MAKING AN IMPACT

CAPITALAND LIMITED
ANNUAL REPORT
2019

MAKING AN IMPACT

In 2019, CapitaLand Limited embarked on a journey to transform our company from an Asia-focused real estate player to one that is global. We built on our strengths and made significant changes to our portfolio. This has positioned us to be a force for greater good for people and communities. We titled this annual report "Making an Impact", for it is exactly what we did during the year. Like the radial patterns found in this annual report, we aim to continually extend our reach in the world and make a positive, sustainable difference to the lives around us.

CORPORATE PROFILE

CapitaLand Limited (CapitaLand) is one of Asia's largest diversified real estate groups. Headquartered and listed in Singapore, it owns and manages a global portfolio worth S$131.9 billion as at 31 December 2019. CapitaLand's portfolio spans across diversified real estate classes which includes commercial, retail; business park, industrial and logistics; integrated development, urban development; as well as lodging and residential. With a presence across more than 200 cities in over 30 countries, the Group focuses on Singapore and China as its core markets, while it continues to expand in markets such as India, Vietnam, Australia, Europe and the USA.

CapitaLand has one of the largest real estate investment management businesses globally. It manages seven listed real estate investment trusts (REITs) and business trusts as well as over 20 private funds. Since it pioneered REITs in Singapore with the listing of CapitaLand Mall Trust in 2002, CapitaLand's REITs and business trusts have expanded to include Ascendas Real Estate Investment Trust, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust, Ascendas India Trust and CapitaLand Malaysia Mall Trust.

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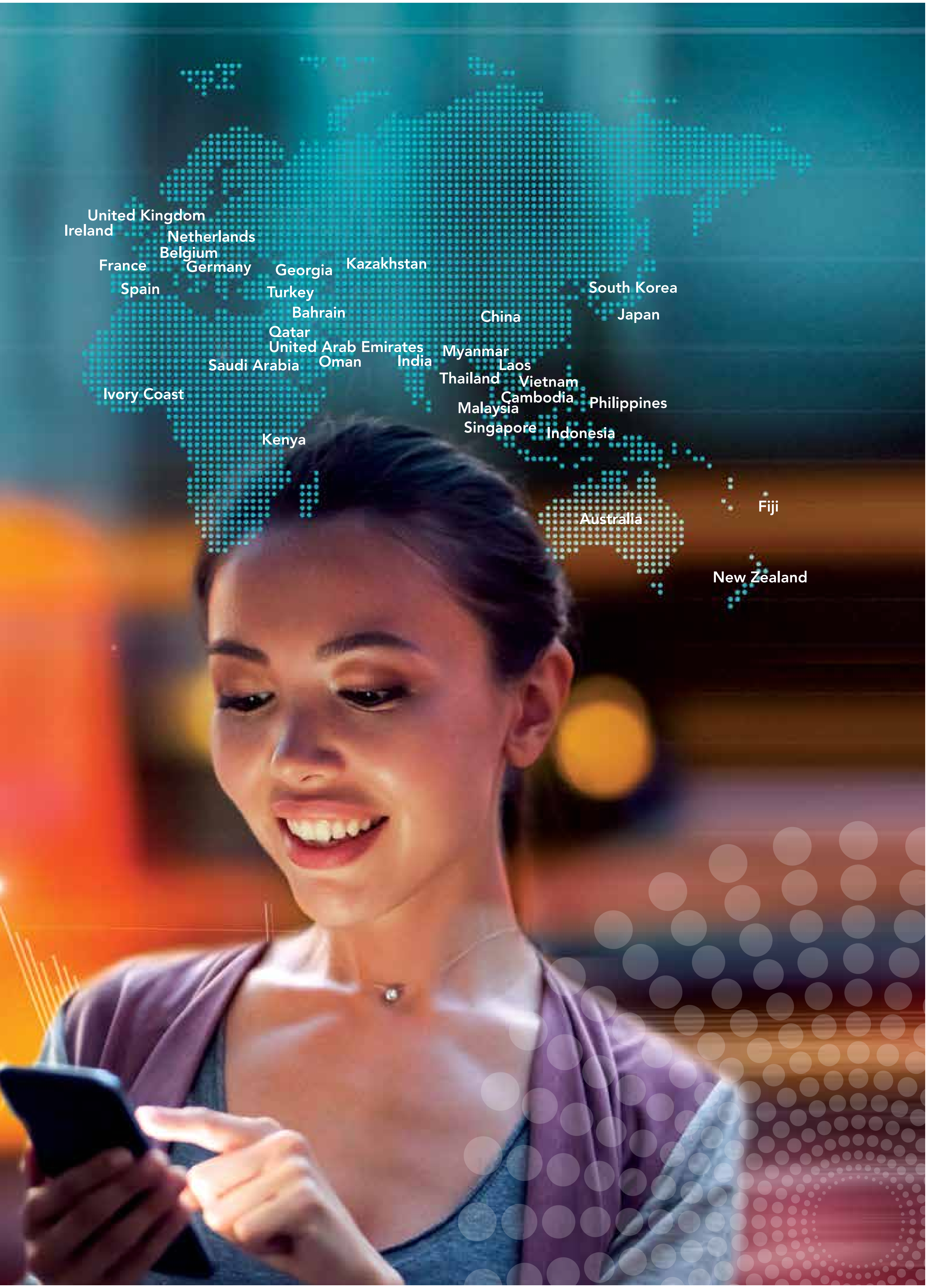
S$131.9

