaluation reserve \$'M	Foreign currency translation reserve \$'M	Total \$'M	Perpetual securities \$'M	Non-controlling interests \$'M	Total equity \$'M
Changes in ownership interests in subsidiaries and other capital transactions											
Changes in ownership interests in subsidiaries with a change in control	-	(3)	17	-	-	-	1	15	-	4	19
Changes in ownership interests in subsidiaries with no change in control	-	49	*	*	*	-	-	49	-	(5)	44
Share of reserves of associates and joint ventures	-	(8)	7	-	-	-	-	(1)	-	-	(1)
Others	-	(39)	15	-	-	-	-	(24)	-	2	(22)
Total changes in ownership interests in subsidiaries and other capital transactions	-	(1)	39	*	*	-	1	39	-	1	40
Total transactions with owners	100	(727)	36	*	*	-	1	(590)	-	(45)	(635)
At 31 December 2020	7,926	8,916	(4,756)	(110)	52	6	(159)	11,875	396	3,463	15,734

* Less than \$1 million

Includes reserve for own shares, equity compensation reserve and other capital reserves.

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

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

**Condensed Interim Statement of Changes in Equity
For The Full Year Ended 31 December 2021**

The Company	Share capital S\$'M	Revenue reserve S\$'M	Capital reserve# S\$'M	Total S\$'M
At 1 January 2021	*	203	11	214
Total comprehensive income				
Loss for the year	-	(105)	-	(105)
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Issue of new shares	10,796	-	-	10,796
Purchase of treasury shares	-	-	(208)	(208)
Tax-exempt dividend paid	-	(1)	-	(1)
Reclassification of equity compensation reserve	-	8	(8)	-
Share-based payments	-	-	9	9
Total contributions by and distributions to owners	10,796	7	(207)	10,596
Changes in ownership interests in subsidiaries and other capital transactions				
Capitalisation of transaction cost	(36)	-	-	(36)
Others	-	-	7	7
Total changes in ownership interests in subsidiaries and other capital transactions	(36)	-	7	(29)
Total transactions with owners	10,760	7	(200)	10,567
As at 31 December 2021	10,760	105	(189)	10,676
At 1 January 2020	*	123	11	134
Total comprehensive income				
Profit for the year	-	127	-	127
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Tax-exempt dividend paid	-	(47)	-	(47)
Vesting of holding company's share plans	-	-	(1)	(1)
Share-based payments	-	-	1	1
Total contributions by and distributions to owners	-	(47)	-	(47)
Total transactions with owners	-	(47)	-	(47)
As at 31 December 2020	*	203	11	214

* Less than \$1 million

Includes reserve for own shares, equity compensation reserve and other capital reserves.

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

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

**Condensed Interim Consolidated Statement of Cash Flows
For the Full Year Ended 31 December 2021**

	Note	2021 \$'M	2020 \$'M
Cash flows from operating activities			
Profit/(Loss) after tax		1,560	(673)
Adjustments for:			
(Write-back of)/Allowance for:			
- impairment loss on receivables		(64)	27
- foreseeable losses		-	17
- impairment on intangible assets	7	15	153
- impairment on property, plant and equipment	7	*	27
Amortisation of intangible assets		27	23
Depreciation of property, plant and equipment and right-of-use assets		133	126
Dividend income	7	(5)	(10)
Finance costs		353	377
Gain on disposal of equity investment designated as fair value through profit or loss	7	(24)	-
Gain on disposal of investment properties	7	(205)	(41)
Income from income support guarantee		(15)	-
Interest income	7	(29)	(40)
Loss on disposal and write off of property, plant and equipment	7	3	*
Loss on right-of-use assets lease remeasurement/modification		2	-
Net change in fair value of investment properties and assets held for sale	7	(255)	698
Net change in fair value of financial assets designated as fair value through profit or loss	7	18	13
Net gain from change of ownership interests in subsidiaries, associates and joint ventures		(131)	(99)
Share of results of associates and joint ventures		(1,218)	25
Share-based expenses		58	18
Tax expense		396	114
		<u>(941)</u>	<u>1,428</u>
Operating profit before working capital changes		619	755
Changes in working capital:			
Trade and other receivables		(7)	(208)
Development properties for sale		(42)	(9)
Trade and other payables		307	(212)
Restricted bank deposits		(3)	-
		<u>255</u>	<u>(429)</u>
Cash generated from operations		874	326
Taxation paid		(207)	(143)
Net cash generated from operating activities		667	183

* Less than \$1 million

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

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

**Condensed Interim Consolidated Statement of Cash Flows
For the Full Year Ended 31 December 2021**

	Note	2021 \$'M	2020 \$'M
Cash flows from investing activities			
Acquisition/Development expenditure of investment properties		(1,241)	(236)
Acquisition of subsidiaries, net of cash acquired	24(b)	(1,390)	(213)
Deposits placed for acquisition of investment property		(1)	-
Deposits (returned)/received for disposal of investment property/subsidiaries		(9)	21
Disposal of subsidiaries, net of cash disposed of	24(d)	573	192
Dividends received from associates and joint ventures		1,980	502
Interest income received		31	39
(Investments in)/Return of investments from associates, joint ventures and other investments		(261)	301
Proceeds from disposal of investment properties		1,354	364
Proceeds from disposal of assets held for sale		49	155
Proceeds from disposal of other financial assets		226	-
Purchase of intangible assets and property, plant and equipment		(42)	(44)
Settlement of hedging instruments		(1)	(13)
Net cash generated from investing activities		1,268	1,068
Cash flows from financing activities			
Contributions from non-controlling interests		218	73
Dividends paid to non-controlling interests		(103)	(113)
Distributions to perpetual securities holders		(13)	(16)
Dividends paid to shareholders		(1)	(720)
Interest expense paid		(342)	(365)
Loans from/(Repayments of loans from) associates and joint ventures		1,260	(5)
Purchase of treasury shares		(208)	-
Payment for acquisition of ownership interests in subsidiaries with no change in control		(40)	(3)
Payment of issue expenses for issuance of share capital		(38)	-
Proceeds from bank borrowings		5,979	989
Proceeds from issuance of debt securities		139	-
Repayments of lease liabilities		(64)	(56)
Repayments of bank borrowings		(1,807)	(792)
Repayments of debt securities		(220)	(166)
(Repayments of)/Loans from related companies		(4,537)	194
Decrease in bank deposits pledged for bank facilities		-	8
Net cash generated from/ (used in) financing activities		223	(972)
Net increase in cash and cash equivalents		2,158	279
Cash and cash equivalents at beginning of the year		1,678	1,354
Effect of exchange rate changes on cash balances held in foreign currencies		(21)	42
Changes in cash and cash equivalents reclassified to assets held for sale		-	3
Cash and cash equivalents at end of the year		3,815	1,678
Restricted bank deposits		62	58
Cash and cash equivalents in the Balance Sheet		3,877	1,736

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

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021

1 Domicile and activities

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

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

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

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

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

2 Summary of Significant Accounting Policies

2.1 Basis of preparation of the consolidated financial statements

Internal Restructuring

On 15 September 2021, CL, the immediate holding company of the Company, together with CLA Real Estate Holdings Pte. Ltd. ("CLA"), the immediate holding company of CL, completed a scheme of arrangement pursuant to Section 210 of the Companies Act ("Scheme") to:

- effect a restructuring of the business of CL and its subsidiaries (CapitaLand Group) business so as to consolidate CapitaLand Group's investment management platform and operating platforms for office, retail malls, business park properties and data centres, its lodging business, certain assets and certain corporate office entities (together known as the "Combining Entities") into the Group under the internal restructuring (Internal Restructuring); and
- retain the real estate development business of the CapitaLand Group under private ownership, to be fully held by CLA through the privatisation of CL on completion of the Scheme.

The Scheme involved the following:

- CL undertook the distribution of approximately 48.24% of the issued ordinary shares in the capital of the Company to eligible shareholders of CL on a pro-rata basis;
- CL undertook the distribution of 388,242,247 issued units in CapitaLand Integrated Commercial Trust (CICT) to eligible shareholders of CL on a pro-rata basis.
- Upon the above distribution-in-specie taking effects, CLA acquired all the shares of CL (excluding the treasury shares) from the shareholders of CL (excluding CLA).

Pursuant to the internal restructuring, the Company increased its share capital by \$10,796 million for the settlement of outstanding loans as well as transfer consideration of the entities transferred from CL and its subsidiaries to the Group.

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021

Following the completion of the Internal Restructuring of the CapitaLand Group, the Company became the holding company of the Combining Entities. Please refer to page D-16 of the Introductory Document dated 17 July 2021 issued by the Group (Introductory Document) for the list of the Combining Entities. The Company, together with the Combining Entities, are hereinafter referred to as the Group.

The Group resulting from the above Internal Restructuring is regarded as a continuing entity in the financial year ended 31 December 2020 as the Group is ultimately controlled by the immediate holding company, CapitaLand Group Pte. Ltd., both before and after the Internal Restructuring.

Basis of Preparation

The condensed interim financial statements for the six-month period ended and full year ended 31 December 2021 ("Condensed Interim Financial Statements") have been prepared in accordance with Singapore Financial Reporting Standard (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* and International Accounting Standard 34 *Interim Financial Reporting*. SFRS(I)s are issued by the Accounting Standards Council and comprise standards and interpretations that are equivalent to International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standard Board ("IASB"). The Condensed Interim Financial Statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the Group's combined financial statements for the year ended 31 December 2020 included in the Introductory Document. The accounting policies adopted are consistent with those stated in the Group's combined financial statements for the year ended 31 December 2020.

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

The comparative information presented in these Condensed Interim Financial Statements relate to the combined financial statements of the Group for the six months ended 31 December 2020 and the year ended 31 December 2020 which have been prepared using the principles of merger accounting on the basis that the Internal Restructuring, which transfers the interest in the Combining Entities under common control to the Company, has been effected before the start of the earliest period presented, or the dates of incorporation of the Combining Entities, or the dates when common control is established, whichever is later.