billion real estate assets under management

Over 30 countries

More than 200 cities

Driven by A GLOBAL VISION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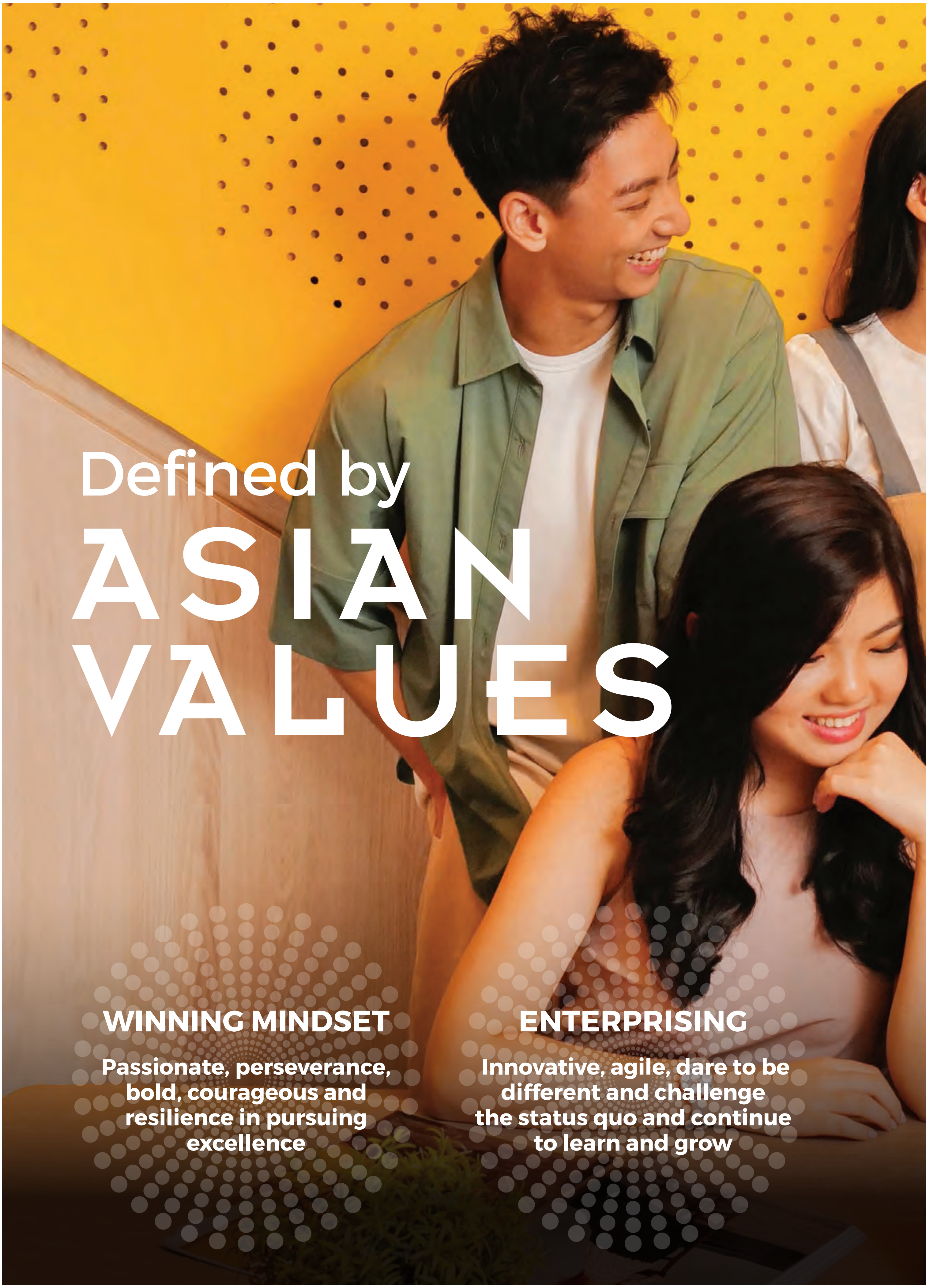


Defined by ASIAN VALUES

WINNING MINDSET

Passionate, perseverance, bold, courageous and resilience in pursuing excellence

ENTERPRISING

Innovative, agile, dare to be different and challenge the status quo and continue to learn and grow

Management executives of CapitaLand's Graduate Development Programme

Standing from left:
Jonathan Chia
Yulianti
Chia Zhi Wen
Sitting from left:
Jean Wun
Jeremiah Lee

RESPECT

Humble and showing appreciation, inclusive, collaborative, embracing diversity

INTEGRITY

Ethical, trustworthy, doing the right thing, caring for communities and environment

From left:
Mr Jonathan Yap
President, CapitaLand Financial
Mr Lee Chee Koon
Group CEO, CapitaLand
Mr Sanjeev Dasgupta
CEO, Ascendas India Trust
Mr Vinamra Srivastava
CEO, Business Parks, India
Mr Lucas Loh
President, China

Demonstrating through ACT

VISION

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

MISSION

Customers:

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

People:

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

Investors:

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

Communities:

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

OPERATING PATMI
S$1,057.2 MILLION
(▲ 21.2% YoY)

DIVIDEND PER SHARE
12 CENTS
(Unchanged from FY 2018)

RETURN ON EQUITY
10.0%
(9.3% for FY 2018)

Delivering SUSTA RETURNS


INABLE

FY 2019
KEY HIGHLIGHTS

operations

UNIQUE SERVICED RESIDENCE CUSTOMERS
>1.5
MILLION

TOTAL HOME UNITS CONSTRUCTED (SINCE 2000)
>107,000

SHOPPER TRAFFIC IN OUR MALLS
~1.2
BILLION

RETAIL LEASES
~16,000

GROSS TURNOVER SALES OF RETAILERS
~S$13.1
BILLION

OFFICE TENANTS
~1,780

BUSINESS PARK TENANTS
~3,150

financials

DIVIDEND PER SHARE
12
CENTS

RETURN ON EQUITY
10.0%

PROFIT ATTRIBUTABLE TO SHAREHOLDERS
S$2,135.9
MILLION

REAL ESTATE ASSETS UNDER MANAGEMENT
S$131.9
BILLION

OPERATING PATMI
S$1,057.2
MILLION

EARNINGS BEFORE INTEREST & TAX
S$5,067.6
MILLION

5-YEAR FINANCIAL SUMMARY

		2015	2016	2017[1]	2018	2019
(A)	**INCOME STATEMENT (S$ MILLION)**					
	Revenue	4,761.9	5,252.3	4,618.2	5,602.4	**6,234.8**
	Earnings before interest and tax (EBIT)	2,316.0	2,359.5	3,302.2	4,145.0	**5,067.6**
	Profit attributable to shareholders (PATMI)	1,065.7	1,190.3	1,569.6	1,762.5	**2,135.9**
	Operating PATMI	823.6	865.3	927.2	872.2	**1,057.2**
(B)	**BALANCE SHEET (S$ MILLION)**					
	Investment properties	19,427.5	18,998.4	36,479.4	39,446.0	**48,731.9**
	Development properties for sale and stocks	6,936.3	4,837.1	3,977.0	5,128.6	**7,725.1**
	Associates and joint ventures	12,858.1	12,617.3	10,205.4	10,179.6	**12,996.2**
	Cash and cash equivalents	4,173.3	4,792.6	6,105.3	5,059.8	**6,167.6**
	Other assets	3,657.4	4,495.4	4,772.1	4,833.6	**6,725.1**
	Total assets	47,052.6	45,740.8	61,539.2	64,647.6	**82,345.9**
	Equity attributable to owners of the Company	17,905.3	17,604.8	18,412.9	18,952.7	**23,359.5**
	Total borrowings	16,058.5	14,852.4	21,694.9	23,633.9	**31,411.1**
	Non-controlling interests and other liabilities	13,088.8	13,283.6	21,431.4	22,061.0	**27,575.3**
	Total equities and liabilities	47,052.6	45,740.8	61,539.2	64,647.6	**82,345.9**
(C)	**FINANCIAL RATIOS**					
	Earnings per share (cents)	25.0	28.0	37.0	42.1	**46.4**
	Net tangible assets per share (S$)	4.11	4.05	4.20	4.40	**4.44**
	Net asset value per share (S$)	4.21	4.15	4.34	4.55	**4.64**
	Return on equity[2] (%)	6.1	6.6	8.6	9.3	**10.0**
	Return on total assets (%)	4.4	4.4	5.4	5.6	**5.8**
	Debt equity ratio (net of cash) (times)	0.48	0.41	0.49	0.56	**0.63**
	Net debt/Total assets (net of cash) (times)	0.28	0.25	0.28	0.31	**0.33**
	Interest cover (times)	6.1	6.5	8.6	8.3	**7.6**
	Interest service (times)	6.7	10.3	6.7	4.4	**4.3**
	Dividend					
	Ordinary dividend per share (cents)	9.0	10.0	12.0	12.0	**12.0**
	Dividend cover (times)	2.8	2.8	3.1	3.5	**3.9**

Notes

1. Comparatives for 2017 have been restated to take into account the retrospective adjustments relating to SFRS(I) 15 Revenue for Contracts with Customers.
2. Return on equity was computed based on PATMI (after distribution to perpetual securities) over average equity attributable to owners of the Company.