In applying merger accounting and preparing the combined financial statements, the Group recognised the assets, liabilities and equity of the Combining Entities at their respective historical carrying amounts, adjusted for 22.9% of the interest in CICT and 24.0% of the interest in CapitaLand China Trust ("CLCT") which were deemed to be transferred by the CapitaLand Group to the Group before the start of the earliest period presented. CICT and CLCT have been accounted for as associates in the Condensed Interim Financial Statements. This adjustment was made to reflect the relevant economic activities of the continuing Group and continuity of the financial information presented.

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021

2.2 Changes in accounting policies

The accounting policies adopted by the Group in the preparation of the condensed interim financial statements are consistent with those disclosed in the Group's combined financial statements as at and for the year ended 31 December 2020 which were prepared in accordance with SFRS(I)s and IFRSs, except for the adoption of new and revised standards effective as of 1 January 2021. The Group adopted various new and amended accounting standards which are effective from 1 January 2021. 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 2021:

- Interest Rate Benchmark Reform – Phase 2 (Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16)

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

3 Use of judgement and estimates

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

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the Group's audited combined financial statements as at and for the year ended 31 December 2020.

4 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period except for the lodging business. The Group's lodging business is subject to domestic and international economic conditions and seasonality factors. In addition, the adverse development on travel and tourism in the countries which the Group operates its lodging business, could materially and adversely affect the Group's lodging business, financial conditions and results of operations.

5 Operating segments

Operating segment

	Fee Income-related Business \$'M	Real Estate Investment Business \$'M	Corporate and Others \$'M	Elimination \$'M	Total \$'M
Six-month period ended 31 December 2021					
Revenue					
External revenue	405	817	22	–	1,244
Inter-segment revenue	63	18	111	(192)	–
Total revenue	468	835	133	(192)	1,244

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021

	Fee Income- related Business \$'M	Real Estate Investment Business \$'M	Corporate and Others \$'M	Elimination \$'M	Total \$'M
Segmental results					
Company and subsidiaries	177	467	(235)	–	409
Associates	–	529	81	–	610
Joint ventures	3	103	61	–	167
EBITDA	180	1,099	(93)	–	1,186
Depreciation and amortisation					(82)
Finance costs					(170)
Tax expense					(200)
Profit for the period					734
Six-month period ended 31 December 2020					
Revenue					
External revenue	332	625	29	–	986
Inter-segment revenue	84	12	64	(160)	–
Total revenue	416	637	93	(160)	986
Segmental results					
Company and subsidiaries	47	(423)	2	–	(374)
Associates	–	13	–	–	13
Joint ventures	–	(135)	–	–	(135)
EBITDA	47	(545)	2	–	(496)
Depreciation and amortisation					(79)
Finance costs					(195)
Tax expense					(60)
Loss for the period					(830)
Full Year 31 December 2021					
Revenue					
External revenue	755	1,478	60	–	2,293
Inter-segment revenue	150	28	197	(375)	–
Total revenue	905	1,506	257	(375)	2,293
Segmental results					
Company and subsidiaries	312	1,157	(218)	–	1,251
Associates	–	927	81	–	1,008
Joint ventures	3	146	61	–	210
EBITDA	315	2,230	(76)	–	2,469
Depreciation and amortisation					(160)
Finance costs					(353)
Tax expense					(396)
Profit for the period					1,560
Segment assets	1,864	33,984	8,479	(6,681)	37,646
Segment liabilities	444	11,731	5,370		17,545

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021

	Fee Income-related Business \$'M	Real Estate Investment Business \$'M	Corporate and Others \$'M	Elimination \$'M	Total \$'M
Full Year 31 December 2020					
Revenue					
External revenue	634	1,292	57	–	1,983
Inter-segment revenue	152	22	153	(327)	–
Total revenue	786	1,314	210	(327)	1,983
Segmental results					
Company and subsidiaries	170	(196)	18	–	(8)
Associates	–	81	–	–	81
Joint ventures	4	(110)	–	–	(106)
EBITDA	174	(225)	18		(33)
Depreciation and amortisation					(149)
Finance costs					(377)
Tax expense					(114)
Loss for the period					(673)
Segment assets	1,740	36,057	7,036	(6,610)	38,223
Segment liabilities	586	19,842	2,061	–	22,489

Geographical information

	Singapore \$'M	China ¹ \$'M	Other developed markets ² \$'M	Other emerging markets ³ \$'M	Total \$'M
Six-month period ended 31 December 2021					
External revenue	271	259	585	129	1,244
EBITDA	427	110	623	26	1,186
Six-month period ended 31 December 2020					
External revenue	301	192	401	92	986
EBITDA	277	(251)	(423)	(99)	(496)
Full Year 31 December 2021					
External revenue	620	442	985	246	2,293
EBITDA	803	699	896	71	2,469
Total assets	11,119	12,911	10,043	3,573	37,646
Full Year 31 December 2020					
External revenue	580	363	816	224	1,983
EBITDA	420	(101)	(307)	(45)	(33)
Total assets	13,088	11,524	10,008	3,603	38,223

¹ Includes Hong Kong

² Includes United Kingdom, France, Germany, Spain, Belgium, Ireland, Japan, South Korea, United States of America, Australia and New Zealand but excludes Singapore and Hong Kong

³ Excludes China.

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021

6 Revenue

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

	The Group			
	Six-month period ended		Full year	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	\$'M	\$'M	\$'M	\$'M
Revenue from contract with customers	425	346	826	668
Rental of investment properties:				
- Retail, office, business park, industrial, logistics and data centre rental and related income	273	305	568	595
- Lodging properties rental and related income	538	331	885	710
Others	8	4	14	10
	<u>1,244</u>	<u>986</u>	<u>2,293</u>	<u>1,983</u>

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

	The Group			
	Six-month period ended		Full year	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	\$'M	\$'M	\$'M	\$'M
Primary segment				
Fee income				
- Fee income-related business	381	327	742	625
- Real estate investment business	10	–	15	–
- Corporate and others	25	19	60	43
	<u>416</u>	<u>346</u>	<u>817</u>	<u>668</u>
Development properties for sale				
- Real estate investment business	9	–	9	–
	<u>425</u>	<u>346</u>	<u>826</u>	<u>668</u>
Secondary segment				
Singapore	227	98	485	308
China ¹	122	159	207	233
Other developed markets	52	40	82	50
Other emerging markets	24	49	52	77
	<u>425</u>	<u>346</u>	<u>826</u>	<u>668</u>
¹ includes Hong Kong				
Timing of revenue recognition				
Product transferred at a point in time	9	–	9	–
Products and services transferred over time	416	346	817	688
	<u>425</u>	<u>346</u>	<u>826</u>	<u>668</u>

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021

7 Profit / (Loss) Before Tax

Profit / (Loss) before tax includes the following:

Note	The Group			
	Six-month period ended		Full year	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	\$'M	\$'M	\$'M	\$'M
a. Other operating income includes:				
Interest income	21	19	29	40
Dividend income	2	6	5	10
Foreign exchange gain	1	12	15	32
Gain on disposal of equity investment designated as fair value through profit or loss	–	–	24	–
Gain on change of ownership interests in subsidiaries, associates and joint ventures	–	109	131	109
Gain on disposal of investment properties	75	40	205	41
Net fair value gain from investment properties	255	–	255	–
Writeback of impairment loss on non-trade receivables from				
- related corporations	–	–	87	–
- others	–	–	1	–
Other income from pre-termination of contracts and income support	15	15	20	17
Forfeiture of security deposits	1	7	12	8
Government grants	i 8	36	23	65

(i) The grants relate to the Job Support Scheme or equivalents in Singapore, Australia and Europe and property tax rebates extended by the Singapore government.

b. Administrative expenses include:

Allowance for impairment loss on trade receivables	9	15	18	18
Amortisation of intangible assets	13	12	27	23
Depreciation of property, plant and equipment	37	37	70	78
Depreciation of right-of-use assets	32	30	63	48
Listing and restructuring expenses	186	–	186	–
Staff costs	138	52	194	110

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021

	The Group			
	Six-month period ended		Full year	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	\$'M	\$'M	\$'M	\$'M
c. Other operating expenses include:				
Allowance for impairment loss on non-trade receivables	6	9	6	9
Loss from change of ownership interests in subsidiaries, associates and joint ventures	83	10	–	10
Impairment of property, plant and equipment	*	27	*	27
Loss on disposal and write off of property, plant and equipment	*	2	3	*
Impairment of intangible assets	15	153	15	153
Net change in fair value of financial assets designated as fair value through profit or loss	16	12	18	13
Net fair value loss from investment properties	–	698	–	698

* less than \$1 million

8 Tax Expense

	The Group			
	Six-month period ended		Full year	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	\$'M	\$'M	\$'M	\$'M
Current tax expense	104	71	287	113
Deferred tax expense / (income)	83	(101)	53	(99)
Land appreciation tax	(1)	49	(1)	49
Withholding tax expense	14	41	57	51
	200	60	396	114

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

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021

CMMTIL has obtained a legal opinion from its tax and legal advisers in the relevant jurisdiction, that (a) CMMTIL should fall within an exemption order under the relevant taxation law applicable to it, which would exempt it from paying any withholding tax for the said years of assessment and that, accordingly, the subsidiary should not be denied a deduction on the interest expense incurred; and (b) as the income tax legislation in the relevant jurisdiction provides that the Tax Authority may make an assessment or additional assessment only within the preceding five years, any assessment with respect to the years of assessment 2015 and prior years would be time-barred. CMMTIL has filed an application for a judicial review and a stay order with respect to the Tax Claim. The application for the judicial review is to seek, on the basis of the foregoing, to challenge and set aside the position by the Tax Authority that the Tax Claim is payable. In the event that the stay order is granted, the subsidiary will not be required to make any payment for the Tax Claim pending a hearing and a decision by the relevant court. No provision has been made in the financial statements for the Tax Claim due to the underlying uncertainties.

In August 2021, CMMTIL has made a partial payment of approximately \$1.4 million to the Tax Authority under an approved instalment plan. On 7 September 2021, the High Court granted CMMTIL leave for substantive judicial review at High Court, which includes a stay so that the disputed taxes need not be paid until the outcome of the judicial review. Notwithstanding the partial payment, the tax and legal advisor maintains their opinion that CMMTIL should not be subject to the additional taxes raised by the Tax Authority.

9 Investment Properties

	Note	The Group	
		31 December 2021	31 December 2020
		\$'M	\$'M
At 1 January		15,852	16,256
Acquisition of subsidiaries	24(b)	1,118	223
Disposal of subsidiaries	24(d)	(1,015)	(245)
Additions		1,237	244
Disposals		(1,182)	(311)
Reclassification (to)/ from assets held for sale		(2)	61
Reclassification to development properties for sale		(18)	-
Reclassification from property, plant and equipment		-	4
Changes in fair value		255	(698)
Translation differences		4	318
At 31 December		<u>16,249</u>	<u>15,852</u>

- (a) The carrying amounts of the investment properties as at 31 December 2021 were based on valuations performed by the independent external valuers. The valuers had considered valuation techniques including the direct comparison method, capitalisation approach, discounted cash flows and residual method in arriving at the open market value as at the balance sheet date.

The ongoing novel coronavirus (COVID-19) pandemic continued to affect market activity in many property sectors that Group operates in. As the impact of COVID-19 is fluid and evolving, significant market uncertainty exists. The valuation reports associated with certain investment properties contain the 'material valuation uncertainty' clause highlighting that as a result of the ongoing COVID-19 pandemic, less certainty should be attached to the valuations than would normally be the case. This clause does not invalidate the valuation but implies that there is substantially more uncertainty than under normal market conditions. Accordingly, the valuer cannot attach as much weight as usual to previous market evidence for comparison purposes, and there is an increased risk that the price realised in an actual transaction would differ from the value conclusion. The carrying amounts of the investment properties were current as at 31 December 2021 only.

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021

10 Trade and Other Receivables

	The Group		The Company	
	31 December 2021 \$'M	31 December 2020 \$'M	31 December 2021 \$'M	31 December 2020 \$'M
Trade receivables	303	222	–	–
Less: Allowance for impairment loss on receivables	(45)	(29)	–	–
	258	193	–	–
Deposits	11	17	–	–
Other receivables	789	98	1	*
Less: Allowance for impairment loss on receivables	(18)	(18)	–	–
	771	80	1	*
Tax recoverable	16	16	–	–
Amounts due from:				
- subsidiaries	–	–	218	28
- associates	266	151	–	–
- joint ventures	193	176	–	–
- non-controlling interests	*	8	–	–
- related parties	95	3,652	24	65
Less: Allowance for impairment loss on receivables	*	(84)	–	–
	95	3,568	24	65
Loans and receivables	1,610	4,209	243	93
Prepayments	51	49	–	–
	1,661	4,258	243	93

* Less than \$1 million

11 Assets/Liabilities Held for Sale

	The Group	
	31 December 2021 \$'M	31 December 2020 \$'M
Investment properties	2	32

Details of assets and liabilities held are as follows:

- The assets held for sale as at 31 December 2021 relates to nine strata units in Somerset Grand Citra Jakarta.
- The assets and liabilities held for sale as at 31 December 2020 included Citadines Didot Montparnasse Paris and Citadines City Centre Grenoble in France. The divestments of these properties were completed in 2021 .

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021

12 Trade and Other Payables

	The Group		The Company	
	31 December 2021 \$'M	31 December 2020 \$'M	31 December 2021 \$'M	31 December 2020 \$'M
Trade payables	162	123	*	*
Accruals	586	403	17	3
Accrued development expenditure	75	63	—	—
Other payables	737	221	4	*
Rental and other deposits	91	125	—	—
Derivative financial instruments	19	6	—	—
Liability for employee benefits	68	38	3	1
Amounts due to:				
- subsidiaries	—	—	48	—
- associates	12	483	—	—
- joint ventures	53	1	—	—
- non-controlling interests	2	2	—	—
- related parties	323	4,048	197	25
	<u>2,128</u>	<u>5,513</u>	<u>269</u>	<u>29</u>

* Less than \$1 million

13 Earnings per Share

(a) Basic earnings per share

	The Group			
	Six-month period ended		Full year	
	31 December 2021 \$'M	31 December 2020 \$'M	31 December 2021 \$'M	31 December 2020 \$'M
Basic earnings per share is based on:				
Net profit/(loss) attributable to owners of the Company	647	(680)	1,349	(559)

	The Group			
	Six-month period ended		Full year	
	31 December 2021 No. of shares ('000)	31 December 2020 No. of shares ('000)	31 December 2021 No. of shares ('000)	31 December 2020 No. of shares ('000)
Weighted average number of ordinary shares in issue during the period/year [#]	4,215,549	2,807,623	3,517,372	2,807,623

[#] The weighted average number of shares in issue is based on the estimated shares issued to effect the acquisition of interests in common control entities pursuant to the Internal Restructuring on the basis that the transfer had taken effect as of the beginning of the earliest financial period presented or the dates of incorporation of common control entities, or the dates when common control is established, whichever is later; as well as the other changes in capital structure upon the completion of the Scheme. Assuming 5,141 million shares were in issue for 2021 (2020: 5,193 million), basic earnings per share would have been 12.6 cents for 2H2021 (2H2020: -13.1 cents) and 26.2 cents for FY2021 (FY2020: -10.8 cents).

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021

(b) Diluted earnings per share

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

	The Group			
	Six-month period ended		Full year	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	\$'M	\$'M	\$'M	\$'M
Diluted earnings per share is based on:				
Net profit/(loss) attributable to owners of the Company	647	(680)	1,349	(559)

	The Group			
	Six-month period ended		Full year	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	No. of shares ('000)	No. of shares ('000)	No. of shares ('000)	No. of shares ('000)
Weighted average number of ordinary shares in issue during the period/year	4,215,549	2,807,623	3,517,372	2,807,623
Adjustments for dilutive potential ordinary shares under:				
- CLI Performance Share Plan	68,444	–	68,444	–
	68,444	–	68,444	–
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	4,283,993	2,807,623	3,585,816	2,807,623

14 Dividends

The Board of Directors of the Company has proposed a tax-exempt ordinary dividend of 12.0 cents per share and a special dividend of 3.0 cents per share in respect of the financial year ended 31 December 2021. This would amount to a payout of approximately \$771 million based on the number of issued shares (excluding treasury shares) as at 31 December 2021. The tax-exempt dividends are subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

Prior to the restructuring and listing of the Company, the Company was a wholly owned subsidiary of CapitaLand Group Pte. Ltd. For financial year ended 31 December 2020, the Company paid a total dividend of \$1 million to CapitaLand Group Pte. Ltd.

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021

15 Net Asset Value and Net Tangible Assets per Share

	The Group		The Company	
	31 December 2021 \$	31 December 2020 \$	31 December 2021 \$	31 December 2020 \$
Net asset value (NAV) per ordinary share ¹	3.12	4.23 ²	2.08	NM
Net tangible assets (NTA) per ordinary share ¹	2.93	3.87 ²	2.08	NM

NM: Not meaningful

¹ Excluding treasury shares

² NAV and NTA per share would have been \$2.83 and \$2.64 respectively, taking into account the capitalisation of loans and the number of shares issued as at 31 December 2020 to be 5,203 million.

16 Financial Assets and Financial Liabilities

During the year ended 31 December 2021, the Group had restructured its interest in an equity investment at FVTPL in Japan with a carrying value of \$255 million. Following the restructuring, the Group accounted for this investment as a jointly controlled operation and accordingly, the Group had proportionately consolidated the investment with effect from March 2021.

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021

17 Fair Value Of Assets And Liabilities

(a) Accounting classification and fair values

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

	<----- Carrying amount ----->					<----- Fair value ----->			
	Fair value - hedging instruments \$'M	FVOCI \$'M	FVTPL \$'M	Amortised Cost \$'M	Total \$'M	Level 1 \$'M	Level 2 \$'M	Level 3 \$'M	Total \$'M
The Group									
31 December 2021									
Financial assets measured at fair value									
Equity investments at FVOCI	—	60	—	—	60	60	—	—	60
Equity investments at FVTPL	—	—	107	—	107	3	—	104	107
Derivative financial assets	36	—	—	—	36	—	36	—	36
	<u>36</u>	<u>60</u>	<u>107</u>	<u>—</u>	<u>203</u>				
Financial assets not measured at fair value									
Other non-current assets	—	—	—	19	19				
Loans due from associates	—	—	—	3	3				
Loans due from joint ventures	—	—	—	422	422				
Trade and other receivables	—	—	—	1,610	1,610				
Cash and cash equivalents	—	—	—	3,877	3,877				
	<u>—</u>	<u>—</u>	<u>—</u>	<u>5,931</u>	<u>5,931</u>				

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021

	Note	Carrying amount				Fair value				
		Fair value - hedging instruments \$'M	FVOCI \$'M	FVTPL \$'M	Amortised Cost \$'M	Total \$'M	Level 1 \$'M	Level 2 \$'M	Level 3 \$'M	Total \$'M
The Group										
31 December 2021										
Financial liabilities measured at fair value										
Derivative financial instruments		(59)	—	—	—	(59)	—	(59)	—	(59)
		<u>(59)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(59)</u>				<u>(59)</u>
Financial liabilities not measured at fair value										
Other non-current liabilities [#]		—	—	—	(312)	(312)	—	—	(293)	(293)
Bank borrowings [^]	18	—	—	—	(11,598)	(11,598)	—	(11,583)	—	(11,583)
Debt securities	19	—	—	—	(1,179)	(1,179)	(250)	(930)	—	(1,180)
Trade and other payables [#]		—	—	—	(2,041)	(2,041)	—	—	—	—
		<u>—</u>	<u>—</u>	<u>—</u>	<u>(15,130)</u>	<u>(15,130)</u>				<u>(15,130)</u>

[#] Excludes liability for employee benefits, derivative liabilities and deferred income.