GROUP BUSINESS STRUCTURE

CapitaLand

Development			Fund Management	Lodging	
CAPITALAND SINGAPORE & INTERNATIONAL	CAPITALAND CHINA	CAPITALAND INDIA	CAPITALAND FINANCIAL	CAPITALAND LODGING	GROUP CENTRE OF EXCELLENCE
Residential	Residential & Urban Development	Business Park, Industrial & Logistics	Managers of 7 REITs & Business Trusts	Serviced Residence	Customer Services & Solutions
Commercial & Retail	Commercial & Retail		Managers of over 20 Private Funds	Hotel	Sustainability
Business Park, Industrial & Logistics	Business Park, Industrial & Logistics				Digital & Technology

MESSAGE TO SHAREHOLDERS

CREATING CAPITALAND 3.0

In 2019, CapitaLand accelerated its future through an S$11 billion combination with Ascendas-Singbridge. CapitaLand's Chairman, Ng Kee Choe and Group CEO Lee Chee Koon share their thoughts on the transformational year and the way forward.

>LEFT
LEE CHEE KOON
Group Chief Executive Officer

>RIGHT
NG KEE CHOE
Chairman

MESSAGE TO SHAREHOLDERS

Dear Shareholders,

In 2019, we set ourselves on a journey to transform our company from an Asia-focused real estate player to a global one. We saw opportunities to make significant changes to our business. Most notably, with your endorsement, we completed the S$11 billion combination with Ascendas-Singbridge (ASB) in June. With it, we gained immediate scale into the business park, industrial and logistics asset class, and deepened our presence in our core markets, while maintaining our desired balance between the developed and emerging markets. Our real estate assets under management (RE AUM) grew by approximately 32% from FY 2018 to S$131.9 billion. Equally important, being larger and more diversified have strengthened the resilience of our business.

This major endeavour notwithstanding, we maintained our focus in executing the Group's plans for the year. We opened three iconic retail landmarks (Jewel Changi Airport, Funan and Raffles City Chongqing), launched two new residential projects in Singapore (One Pearl Bank and Sengkang Grand Residences), sold and handed over 5,200 and 5,300 residential units respectively in China, and continued to look to grow our business in Vietnam. Our fund management and lodging businesses also performed well.

A NEW FINANCIAL MILESTONE, KEY PROMISES MET

This enabled the Group to deliver a strong set of financial results, highlighted by a return on equity (ROE) of 10.0% for FY 2019. This is the first time in almost a decade that we have achieved a double-digit ROE, and the third year in a row that we have met our commitment to achieve ROE that is above our cost of equity.

Our FY 2019 profit after tax and minority interests (PATMI) was S$2.1 billion, a 21.2% increase from FY 2018 due to a record high Operating PATMI, higher gains from asset recycling and upward revaluation of investment properties.

The Group's Operating PATMI of S$1.1 billion also increased by 21.2% from a year ago, owing to the six-month contribution from ASB, as well as higher recurring income contributed by both newly operational and acquired investment properties.

Our portfolio gains were up 25%[1] from FY 2018. In 2019, we divested a total gross value of around S$6 billion. This is double our annual capital recycling target of S$3 billion. Of this, approximately S$3.8 billion was recycled into our listed trusts or private funds to support their growth and build our fund management business. Revaluation gains registered a year-on-year (YoY) increase of 27.3%[2] during the year, materially underpinned by net property income (NPI) growth.

The resultant cash PATMI[3] totalled close to S$1.5 billion, making up approximately 70% of the total PATMI for FY 2019. This reflects the high quality of our income.

In addition, the Group delivered on its deleveraging commitment to lower its net debt-to-equity ratio from 0.73x upon completion of the combination with ASB to 0.64x by the end of 2020. Through our efforts in capital recycling and good operating performance, we were able to bring down the net debt-to-equity ratio to 0.63x by 31 December 2019, meeting our target a year ahead of schedule.

Notwithstanding the strong financial results, the Board is proposing a final dividend of 12 Singapore cents per share, which is unchanged from a year ago, having taken into account the adverse impact of COVID-19 on the economy and the uncertainties going forward.

CapitaLand's share price rose from S$3.11 at the end of 2018 to S$3.75 as at 31 December 2019. Including dividend paid during the year, this represents a one-year total return[4] of 24.4%.

Our robust financial position enabled us to act decisively amid disruptions to our operations due to COVID-19. We implemented a series of support packages to help our employees, tenants, patrons and the wider community. Amongst them are a RMB10 million healthcare fund to support relief efforts in China, a targeted S$10 million marketing assistance programme for retailers in Singapore, a S$300,000 pledge to Community Chest's The Courage Fund, as well as various rental reliefs and operational assistance to ease retailers' cashflow.

To demonstrate that we stand united with our stakeholders in overcoming the challenges stemming from COVID-19, the Board and senior

1 Includes transaction cost for ASB. Portfolio gains for FY 2019 would have been 34.7% higher YoY if excluding ASB transaction cost.
2 Excludes impairments of S$31.7 million in FY 2019 and write-back of S$11.6 million in FY 2018.
3 Cash PATMI is the sum of the Operating PATMI, portfolio gains and realised fair value gains.
4 Sum of dividend yield and capital appreciation from 31 December 2018 to 31 December 2019.


Jewel Changi Airport, Singapore

management have elected to take a reduction in their board fee and base salary, from 5% to 15%[5] effective from 1 April 2020. The Group has also instituted a wage freeze for all staff at managerial level and above. These measures will be reviewed after six months or when the situation arising from the COVID-19 outbreak has stabilised.