[^] Excludes lease liabilities.

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021

	<----- Carrying amount ----->					<----- Fair value ----->			
	Fair value - hedging instruments \$'M	FVOCI \$'M	FVTPL \$'M	Amortised Cost \$'M	Total \$'M	Level 1 \$'M	Level 2 \$'M	Level 3 \$'M	Total \$'M
The Group									
31 December 2020									
Financial assets measured at fair value									
Equity investments at FVOCI	—	64	—	—	64	64	—	—	64
Equity investments at FVTPL	—	—	332	—	332	3	—	329	332
Derivative financial assets	11	—	—	—	11	—	11	—	11
	<u>11</u>	<u>64</u>	<u>332</u>	<u>—</u>	<u>407</u>				
Financial assets not measured at fair value									
Other non-current assets	—	—	—	365	365				
Loans due from associates	—	—	—	2	2				
Loans due from joint ventures	—	—	—	457	457				
Trade and other receivables	—	—	—	4,209	4,209				
Cash and cash equivalents	—	—	—	1,736	1,736				
	<u>—</u>	<u>—</u>	<u>—</u>	<u>6,769</u>	<u>6,769</u>				

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021

	Note	----- Carrying amount ----->				<----- Fair value ----->				
		Fair value - hedging instruments \$'M	FVOCI \$'M	FVTPL \$'M	Amortised Cost \$'M	Total \$'M	Level 1 \$'M	Level 2 \$'M	Level 3 \$'M	Total \$'M
The Group										
31 December 2020										
Financial liabilities measured at fair value										
Derivative financial instruments										
		(96)	—	—	—	(96)	—	(96)	—	(96)
		<u>(96)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(96)</u>				<u>(96)</u>
Financial liabilities not measured at fair value										
Other non-current liabilities [#]										
		—	—	—	(7,462)	(7,462)	—	—	(7,451)	(7,451)
Bank borrowings [^]	18	—	—	—	(6,433)	(6,433)	—	(6,446)	—	(6,446)
Debt securities	19	—	—	—	(1,285)	(1,285)	—	(1,299)	—	(1,299)
Trade and other payables [#]		—	—	—	(5,277)	(5,277)				
		<u>—</u>	<u>—</u>	<u>—</u>	<u>(20,457)</u>	<u>(20,457)</u>				<u>(20,457)</u>

[#] Excludes liability for employee benefits, derivative liabilities and deferred income.

[^] Excludes lease liabilities.

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021

	<---- Carrying amount---->		< ----- Fair value ----- >			
	Amortised Cost \$'M	Total \$'M	Level 1 \$'M	Level 2 \$'M	Level 3 \$'M	Total \$'M
The Company						
31 December 2021						
Financial assets not measured at fair value						
Amount due from subsidiaries	4,481	4,481				
Trade and other receivables	243	243				
Cash and cash equivalents	362	362				
	<u>5,086</u>	<u>5,086</u>				
Financial liabilities not measured at fair value						
Other non-current liabilities#	(811)	(811)				
Trade and other payables#	(266)	(266)				
	<u>(1,077)</u>	<u>(1,077)</u>				
31 December 2020						
Financial assets not measured at fair value						
Amount due from subsidiaries	198	198				
Trade and other receivables	93	93				
Cash and cash equivalents	10	10				
	<u>301</u>	<u>301</u>				
Financial liabilities not measured at fair value						
Other non-current liabilities#	(1,435)	(1,435)				
Trade and other payables#	(28)	(28)				
	<u>(1,463)</u>	<u>(1,463)</u>				

Excludes liability for employee benefits.

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021

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

The Group	Note	Fair value Level 3 \$'M
31 December 2021		
Non-financial assets measured at fair value		
Investment properties	9	16,249
Assets held for sale – investment properties	11	<u>2</u>
		<u>16,251</u>
31 December 2020		
Non-financial assets measured at fair value		
Investment properties	9	15,852
Assets held for sale – investment properties	11	<u>32</u>
		<u>15,884</u>

(b) Level 3 fair value measurements

(i) *Reconciliation of Level 3 fair value*

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

	Equity investments at FVTPL \$'M	Asset held for sale – investment properties \$'M
2021		
At 1 January 2021	329	32
Additions	48	2
Disposal	(242)	(32)
Changes in fair value recognised in profit or loss	(18)	–
Translation differences	(13)	–
At 31 December 2021	<u>104</u>	<u>2</u>
2020		
At 1 January 2020	334	247
Additions	1	32
Disposals	–	(154)
Reclassification to investment property	–	(93)
Changes in fair value recognised in profit or loss	(13)	–
Translation differences	7	–
At 31 December 2020	<u>329</u>	<u>32</u>

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021

(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)						
	2021						
-	Singapore	–	4.3%	–	6.0%	–	The estimated fair value varies inversely against the capitalisation rate.
-	China	5.0%	4.3%	4.8% to 6.0%	5.0% to 7.0%	–	
-	Others	6.5% to 7.0%	4.5%	6.5%	7.0% to 8.8%	4.3% to 5.3%	
	2020						
-	Singapore	–	4.3%	–	5.5% to 6.5%	–	
-	China	5.0%	4.3%	4.8% to 6.0%	5.0% to 7.0%	–	
-	Others	6.8% to 7.0%	4.5%	6.5%	6.9% to 9.0%	4.8% to 5.3%	

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021

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
Discounted cash flow approach							
	Discount rate						
	2021						The estimated fair value varies inversely against the discount rate and terminal yield rate.
	- Singapore	–	6.5%	–	7.8%	5.0% to 5.3%	
	- China	9.0%	7.3% to 7.8%	8.8% to 9.5%	8.3% to 10.0%	5.3% to 5.8%	
	- Others	–	4.3%	–	12.8% to 18.8%	3.3% to 10.5%	
	2020						
	- Singapore	–	6.5%	–	7.0% to 8.0%	4.2% to 4.8%	
	- China	9.0%	7.3% to 7.8%	8.8% to 9.5%	8.3% to 10.0%	7.1% to 8.1%	
	- Others	5.1% to 5.7%	4.1% to 4.4%	–	13.8% to 20.0%	3.9% to 11.0%	
	Terminal yield rate						
	2021						
	- Singapore	–	4.5%	–	6.3%	3.5% to 3.8%	
	- China	5.5%	4.3% to 4.5%	5.5% to 6.3%	5.3% to 7.3%	3.5% to 4.7%	
	- Others	–	4.6%	–	8.8%	3.6% to 8.2%	
	2020						
	- Singapore	–	4.5%	–	5.8% to 7.0%	3.5% to 4.0%	
	- China	5.5%	4.3% to 4.5%	5.0% to 6.3%	5.0% to 7.3%	5.0% to 6.0%	
	- Others	5.2% to 6.0%	4.4% to 4.7%	–	8.8% to 9.0%	3.8% to 8.0%	
Residual value method							
	Gross development value (\$ million)						
	2021	–	–	–	37 to 158	51 to 158	The estimated fair value increases with higher gross development value and decreases with higher estimated cost to completion.
	2020	–	–	–	–	55 to 131	
	Estimated cost to completion (\$ million)						
	2021	–	–	–	43 to 97	8 to 125	
	2020	–	–	–	–	31 to 129	

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021

(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 in offices in Japan, Korea and Germany at FVTPL	Discounted cash flow method	- Discount rate: 5.2% to 6.5% (31 December 2020: 3.5% to 6.5%) - Terminal yield rate: 3.0% to 4.5% (31 December 2020: 3.8 to 4.5%)	The estimated fair value increases with lower discount rate and terminal yield rate
Equity investment in a lodging platform in China at FVTPL	Income approach	- Enterprise value/ Revenue multiple of comparable companies: 2.0x to 7.3x (31 December 2020: 2.8x to 7.3x) - Volatility of comparable companies: 36% to 57% (31 December 2020: 36% to 55%)	The estimated fair value increases with higher revenue multiple and varies inversely against volatility.
Equity investment in Australia at FVTPL	Income approach	- Discount rate: 12%% (31 December 2020: 13%) - Terminal growth rate: 2% (31 December 2020: 2%)	The estimated fair value increases with lower discount rate and higher terminal growth rate.
Equity investment in funds in Korea and Japan at FVTPL	Net asset value	- Net asset value [#]	Not applicable

[#] Fair value of unquoted equity instruments is determined by reference to the underlying assets value of the investee companies, which comprise mainly investment properties stated at fair value.

18 Borrowings

	The Group		The Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	\$'M	\$'M	\$'M	\$'M
Bank borrowings				
- secured	4,345	5,209	-	-
- unsecured	7,253	1,224	-	-
	11,598	6,433	-	-
Lease liabilities	771	748	23	-
	12,369	7,181	23	-
Repayable:				
Not later than 1 year	1,941	1,132	11	-
Between 1 and 5 years	8,856	4,620	12	-
After 5 years	1,572	1,429	-	-
After 1 year	10,428	6,049	12	-
	12,369	7,181	23	-

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021

Movement during the year are as follows:

	Note	2021 \$'M
The Group		
At 1 January 2021		7,181
Repayments of bank borrowings and lease liabilities		(1,871)
Proceeds from bank borrowings		5,979
Acquisition of subsidiaries	24(b)	1,401
Disposal of subsidiaries	24(d)	(348)
Translation differences		(67)
Others		94
At 31 December 2021		<u>12,369</u>

Bank borrowings are secured by the following assets:

- (i) mortgages on the borrowing subsidiaries' property, plant and equipment, investment properties, development properties for sale, trade and other receivables and shares of certain subsidiaries of the Group; and
- (ii) assignment of all rights, titles and benefits with respect to the properties mortgaged.

19 Debt Securities

	The Group	
	31 December 2021 \$'M	31 December 2020 \$'M
Secured notes and bonds	171	259
Unsecured notes and bonds	1,008	1,026
	<u>1,179</u>	<u>1,285</u>
Repayable:		
Not later than 1 year	608	22
Between 1 and 5 years	571	1,263
	<u>1,179</u>	<u>1,285</u>

Movement during the year are as follows:

	2021 \$'M
The Group	
At 1 January 2021	1,285
Repayments of debt securities	(220)
Proceeds from issuance of debt securities	139
Translation differences	(25)
At 31 December 2021	<u>1,179</u>

As at 31 December 2021, the secured notes and bonds amounting to \$171 million (2020: \$259 million) were fully secured by deposits pledged and mortgages on the investment properties of the Group.

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021

20 Other Non-Current Liabilities

	The Group		The Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	\$'M	\$'M	\$'M	\$'M
Amounts due to:				
- subsidiary	–	–	486	486
- associates	6	–	–	–
- non-controlling interests	23	23	–	–
- related parties	83	7,292	325	325
- immediate holding company	–	–	–	624
Liability for employee benefits	29	10	8	–
Derivative financial instruments	40	90	–	–
Security deposits and other non-current payables	200	147	–	–
Deferred income	11	14	–	–
	<u>392</u>	<u>7,576</u>	<u>819</u>	<u>1,435</u>

21 Share Capital

Issued Share Capital

	The Company	
	31 December 2021	31 December 2020
	No. of shares ('000)	No. of shares ('000)
Issued and fully paid, with no par value		
At 1 January and 31 December, including treasury shares	2,807,623	2,772,200
Add: Issue of new shares	2,395,573	35,423
Less: Treasury shares	(61,996)	–
At 31 December, excluding treasury shares	<u>5,141,200</u>	<u>2,807,623</u>

The number of shares issued in 2020 relates to the estimated shares issued to effect the acquisition of interests in common control entities pursuant to the Internal Restructuring on the basis that the transfer had taken effect before the start of the earliest period presented or the dates of incorporation of common control entities, or the dates when common control is established, whichever is later. The number of shares issued as at 31 December 2021 represents the actual numbers of shares issued as at the balance sheet date.

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.

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021

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

	The Group	
	31 December 2021	31 December 2020
	\$'M	\$'M
Borrowings and debt securities	13,548	8,466
Cash and cash equivalents	(3,877)	(1,736)
Net debt	9,671	6,730
Total equity	20,101	15,734
Net debt-to-equity ratio (times)	0.48	0.43

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.

Prior to listing of the Company, the Group is part of a larger CapitaLand group, the Group's sources of additional capital and policies for distribution of excess capital may also be affected by the larger Group's capital management objectives.

The Group defines "capital" as including all components of equity plus any loans from its immediate holding company or its related company with no fixed terms of repayment. Trading balances that arise as a result of trading transactions with other group companies are not regarded by the Group as capital.

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

Treasury Shares

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

	The Company 31 December 2021 No. of shares ('000)
At 1 January	–
Purchase of treasury shares	61,996
At December	61,996

As at 31 December 2021, the Company held 61,995,700 (2020: nil) treasury shares which represents 1.2% (2020: nil) of the total number of issued shares (excluding treasury shares).

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021

22 Share Plans

Share Plans of CapitaLand Group Pte. Ltd.

The Group's employees participate in the share-based incentive plans of the Company's immediate holding company, CapitaLand Group Pte. Ltd. (CL) which comprise the Performance Share Plan and Restricted Share Plan. The Share Plans are administered by CL's Executive Resource and Compensation Committee (CL ERCC).

Following the delisting of the Company's immediate holding company, CapitaLand Group Pte. Ltd. on 17 September 2021, CL ERCC has approved the following for the unvested CL Share Plans:

- a) The awards for outstanding contingent CapitaLand Performance Share Plan (CL PSP) granted to the employees have been finalised at a maximum of 200% of the baseline awards and employees will receive in lieu of the Company's shares, award under CLI Share Plan in accordance with a conversion ratio and released in accordance with the original vesting schedule.
- b) Finalised CapitaLand Restricted Share Plan (CL RSP) awards will be cash-settled based on the implied value of S\$4.102 per CL shares. Awards for the contingent CL RSP has been finalised at a maximum of 150% of the baseline awards based on the same implied value. The cash payment will be released to eligible employees according to the original vesting schedule of respective CL RSP award.

Share Plans of CapitaLand Investment Limited (CLI)

The CLI Performance Share Plan 2021 (PSP 2021) and CLI Restricted Share Plan 2021 (RSP 2021) were approved by CapitaLand Group Pte. Ltd., the immediate holding company of CLI on 17 July 2021. The duration of each share plan is 10 years commencing on 1 September 2021.

Performance Share Plan (PSP)

As at 31 December 2021, the number of shares comprised in awards granted under the CapitaLand Investment Performance Share Plan 2021 which has not been released were 25,776,933 (31 December 2020: nil), comprised 19,275,824 shares (31 December 2020: nil) granted to the employees of the Group and 6,501,109 shares (31 December 2020: nil) granted to the employees of the related corporations.

Under the PSP, a specified number of shares will only be released by the ERCC of the Company to the recipients at the end of the qualifying performance period, provided the threshold targets are achieved. The final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 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.

Founders Performance Share Plan

As at 31 December 2021, the number of shares comprised in contingent awards granted under the CapitaLand Investment Founders Performance Share Plan 2021 which has not been released were 14,594,336 (31 December 2020: nil), comprised 12,327,258 shares (31 December 2020: nil) granted to the employees of the Group and 2,267,078 shares (31 December 2020: nil) granted to the employees of the related corporations.

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

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

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

Restricted Share Plan (RSP)

There is no grant of award of CapitaLand Investment Restricted Share Plan during the year.

23 Significant Related Party Transactions

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

	The Group	
	Full year	
	31 December	31 December
	2021	2020
	\$'M	\$'M
Immediate holding company		
Management fee income	3	–
IT support services income	9	10
Management fee expenses	(24)	(31)
Administrative support services expenses	(5)	(6)
Others	4	(5)
Fellow subsidiaries under the immediate holding company		
Management fee income	29	32
IT support services income	22	31
Rental Income	6	9
Administrative support services income	4	7
Interest Income	5	18
Management fee expenses	(42)	(47)
Rental expense	(3)	(6)
Finance costs	(108)	(142)
Purchase consideration for the acquisition of investment	–	2,616
Capital contribution in joint venture	332	–
Others	*	(3)

* less than \$1 million

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021

	The Group Full year	
	31 December 2021 \$'M	31 December 2020 \$'M
Associates and joint ventures		
Management fee income	427	387
Construction and project management income	8	4
Rental expense	(3)	(3)
Fees from acquisition and divestment fees, accounting service fee, marketing income and others	188	104
Proceeds from sale of investment properties	298	—
Proceed from sale of investments	553	66

24 Acquisition / Disposal of Subsidiaries, Net of Cash Acquired

(a) Acquisition of subsidiaries

The list of significant subsidiaries acquired during the year 2021 is as follows:

Name of subsidiary	Date acquired	Effective interest acquired
DLSP-Ascendas Co., Ltd*	May 2021	50%
Shanghai Yiding Electronic Technology Co., Ltd.	September 2021	80%
Shanghai Minyun Technology Co., Ltd.	September 2021	80%
Raffles City China Income Ventures Limited#	November 2021	45%
Senning Property Ltd. #	November 2021	55%

Previously associates of the Group

* Previously joint ventures of the Group

The list of significant subsidiaries acquired during the year 2020 is as follows:

Name of subsidiary	Date acquired	Effective interest acquired
Lux Arlington Sarl	February 2020	100%
QSA Group Pty Ltd (“QSA Group”)	July 2020	80%

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021

(b) Effects of acquisitions

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

	Note	Recognised values	
		31 December 2021 \$'M	31 December 2020 \$'M
The Group			
Property, plant and equipment		–	1
Right-of-use assets		–	233
Intangible assets		–	60
Investment properties	9	1,118	223
Associates		1,383	–
Joint Ventures		259	–
Other non-current assets		1,203	1
Trade and other receivables		722	22
Cash and cash equivalents		234	9
Trade and other payables		(592)	(29)
Other current liabilities		(331)	–
Borrowings	18	(1,401)	(265)
Other non-current liabilities		(38)	–
Deferred tax liabilities		(24)	(11)
Non-controlling interests		–	(3)
		<hr/>	<hr/>
		2,533	241
Amounts previously accounted for as associates and joint ventures, remeasured at fair value		(755)	(161)
		<hr/>	<hr/>
Net assets acquired		1,778	80
Goodwill arising from acquisition		–	149*
Gain on change of ownership interests in joint ventures		(9)	–
Realisation of reserves previously shared as associates and a joint venture		84	(6)
		<hr/>	<hr/>
Total purchase consideration		1,853	223
Deferred purchase consideration and other adjustments		(229)	–
Cash of subsidiaries acquired		(234)	(9)
		<hr/>	<hr/>
Cash outflow on acquisition of subsidiaries		1,390	213
		<hr/>	<hr/>

*Goodwill is attributable to the acquisition of QSA Group

(c) Disposal of subsidiaries

The list of significant subsidiaries disposed during the year 2021 is as follows:

Name of subsidiary	Date disposed	Effective interest disposed
Shanghai Xinwei Real Estate Development Co. Ltd	May 2021	40.6%
Ascendas Fusion 5 Pte. Ltd.	June 2021	75%
Ascendas Hangzhou Science & Technology Co., Ltd.	June 2021	60.2%
Ascendas Hangzhou Data Processing Co., Ltd.	June 2021	60.2%

The disposed subsidiaries previously contributed net profit of \$32.8 million from 1 January 2021 to the date of disposal.