FRAMEWORK FOR TRANSFORMATION

Our framework for transforming CapitaLand into a leading global real estate company is based on a simple ethos.

We **FIND VALUE** by identifying attractive investment opportunities in our three strategic growth businesses: development, lodging and fund management; **CREATE VALUE** through our operational and investment expertise; and **UNLOCK VALUE** through disciplined capital recycling and superior execution.

As an organisation, we believe that we must embody four business principles that are fundamental to embedding this ethos into a winning and enduring CapitaLand mindset.

First, **Scale**. Our businesses and geographies must be meaningful and relevant in order to flourish in a highly competitive real estate marketplace. Second, **Balance** across developed and emerging markets, and asset classes strengthen our resilience against macroeconomic and cyclical volatility, and allow us to maintain the desired trade-off between risk and return. Thirdly, we need **Focus** in our execution in order to meet our operational and financial goals. Lastly, we need **Agility** to anticipate and adapt within an increasingly volatile and uncertain operating environment.

A TRANSFORMATIVE COMBINATION

It was with this mindset that we approached our combination with ASB in 2019.

We believe that ASB allows CapitaLand to substantially increase our ability to create and unlock long-term value for our shareholders.

In Singapore, we became the largest private landlord, enabling us to unlock value through a number of important rejuvenation opportunities. In China and Vietnam, where the ability to acquire land affordably is key to a sustainable development business, ASB gives CapitaLand a competitive advantage through added scale and a strategic capability in business parks. In India, ASB provides us with a compelling platform to find, create and unlock value in business parks and logistics, one of India's most dynamic and attractive sectors.

These four countries form CapitaLand's core markets. Each of these markets deploys the Group's full value chain - developer, owner, operator and offtake platform. We have built up a long-standing presence (42 years in Singapore and 26 years in the latter three markets), and localised our presence with strong domestic teams. We believe that this combination of capabilities in our core markets puts us in a strong position to focus on execution and sustainable value creation.

Our deep presence in our core markets is complemented by a measured exposure to developed markets such as Australia, USA, Europe and Japan, thereby improving our geographical balance.

With an enlarged fund management platform, CapitaLand became the largest real estate investment manager in Asia and 9th largest in the world[6]. In another milestone, we now sponsor the largest hospitality real estate investment trust in Asia-Pacific – following the merger of Ascott Residence Trust (ART) and Ascendas Hospitality Trust, which completed in December 2019.

PAVING THE WAY FOR GROWTH

Development

With ASB fully integrated, we now possess an enhanced local network and expanded suite of real estate capabilities across our core asset classes to grow our development business. We have actively harnessed this capability, and have announced a number of precinct-level projects, both in Singapore and China.

5 Lee Chee Koon has voluntarily taken a salary reduction of 15% effective from 1 April 2020, which is equivalent to two months of basic salary.
6 Source: IPE Real Estate "Top 100 Investment Managers 2019".

MESSAGE TO SHAREHOLDERS

Raffles City Chongqing, China

In China, we have signed a collaborative agreement with the Guangzhou Development District Administrative Committee to develop the second phase of China-Singapore Guangzhou Knowledge City (CSGKC Phase II), a state-level bilateral collaboration project. The first parcel of land in CSGKC Phase II, of about 250,000 square metres, was secured in late 2019, and the second parcel is expected to be tendered later this year.

In Singapore, CapitaLand announced its intention to co-redevelop the 36-year old Liang Court site, which is located along the Singapore River. The proposed integrated development will commence demolition works this year and is targeted to open in phases from 2024.

As one of our first business park rejuvenation projects, Ascendas Real Estate Investment Trust announced in January 2020 its plans to redevelop iQuest@IBP, a five-storey business park property in Singapore. This will more than double the asset's plot ratio by increasing its gross floor area (GFA) from 12,000 square metres to 24,641 square metres.

Fund Management

To further position our fund management business as one of our three strategic growth businesses, we reorganised it as a standalone platform – CapitaLand Financial. This provides our shareholders with greater clarity on a growing fee income stream from our expanded stable of seven listed trusts (totalling approximately S$36 billion[6] in market capitalisation) and 25 private funds. Each of these entities contribute stable management fees on a recurring basis, complemented by performance-linked fees if certain hurdles are met.

Each of our listed trusts and private funds have clear and well-defined mandates, demarcated by geography and asset class. With an ability to deploy their own capital, they can grow independently, and in the process enhance the Group's AUM and fee income. They also provide the Group with ready platforms to recycle our assets. In FY 2019, close to 80% of the Group's S$5.9 billion gross investments were in our listed trusts and funds.

In 2019, the Group successfully raised over S$3.8 billion in fresh equity from trusts and funds, attracting both existing and new investors to the Group's fund management platform. This included our first discretionary private fund, an Asia-Pacific value-add office fund and our first private real estate debt fund.

In FY 2019, the total fee income derived from our listed trusts and private funds was S$293.2 million, a 30% increase from FY 2018. We intend to grow our fund management AUM from S$73.7 billion in 2019 to S$100 billion by 2024, by raising new funds and supporting the growth of our existing platforms.

Lodging

CapitaLand's wholly-owned subsidiary, The Ascott Limited (Ascott), is a global standalone lodging platform, consisting of both owned and managed properties. More than 70% of the total 114,000[7] lodging units are under fee-generating management or franchised contracts, making the Group's lodging platform asset-light and ROE-accretive.

The majority of Ascott's owned units are held through our private lodging fund or ART.

Last year, Ascott crossed the 70% mark of its targeted 160,000 units by 2023. In 2019, the platform logged in a record opening of about 7,500 units in over 40 properties across 30 cities and 13 countries. This included our first coliving property under the "lyf" brand in Singapore.

The Group earned S$254.4 million in fees through our lodging platform in FY 2019. This corresponds to an 11% YoY increase in fee income and is set to rise further, as we open more properties this year, and progress towards our 2023 target.

7 As at 31 December 2019.

FINANCIAL PRUDENCE UNDERPINS OUR GROWTH

The growth of our business must be managed prudently. We allocate capital through a systematic and calibrated process, striving to maintain a balanced exposure to our markets and asset classes, and the desired risk-return trade-off.

We also monitor our liquidity, leverage levels and debt maturities carefully. In 2019, while we managed our overall debt levels post the combination with ASB, we capitalised on the low yield environment to extend our overall debt maturity and diversify our funding sources. We issued S$500 million in subordinated perpetual notes, and new sustainability-linked loans of S$300 million.

BUILDING A SUSTAINABLE ORGANISATION

Making data and technology a key differentiator

CapitaLand recognises that in order to be agile, we need to work faster and smarter. For this, technology is key.

The CapitaStar app is representative of our focus in digitalising our competitive advantage in retail to unlock value. Since it was first launched in 2011, we have registered 10 million users on the platform (one million in Singapore). It now combines an attractive loyalty programme with the electronic gifting of CapitaVouchers, Singapore's most widely accepted shopping voucher. With each app use, the data collected helps us analyse shopper behaviour to better assist our retailers.

Our newest digital loyalty platform – Ascott Star Rewards, has tripled its membership since its launch in April 2019. Its direct bookings and revenue from online bookings by members have also quadrupled.

In November, CapitaLand also announced the setting up of Singapore's largest 5G smart estate trial site at CapitaLand's Singapore Science Park. Our partners are the first in Southeast Asia to develop and testbed 5G enabled Cellular Vehicle-to-Everything (C-V2X) technologies for intelligent mobility solutions in a commercial space.

We have also enhanced our data analytics capabilities. This improves our decision making for important functions such as investment analytics, enterprise risk, treasury, finance, and even talent management. To further unlock value in the workplace, we are increasing our use of robotics and process automation tools to automate repetitive processes. This helps us optimise our human capital to focus on higher value activities.

Our people, our strength

Our people will be key to the successful transformation of CapitaLand into a leading global real estate company. We shall therefore continue to broaden and deepen our talent pool even as we invest in enhancing the skills and expertise of all staff to ensure their relevance as we journey together ahead.

Our shared core values - winning mindset, enterprising, respect and integrity – will be an even more important driving force as we become more global and expand into new markets. They shape our behaviour and define how we work with one another and how we do business with our partners. They will also guide us in the way we select our colleagues and leaders, as they will collectively form the yardstick with which we evaluate our people.

In 2019, each member of staff underwent an average of 60.4 hours of learning and development. The average participation rate for learning and development was 98.4%. We also announced a S$5 million investment to enhance the digital skills and competencies of more than 2,600 employees in Singapore over two years. This will be implemented through CapitaLand's new Building Capability Framework. All of CapitaLand's employees in Singapore will complete at least one digital-related training module by 2020.

The framework will be subsequently localised and rolled out to CapitaLand's employees across over 30 countries.

Our commitment to good corporate governance and sustainability

We subscribe to the principles of good corporate governance. These guide us in all our actions. In this regard, our commitment and efforts were recognised. We were awarded the "Best Managed Board" at the Singapore Corporate Awards in 2019.

We also believe that a commitment to sustainability will in turn enable CapitaLand to generate stronger and sustainable returns over time. Not only have we made sustainability a priority, but also part of our business strategy. We embed environment, social and governance (ESG) considerations into our investment analysis, risk assessment, financing considerations and day-to-day business operations. Our efforts are guided and monitored by the Group's Sustainability Council, comprising both Board members and management, to ensure CapitaLand's continued growth and progress in ESG initiatives.

MESSAGE TO SHAREHOLDERS

In Singapore, we have installed more than 21,000 rooftop solar panels atop six properties, which will result in the generation of more than 10,000 megawatt hours of renewable energy annually. We also collected 53,000 kg of e-waste across 16 properties over two years – a record for Singapore[8].

Our commitment to and efforts in sustainability have been recognised by international bodies such as FTSE4Good and GRESB. And we continue to be a constituent of the Dow Jones Sustainability Index.

We give back to the communities that we are a part of. In 2019, we contributed a total of S$3.48 million to both local and overseas causes. During the year, we led our 28th International Volunteer Expedition to Ho Chi Minh City in Vietnam, where our staff volunteers assisted to expand and refurbish the CapitaLand Tan Tay Hope Kindergarten. This is a S$350,000 project sponsored by our philanthropic arm, CapitaLand Hope Foundation (CHF), to provide pre-school children and teachers in the community with a better environment to learn and teach.