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021

The list of significant subsidiaries disposed during the year 2020 is as follows:

Name of subsidiary	Date disposed	Effective interest disposed
Ascendas Korea Office Private Real Estate Investment Trust 5	August 2020	99%
Guangzhou Hai Yi Real Estate Development Co. Ltd	December 2020	40.6%

The disposed subsidiaries previously contributed net profit of \$2 million from 1 January 2020 to the date of disposal.

(d) Effects of disposals

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

	Note	The Group	
		31 December 2021	31 December 2020
		\$'M	\$'M
Property, plant and equipment		1	1
Investment properties	9	1,015	245
Trade and other receivables		26	13
Cash and cash equivalents		114	11
Trade and other payables		(37)	(7)
Other current liabilities		–	(2)
Borrowings	18	(348)	(96)
Other non-current liabilities		(46)	(4)
Non-controlling interests		(143)	–
Net assets disposed		582	161
Realisation of reserves		(5)	3
Gain on disposal of subsidiaries		211	70
Sale consideration		788	234
Deferred proceeds and other adjustments		(95)	(31)
Deposits received for prior year		(6)	–
Cash of subsidiaries disposed		(114)	(11)
Cash inflow on disposal of subsidiaries		573	192

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021

25 Commitments

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

	The Group	
	31 December 2021	31 December 2020
	\$'M	\$'M
Commitments in respect of:		
- capital expenditure contracted but not provided for in the financial statements	12	15
- development expenditure contracted but not provided for in the financial statements	500	128
- capital contribution in associates and joint ventures	944	847
- purchase of land/ a property contracted but not provided for in the financial statements	92	8
	<u>1,548</u>	<u>998</u>
Notional principal value of interest rate swaps, forward foreign exchange contracts and cross currency swaps	<u>6,188</u>	<u>2,744</u>

26 Financial Guarantee Contracts and Contingent Liabilities

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

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

- (i) As at 31 December 2021, 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 \$162 million (2020: \$162 million) granted to a joint venture. As at 31 December 2021, the total amount outstanding under the facilities was \$155 million (2020: \$148 million).
- (ii) As at 31 December 2021, two subsidiaries of the Group have pledged their shares in joint ventures for term loan and revolving facilities of \$1,062 million (2020: \$606 million) obtained by the joint ventures. As at 31 December 2021, the outstanding amount was \$933 million (2020: \$508 million).
- (iii) As at 31 December 2021, a subsidiary of the Group in China, whose principal activity is 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 this subsidiary. As at 31 December 2021, the outstanding notional amount of the guarantees amounted to \$16 million (2020: \$30 million).
- (iv) As at 31 December 2020, a subsidiary of the Group has pledged its shares in an associate for the \$500 million term and revolving loan facilities obtained by the associate, with the total amount outstanding under the facilities amounting to \$484 million. The associate became a subsidiary in 2021 and the revolving loan facilities were refinanced. As at 31 December 2021, the share pledge has been discharged.

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2021

- (v) As at 31 December 2020, two subsidiaries of the Group have pledged its shares and redeemable preference shares in an associate for a term loan facility obtained by the associate amounting to \$1,078 million. The associate became a subsidiary in 2021 and the term loan facility was refinanced. As at 31 December 2021, the share pledges have been discharged.

27 Subsequent Events

On 3 February 2022, the Group announced the establishment of a development venture, Student Accommodation Development Venture (SAVE), of approximately \$204 million in committed equity to develop student accommodation assets in USA. The Group will manage the venture and hold a 20% stake in the joint venture while the remaining stake will be held by a joint venture partner.

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. Review of Performance

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

(A) Revenue

Revenue for 2H 2021 increased by 26% to \$1,244 million (2H 2020: \$986 million), on account of higher contribution from both the Fee Income-related Business (FRB) and Real Estate Investment Business (REIB). The increase in FRB revenue was mainly driven by higher transactional fees from the listed REITs and private funds as well as higher base management fees on the back of 10% growth in funds under management (FUM). The higher REIB revenue came mainly from the new acquisitions (an IT park and data centre campus in China, student accommodation properties in the United States of America (USA)), higher occupancy from an office building in Singapore, 79 Robinson Road, which commenced operation in 2H 2020, and lodging properties as travel restrictions eased in certain geographies. The increase was partially offset by the divestment of assets in Japan, Korea, Singapore and China as well as lower contribution from retail malls in Malaysia.

(B) Cost of Sales

In line with higher revenue, cost of sales also increased by 23% to \$691 million from the \$564 million in 2H 2020.

(C) Other Operating Income

Other operating income comprises interest income, dividend income from long-term equity investments, foreign exchange gain, as well as non-recurrent income such as government grants, income from pre-termination of contracts, forfeiture of deposits, fair value gain from assets and gains from divestment of properties or change of our interests in equity investments including subsidiaries, associates, joint ventures and long-term equity investments. (Please refer to page 17)

Other operating income for 2H 2021 increased by 62% to \$444 million (2H 2020: \$274 million), mainly attributed to fair value gains from investment properties, partially offset by lower portfolio gain, foreign exchange gain, income from pre-termination of contracts, forfeiture of deposits, and government grants.

- (i) The higher interest income in 2H 2021 mainly came from a short-term investment in notes, partially offset by lower interest from surplus funds placed with related corporations and lower interest-bearing loans extended to associates.
- (ii) Foreign exchange gain in 2H 2021 arose mainly from the revaluation of RMB and USD receivables as SGD depreciated against these currencies during the period, partially offset by the foreign exchange loss from the revaluation of JPY, EUR and AUD receivables as SGD appreciated against these currencies during the period.
- (iii) 2H 2021 portfolio gains arose mainly from the divestment of three properties in Japan.
- (iv) The Group registered a net fair value gain of \$255 million in 2H 2021 in respect of its portfolio of investment properties held through subsidiaries in Singapore, Europe, United Kingdom (UK), USA and Japan. In 2H 2020, the Group recorded a net fair value loss which was presented under Other Operating Expenses.

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

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- (v) The government grants in 2H 2021 and 2H 2020 mainly consist of COVID-19 related job support grants and property tax rebates extended mainly by the Singapore government. The grants received in 2H 2021 was lower across geographies as the COVID-19 measures and restrictions were eased and business activities were gradually returning to normal.

(D) Administrative Expenses

Administrative expenses comprised staff costs, depreciation and other miscellaneous expenses. The Group recorded higher administrative expenses at \$499 million in 2H 2021 (2H 2020: \$239M) mainly due to \$186 million one-off transaction costs incurred for the listing and restructuring of the Group as well as higher staff related costs.

(E) Other Operating Expenses

Other operating expenses comprised mainly the fair value loss on revaluation of investment properties held through our subsidiaries, loss from change of our interests in equity investments including subsidiaries, associates, joint ventures and long-term equity investments, marked-to-market loss on financial assets as well as impairment of investments. (Please refer to page 18)

Other operating expenses in 2H 2021 decreased by 81% to \$171 million (2H 2020: \$910 million), mainly due to the absence of fair value losses amounting to \$698 million on the revaluation of investment properties held through our subsidiaries in 2H 2020. This was partially offset by losses from the restructuring of the Group's interests in the six Raffles City properties¹ in China.

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

Share of results from associates in 2H 2021 increased to \$610 million (2H 2020: \$13 million). The increase was mainly attributable to the gains on revaluation of investment properties as compared to fair value losses recorded in 2H 2020, gains from the restructuring of the Group's interests in the six Raffles City properties¹ in China, lower rental rebates granted to tenants and contribution from the newly acquired assets. The increase was partially offset by the lower contribution from the Raffles City portfolio in China as the Group's effective stakes decreased following the restructuring of the Group's interests in the assets.

Share of results from joint ventures for 2H 2021 was \$167 million as compared to a loss of \$135 million in 2H 2020. The improvement was mainly attributed to the gains on revaluation of investment properties as compared to fair value losses recorded in 2H 2020.

¹ The Group recognised a net gain of \$119 million from the restructuring of the Group's interests in the six Raffles City properties in China in 2H 2021. Taking into account the gains recognised in 1H 2021, total gain recognised in FY 2021 was \$274 million.

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

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

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The tax expense in 2H 2021 was \$200 million (2H 2021: \$60 million). The higher tax expense is mainly due to the provision of deferred tax arising from fair value gains on the revaluation of properties as compared to the reversal of deferred tax on the fair value losses recorded in 2H 2020 as well as higher tax provision on the higher profit during the period. Included in the 2H 2021 tax expense was a tax provision of \$9 million in respect of prior years (2H 2020: \$43 million).

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

The net gains/ (losses) from the sale of investments for the six months ended 31 December 2021 and 31 December 2020 were as follow:

<u>Six-month period ended 31 December 2021</u>	<u>PATMI (\$'M)</u>
Six Raffles City properties, China	119
Yokohama Blue Avenue, Japan	43
Shinjuku Front Tower, Japan	34
One George Street, Singapore	16
Gain from acquisition of additional stake in LuOne, China	12
Dilution of equity interest in CapitaLand China Trust (CLCT)	(12)
Listing and restructuring expenses	(21)
Others	(13)
	<hr/>
	178
	<hr/>
<u>Six-month period ended 31 December 2020</u>	<u>PATMI (\$'M)</u>
Dilution of equity interest in Ascendas Real Estate Investment Trust (AREIT)	39
ICON Yeoksam, Korea	19
Ascott Guangzhou, China	14
Somerset Azabu East, Tokyo	13
Loss of deemed disposal of equity interest in a joint venture in Australia	(11)
Others	13
	<hr/>
	87
	<hr/>

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

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

2H 2021's exchange differences arose mainly from the depreciation of SGD against RMB and USD by 2.2% and 1.6% respectively, as well as realisation of foreign exchange translation reserves relating to six raffles city properties in China.