As a recognition of the Group's rural and community development efforts in Singapore and other ASEAN member states, CapitaLand was conferred the 4th ASEAN Rural Development and Poverty Eradication Leadership Award under the Private Sector Corporation category. CapitaLand is the second private sector corporation in Singapore to receive this award.

OUR OUTLOOK

The start of 2020 has brought with it a fresh set of challenges, led by the COVID-19 pandemic. The global economy will be adversely impacted, and the severity of which will depend on the extent and duration of the spread of the disease.

Our current priority is to ensure the well-being of our staff, tenants and patrons. Nevertheless, we will proactively manage our business and take the necessary actions to ensure that our long-term business prospects going forward remain robust.

Regardless, our resolve to transform CapitaLand into a leading, sustainable, global real estate company remains.

28th International Volunteer Expedition to Ho Chi Minh City, Vietnam

We are larger, more diversified and more resilient than a year ago. As we go forward as one, we stand ready to face the challenges that come our way, and have the ability to capitalise on opportunities to further strategically grow our business.

ACKNOWLEDGEMENTS

Our advancement would not have been possible without the trust and support of all our stakeholders. On behalf of the Board, we extend our thanks and appreciation to all of them and look forward to their continuing trust and support as we journey together to become a leading global real estate company. We would also like to thank all our staff for their strong commitment, dedication and contributions to our progress.

During the year, we welcomed Mr Miguel Ko to the Board as non-executive Deputy Chairman and bade farewell to Ms Euleen Goh who retired after seven years of dedicated service and contributions to CapitaLand. Management is grateful to the Board for its strong and effective stewardship, and the guidance given to the leadership team.

Finally, as CapitaLand enters our 20th year of business since listing, we extend our deep appreciation to everyone who has in one way or another contributed to our growth and success. We look forward to greater progress and successes in the years ahead.

Sincerely,

Ng Kee Choe
Chairman

Lee Chee Koon
Group Chief Executive Officer

8 Based on publicly available data and collected in Singapore by a real estate company.

GROWTH & RESPONSIBILITY

2019 ESG HIGHLIGHTS

CapitaLand believes in caring for the environment and communities that we operate in, along with adherence to high standards of corporate governance. Our growth is sustainable and more meaningful that way.

President Halimah Yacob, Mr Tan Seng Chai, Executive Director of CapitaLand Hope Foundation and distinguished guests at the launch of CAP+Ure Fund

Chairman Mr Ng Kee Choe received the award from Singapore's Deputy Prime Minister Mr Heng Swee Keat at the Singapore Corporate Awards 2019

ENVIRONMENT

- Installed more than 21,000 solar farms atop six properties in Singapore to generate more than 10,000 megawatt hours of energy annually.
- Marked Earth Hour 2019 with a record of over 30,000 kg e-waste collected by a real estate company.

SOCIAL

Initiatives by CapitaLand Hope Foundation (CHF):

- **Launched S$750,000 CapitaLand-Bright Horizons Fund Ready-for-School programme** to benefit 2,000 My First Skool pre-school children from low-income families in Singapore over three years.
- **Set up S$500,000 CapitaLand-U Care Resilience and Enablement Fund (CAP+Ure)** in partnership with NTUC-U Care Fund to provide interim financial support for about 2,500 children of National Trades Union Congress (NTUC) members in Singapore facing financial difficulties due to sudden loss of income, to meet their educational and nutritional needs.
- **Contributed more than VND6 billion (~S$350,000) to expand and rejuvenate CapitaLand Tan Tay Hope Kindergarten in Vietnam.** This is the second kindergarten facility in Vietnam supported by CHF to improve access to learning for pre-school children in rural communities.
- **Invested S$5 million in collaboration with Singapore Industrial & Services Employee's Union** to enhance the digital skills and competencies of more than 2,600 employees in Singapore over two years.

GOVERNANCE

- Led SIAS 20th Investors' Choice Awards 2019 for fourth consecutive year with record 14 awards as a Group and bagged "Golden Circle Award" for the first time.
- Third highest ranking company and topped the real estate sector in the Singapore Governance and Transparency Index 2019, in the General category for the second consecutive year.
- Led Singapore Corporate Awards 2019 with most wins for the third consecutive year, which CapitaLand received the top accolade for "Best Managed Board[1]".

1 Listed companies with S$1 billion and above in market capitalisation.

INVESTOR AND MEDIA RELATIONS

A PROACTIVE APPROACH TO STAKEHOLDER RELATIONS

At CapitaLand, we believe that corporate transparency and two-way communication will engender stakeholder confidence. Our investor relations (IR) policy, which is available on our website at www.capitaland.com, provides the framework to do these things effectively.

Our key objectives are: firstly, to ensure stakeholders are equipped with accurate and timely information to make sound judgements about our company; and secondly, to cultivate trust and confidence, through regular and clear communication with our stakeholders. We have two dedicated teams – one overseeing our engagements with the investment community, and another focusing on the media and public communication to ensure these objectives are met.