FY 2021's exchange differences arose mainly from the depreciation of SGD against RMB and USD by 3.7% and 0.4% respectively, as well as realisation of foreign exchange translation reserves relating to six raffles city properties in China during the year.

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

The effective portion of change in fair value of cash flow hedges for 2H 2021 and FY 2021 arose mainly from the mark-to-market gains of the Group's interest rate swaps and cross currency swaps contracts which were entered into for hedging purposes.

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

The share of other comprehensive income of associates and joint ventures relates mainly to share of foreign currency translation and hedging reserves. 2H 2021's share of exchange difference arose mainly from the depreciation of SGD against RMB by 2.2%.

FY 2021's share of exchange differences arose mainly from the depreciation SGD against RMB and depreciation of USD against RMB by 3.7% and 3.3% respectively. The Group's share of effective portion of change in fair value of cash flow hedges for FY 2021 arose mainly from the mark-to-market gains of the interest rate swap contracts which were entered into by associates and joint ventures.

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

(A) Investment Properties

The increase was mainly due to the acquisitions of a data centre campus and a business park property in China, eight student accommodation properties in United States of America and three rental housing properties in Japan as well as fair value gain for the year. The increase was partially offset by the disposal of a business park property in Singapore, two shopping malls and two offices in Japan, a serviced residence and a business park property in China.

(B) Subsidiaries

The increase in the investment in subsidiaries of the Company was mainly due to the acquisition of subsidiaries pursuant to the internal restructuring and listing of the Company.

(C) Other non-current assets

The decrease in the Group's other non-current assets was mainly due to the settlement of loans receivables with related corporations pursuant to the internal restructuring and listing of the Company as well as the reclassification of a long-term investment in Japan to proportionate accounting following the restructuring of the Group's interest.

(D) Trade and other receivables

The decrease in the Group's trade and other receivables was mainly due to the settlement of loan receivables with related corporations pursuant to the internal restructuring and listing of the Company, partially offset by consideration receivables pertaining to divestment of associates.

(E) Cash and cash equivalents

The cash balances as at 31 December 2021 included \$1.7 billion held at CapitaLand Investment Limited and its treasury vehicles (comprising CLI Treasury Limited, CapitaMalls Asia Treasury Limited and The Ascott Capital Pte Ltd).

(F) Trade and other payables

The decrease in the Group's trade and other payables was mainly due to the settlement of loans payables with related corporations pursuant to the internal restructuring and listing of the Company.

(G) Borrowings

The increase in the Group's borrowings was mainly due to the net drawdown of loans for the settlement of loans due to related corporations pursuant to the internal restructuring and listing of the Company and the acquisition of subsidiaries.

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(H) Other non-current liabilities

The decrease in other non-current liabilities was mainly due to settlement of loans payables with related corporations pursuant to the internal restructuring and listing of the Company.

(I) Other Reserves

The change in other reserves was mainly due to foreign currency translation differences arising from the depreciation of SGD against RMB and USD during the year as well as the acquisition of treasury shares.

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

(A) Cash from operating activities

In 2021, the Group generated net cash from operating activities of \$667 million, mainly from the recurring cashflow from investment properties portfolio as well as fee income from fee income-related businesses.

(B) Cash from investing activities

The Group generated net cash of \$1,268 million from investing activities in 2021, mainly contributed by dividends received from associates and joint ventures as well as proceeds from divestments of investments. The cash generated was partially offset by the outflow associated with the acquisition/development expenditure of investment properties and subsidiaries as well as investments in associates and joint ventures.

(C) Cash from financing activities

Net cash generated from financing activities for 2021 was \$223 million, mainly attributable to net proceeds from bank borrowings and loans from associates and joint ventures, partially offset by repayments of loans from related corporations, purchase of treasury shares, dividends paid to non-controlling interests and interest expense paid.

1(e) Group Overview

	Six-month period ended			Full Year		
	31 December 2021	31 December 2020	Better/ (Worse)	31 December 2021	31 December 2020	Better/ (Worse)
	\$'M	\$'M	(%)	\$'M	\$'M	(%)
Revenue	1,244	986	26.2	2,293	1,983	15.6
Earnings before Interest, Tax Depreciation and Amortisation (EBITDA)	1,186	(496)	NM	2,469	(33)	NM
Finance costs	(170)	(195)	12.8	(353)	(377)	6.4
Profit / (Loss) Before Taxation	934	(770)	NM	1,956	(559)	NM
Total PATMI / (Net Loss)	647	(680)	NM	1,349	(559)	NM
Comprising:						
Operating PATMI ¹	233	205	13.6	497	443	12.2
Portfolio gains ²	178	87	104.6	616	97	535.1
Revaluation gains and impairments	236	(972)	NM	236	(1,099)	NM

NM: Not meaningful

Notes:

1. Operating PATMI refers to profit from business operations excluding any gains or losses from divestments, revaluations, and impairments.
2. Portfolio gains comprise gains/losses arising from divestments, gains from bargain purchase or re-measurement on acquisitions and realised fair value gains/losses arising from revaluation of investment properties to agreed selling prices of properties.

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Six-month period ended: 31 December 2021 (2H 2021) vs 31 December 2020 (2H 2020)

For the half year under review, the Group achieved revenue of \$1,244 million (2H 2020: \$986 million) and PATMI of \$647 million (2H 2020: net loss of \$680 million).

Revenue

Revenue for 2H 2021 increased by \$258 million or 26% as both FRB and REIB segments registered top line growth, underpinned by higher transactional fee income, improved operating performance from our lodging assets with the easing of travel restrictions as well as contribution from newly acquired assets in China and USA, partially offset by loss of contribution from divested assets.

Collectively, the Group's two core markets, Singapore and China, accounted for 43% (2H 2020: 50%) of the Group's total revenue. There were also increased revenue contribution from the other developed markets during the year which accounted for 47% (2H 2020: 41%) of total revenue.

EBITDA

The Group recorded an EBITDA of \$1,186 million in 2H 2021 as compared to a loss of \$496 million in the corresponding period. Excluding the impact of unrealised revaluation and impairment, EBITDA for 2H 2021 was \$791 million (2H 2020: \$756 million). The EBITDA growth was mainly due to higher fee income, lower rental rebates and better operating performance of our properties as the general economy recovered in 2021 and higher portfolio gains from asset recycling, partially offset by higher corporate costs.

At EBITDA level, portfolio gains in 2H 2021 of \$167 million (2H 2020: \$152 million) arose mainly from the divestment of three office buildings in Japan, an office building in Singapore, as well as gains from the sale of partial stakes in six Raffles City properties in China, partially offset by the transaction costs for the listing and restructuring of the Group.

Notwithstanding the emergence of the Omicron variant and the uncertain COVID-19 situation, the performance of the Group's properties in Singapore, USA, UK, Australia, and Europe improved in 2021 mainly due to the recovery of economy and relaxation of COVID-19 restrictions. The Group recorded a net fair value gain from investment properties of \$255 million (2H 2020: loss of \$715 million) by our subsidiary's projects, \$139 million (2H 2020: loss of \$336 million) recorded through share of associates and joint ventures and a loss of \$2 million (2H 2020: gain of less than \$1 million) pertained to equity investments.

In terms of contribution by geography segment, approximately \$1,050 million or 89% of the Group's EBITDA were derived from developed markets and \$136 million or 11% derived from emerging markets. Collectively, the Group's two core markets, Singapore and China, accounted for \$537 million or 45% of the Group's EBITDA for 2H 2021. The breakdown for 2H 2020 is not meaningful as the Group recorded a loss at EBITDA level primarily due to revaluation loss on investment property portfolio last year.

PATMI

Overall, the Group reported a PATMI of \$647 million in 2H 2021 as compared to a loss of \$680 million in 2H 2020. Excluding the unrealised revaluation gain/loss and impairment, the Cash PATMI for 2H 2021 grew 41% to \$411 million (2H 2020: \$292 million) on account of higher gains from assets recycling and better operating performance. Operating PATMI rose by 14% to \$233 million on account of higher contribution from both FRB and REIB segments.

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Full Year 31 December 2021 (FY 2021) vs 31 December 2020 (FY 2020)

Revenue

Revenue for FY 2021 increased by \$310 million or 16% mainly attributable to higher contribution from both FRB and REIB segments on the back of higher transactional fee income, better operating performance mainly from Singapore, China, Europe, UK, USA and Australia, consolidation of a business park property in China and a lodging group in Australia as well as contribution from the newly acquired assets, partially offset by loss of contribution from divested assets.

In terms of geographical segment, the Group's two core markets, Singapore and China, accounted for 46% (FY 2020: 48%) of the Group's total revenue. The remaining revenue were contributed by other developed markets (43%) and other emerging markets (11%).

EBITDA

EBITDA for FY 2021 was \$2,469 million as compared to a loss of \$33 million in FY 2020. The higher EBITDA was primarily due to the recognition of gains from the revaluation of the Group's investment properties as compared to a loss in 2020, higher portfolio gains from asset recycling, absence of impairments, higher fee based income from fund and lodging management businesses, lower rental rebates extended to our tenants as well as improved operating performance for our properties in China, Europe, UK, USA and Australia.

In term of revaluation of investment properties, the Group recorded net fair value gains from investment properties of \$255 million (FY 2020: loss of \$715 million) by our subsidiary's projects, and \$139 million (FY 2020: loss of \$463 million) recorded through share of associates and joint ventures as well as a net loss of \$2 million (FY 2020: gain of less than \$1 million) pertained to equity investments. The revaluation gains arose mainly from our portfolio of lodging properties in USA, Europe and UK, new economy properties in Australia as well as office and malls in Singapore.

The impairments in FY 2020 of \$200 million were in relation to the Group's investments in China, Australia, USA, UK, and Indonesia.

Portfolio gains in FY 2021 of \$699 million (FY 2020: \$163 million) arose mainly from the divestment of two shopping malls and three office buildings in Japan, an office building and a business park property in Singapore, a lodging property, two business park properties and sale of partial stakes in six Raffles City properties in China, partially offset by the transaction costs for the listing and restructuring of the Group.

In terms of contribution by geography segment, approximately \$1,699 million or 69% of the Group's EBITDA were derived from developed markets and \$770 million or 31% contributed by emerging markets. Collectively, the Group's two core markets, Singapore and China, accounted for 33% and 28% of the Group's EBITDA for FY2021 respectively. The breakdown for FY 2020 is not meaningful as the Group recorded a loss at EBITDA level primarily due to revaluation loss on investment property portfolio last year.

Finance Cost

Finance costs for FY 2021 decreased 6.4% to \$353 million (FY 2020: \$377 million) mainly due to the capitalisation of certain loans from the Group's immediate holding company, CapitalLand Group Pte. Ltd. and its subsidiaries, following the listing of the Group.

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PATMI

Overall, the Group achieved a PATMI of \$1,349 million in FY 2021 as compared to a loss of \$559 million in FY 2020. Excluding the unrealised revaluation and impairment, Cash PATMI for FY2021 doubled to \$1,113 million (FY2020: \$540 million) on the back of record asset recycling in 2021 which yield a portfolio gain of \$616 million to the Group's bottom line. Operating PATMI rose by 12% to \$497 million mainly driven by improved property performance from our investment properties portfolio under REIB and higher fee income from fund management and lodging management businesses under FRB.

Segment Performance

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

Fee Income-Related Businesses (FRB)

	Six-month period ended			Full year		
	31 December 2021 \$'M	31 December 2020 \$'M	Better/ (Worse) (%)	31 December 2021 \$'M	31 December 2020 \$'M	Better/ (Worse) (%)
Revenue	468	416	12.5	905	786	15.1
EBITDA	180	47	283.0	315	174	81.0

Revenue for 2H 2021 comprised fee income from fund management of \$213 million (2H 2021: \$159 million), lodging management of \$103 million (2H 2020: \$84 million) and property management of \$152 million (2H 2020: \$173 million). For FY2021, revenue from FRB comprised fee income from fund management of \$409 million (FY 2020: \$306 million), lodging management of \$190 million (FY 2020: \$150 million) and property management of \$306 million (FY 2020: \$330 million).

The higher fee revenue in 2H 2021 and FY 2021 as compared to corresponding periods last year were mainly contributed by higher transactional fees from the listed REITs and private funds as well as higher base management fees from the growth in FUM. Lodging management fees also improved on the back of better performance of the underlying properties across geographies with the easing of COVID-19 measures and travel restrictions.

EBITDA for 2H 2021 and FY 2021 increased due to higher revenue and absence of impairment of goodwill for lodging platforms in Australia and Indonesia in 2020. Excluding the goodwill impairment, EBITDA increased by \$21 million or 13% for 2H 2021 and \$30 million or 10% for FY 2021, in line with the increase in revenue.

As at 31 December 2021, the FUM of the Group stood at \$86.2 billion, an increase of \$8.6 billion or 10% over the FUM as at 31 December 2020. The increase in FUM was mainly due to acquisition of assets by the listed REITs and unlisted funds as well as establishment eight new funds in 2021.

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Real Estate Investment Businesses (REIB)

	Six-month period ended			Full year		
	31 December	31 December	Better/ (Worse)	31 December	31 December	Better/ (Worse)
	2021	2020	(%)	2021	2020	(%)
	\$'M	\$'M		\$'M	\$'M	
Revenue	835	637	31.1	1,506	1,314	14.6
EBITDA	1,099	(545)	NM	2,230	(225)	NM

The higher revenue in 2H 2021 and FY 2021 mainly came from new acquisitions (an IT park in Dalian, China, a lodging group in Australia, a data centre in China, and student accommodation properties in USA), higher contribution from 79 Robinson Road, Singapore which commenced operation in 2H 2020 and improved performance from lodging assets as travel restrictions eased across geographies. The increase was partially offset by lower contribution from retail malls in Malaysia and the loss of contribution from sixteen assets divested in Japan, Korea, China and Singapore over the two years under review.

The increase in EBITDA for 2H 2021 and FY 2021 was mainly attributed to the recognition of fair value gains from the revaluation of the Group's investment properties as compared to a loss in 2020 as well as lower impairment charges for investments. Excluding revaluation and impairment, EBITDA for 2H 2021 and FY 2021 improved by 18% and 76% respectively. The significant growth in full year EBITDA was boosted by the record portfolio gains from assets recycling in 2021.

In terms of revaluation of investment properties, the Group recorded a net fair value gain of \$392 million in FY 2021 (FY 2020: loss of \$1,178 million) driven by economic recovery and improved COVID-19 situation in the countries that the Group operates in. The revaluation gain arose mainly from our portfolio of properties in Singapore, Australia, Europe, UK, and USA.

Corporate and others

	Six-month period ended			Full year		
	31 December	31 December	Better/ (Worse)	31 December	31 December	Better/ (Worse)
	2021	2020	(%)	2021	2020	(%)
	\$'M	\$'M		\$'M	\$'M	
Revenue	(59)	(67)	11.9	(118)	(117)	(0.9)
EBITDA	(93)	2	NM	(76)	18	NM

Corporate include corporate office and group eliminations.

The losses in 2H 2021 and FY 2021 were mainly due to transaction costs incurred for the listing and restructuring of the Group, higher corporate expenses and lower job support grants received in 2021.

2. Variance from Prospect Statement

The Company released its Third Quarter Business Update on 3 November 2021.

The 2H 2021 operating performance was broadly in line with the guidance provided in the previous announcement.

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

Group Overall Prospects

CapitaLand Investment (CLI) is cautiously optimistic in its outlook for 2022. The lifting of travel and mobility-related restrictions in many major markets since 4Q 2021, despite the spread of the Omicron variant of COVID-19, provided a positive boost for its businesses. However, rising energy prices and ongoing demand-supply imbalances are expected to continue to drive up inflation and interest rates in the near term. The evolving Russia-Ukraine conflict is also expected to cause further volatility in the global economy and stock markets. The International Monetary Fund (IMF) is projecting that global GDP will grow at 4.4% in 2022, lower than the 5.9% growth estimated for 2021.¹

CLI is committed to achieving sustainable double-digit return on equity (ROE) by growing its fund and lodging management platforms, as well as recycling at least S\$3 billion worth of assets annually. Demand for assets continue to be strong in its markets. The Group will continue to work towards its goal of S\$100 billion in funds under management (FUM) by 2024, by enhancing its private equity fund-raising and research capabilities, expanding product offerings, and extending its network of capital partners globally.

On the lodging front, CLI has 133,000 lodging units as at the end of 2021 and expects to meet its 160,000 units target by 2023 as planned. Its approximately 56,000 lodging units in the pipeline are well positioned to ride on the gradual recovery in international travel as they turn operational over the next few years. CLI will also invest further in adjacent longer-stay lodging products that complement its established serviced residence portfolio. These include student accommodation, multifamily, and other forms of rental housing which have proven to be resilient.

CLI's healthy cash balance, available undrawn facilities, net debt-to-equity ratio and diversified funding sources will continue to put the Group in a strong position as it pursues long term growth sustainably. Additionally, the Group will continue to be proactive and disciplined in executing its portfolio reconstitution strategy, which will further boost our capacity for investments into other attractive opportunities.

Underpinning all of CLI's actions is its firm commitment to pursue profitable growth in a responsible manner. CLI will be undertaking its planned bi-annual review of CapitaLand's 2030 Sustainability Master Plan in 2022, with the intent to recalibrate its sustainability targets to ensure their continued relevance following the Group's restructuring in 2021.

¹ International Monetary Fund "World Economic Outlook Update". January 2022.

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

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

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

Not applicable.

6. (a) **Any dividend declared for the present financial period?** Yes. Please refer to note 12.
(b) **Any dividend declared for the previous corresponding period?** Yes.
(c) **Date payable** : To be announced at a later date.
(d) **Books closing date** : To be announced at a later date.

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES**OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2****7. Interested Person Transactions**

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

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

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

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

Not applicable

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

Please refer to item 1(e).

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

	2021	2020	Better/ (Worse)
	\$M	\$M	%
(a) Revenue			
- first half	1,049	997	5.2
- second half	1,244	986	26.2
Full year revenue	2,293	1,983	15.6
(b) Profit / (Loss) after tax before deducting minority interests			
- first half	826	157	426.1
- second half	734	(830)	NM
Full year profit / (loss) after tax before deducting minority interests	1,560	(673)	NM

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

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

Barring unforeseen circumstances, the policy is to declare a dividend of at least 30% of the annual cash profit after tax and minority interests ("PATMI"), defined as the sum of operating PATMI, portfolio gains/losses and realised valuation gains/losses.

The Board proposed a tax-exempt ordinary dividend of 12.0 cents per share and special dividend of 3.0 cents per share for the financial year ended 31 December 2021, subject to shareholders' approval.

Name of Dividend	Current financial year ended 31/12/2021		
	Ordinary	Special	Total
Dividend per Share	12.0 cents	3.0 cents	15 cents
Type of Dividend	Cash	Cash	Cash
Annual Dividend (\$M)	617	154	771

The above dividend amounts are estimated based on the number of issued shares (excluding treasury shares) as at 31 December 2021. The actual dividend payment can only be determined on books closure dates.

Prior to the restructuring and listing of the Company, the Company was a wholly owned subsidiary of CapitaLand Group Pte. Ltd. For financial year ended 31 December 2020, the Company paid a total dividend of \$1 million to CapitaLand Group Pte. Ltd.

13. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholders of the issuer

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, CapitaLand Investment Limited (the "Company") confirms that there is no person occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Michelle Koh
Company Secretary
25 February 2022

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

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

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

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Shares or Units.