All material information is announced in a timely manner on SGXNet and on our corporate website, often with accompanying news releases, to ensure CapitaLand's perspectives and corporate actions are easily understood. We also keep our stakeholders abreast of our news through print, broadcast and digital media, as well as email alerts to those who registered to be on our mailing list via our website. In addition, through numerous events and conferences which we organise or participate throughout the year, we provide opportunities for the investment community and the media to interact with our senior management team and learn more about our businesses.

In 2019, we held close to 170 one-on-one and large-group meetings and teleconferences with both institutional and retail investors. Some of these meetings were part of the 10 large-scale investor conferences and nine overseas roadshows, in major financial cities across Europe, USA and Asia, which we participated in. We also regularly engage with proxy providers to ensure we understand their voting requirements. Lastly, we hosted around 2,100 shareholders at our 2019 Annual General Meeting cum Extraordinary General Meeting in April, where we received a resounding vote of over 90% in favour of the transaction to acquire the business of Ascendas-Singbridge (ASB).

KEY EVENTS HIGHLIGHTS

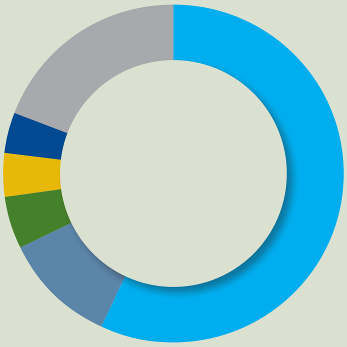
March 2019
Presentation on the proposed ASB transaction to retail clients and remisiers of Phillip Capital - one of the four large group meetings held for retail investors prior to receiving shareholders' approval.

May 2019
"Kopi with CapitaLand" at Jewel Changi Airport. The first instalment of our sit-down sessions to engage retail shareholders.

August 2019
CapitaLand 1H 2019 Financial Results Briefing for the Media and Analysts at Funan in Singapore. Over 130 participants tuned in via "live" webcast.

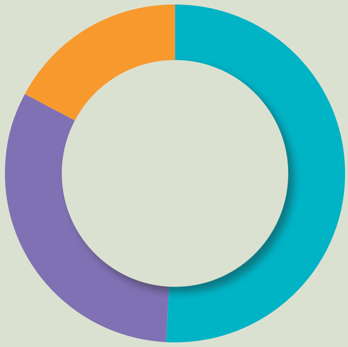
SHAREHOLDER ANALYSIS

By Geographical Distribution[1]



	%
Singapore	57
North America	11
Asia (ex Singapore)	5
United Kingdom (UK)	4
Europe (ex UK)	4
Rest of world/ unidentified holdings	19

By Investor Type[1]



	%
Strategic (Temasek Holdings)	51
Institutions	32
Retail[2]	17

Notes
Shareholder base excludes treasury shares.
1 As at 31 December 2019.
2 Including shares held by brokers and undisclosed holdings.

INDUSTRY RECOGNITION

In 2019, CapitaLand was recognised for its excellence in corporate governance, transparency, sustainability and shareholder communications. At the Singapore Corporate Awards 2019, we earned the Gold award for "Best Managed Board" for listed companies with a market capitalisation of above S$1 billion. At the SIAS 20th Investors' Choice Awards, we received the "Golden Circle Award" - the highest honour for corporate governance.

For five consecutive years, World Finance recognised CapitaLand with the "Best Corporate Governance in Singapore" award. In 2019, we were ranked third out of 578 Singapore-listed companies in the Singapore Governance and Transparency Index, a well-established index ranking based on corporate governance practices in Singapore. The 2019 Southeast Asia Awards, sponsored by IR Magazine, named us the "Best Overall Investor Relations" and the "Best IR During a Corporate Transaction".

November 2019

CapitaLand Investor Day 2019. Close to 160 participants from major institutional fund houses, analysts and lenders, joined the half-day conference hosted by CapitaLand's leadership team at WeWork in Funan, Singapore.

FINANCIAL CALENDAR

	Financial Year Ending 31 Dec 2019	Financial Year Ending 31 Dec 2020
Announcement of First Quarter Results	30 Apr 2019	
Announcement of Second Quarter Results	7 Aug 2019	Aug 2020
Announcement of Third Quarter Results	5 Nov 2019	
Announcement of Full Year Results	26 Feb 2020	Feb 2021

For more information about CapitaLand, please contact:

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YEAR 2019

14 JAN
Announced **S$11 billion acquisition of Ascendas-Singbridge (ASB)** to create one of Asia's largest diversified real estate group.

14 JAN - 12 APR
Over 80 meetings held with shareholders, investors, analysts and the media

9 APR
CapitaLand-SIAS Dialogue Session with 260 retail shareholders.

12 APR
Over 90% resounding votes received from shareholders in favour of the acquisition in Extraordinary General Meeting (EGM).

2 & 3 MAY
Combined leadership retreat

27 MAY
Announced key executive appointments to drive CapitaLand's next phase of growth

27 – 28 MAY & 7 JUN
On-boarding of ex-ASB employees

28 JUN
ASB transaction completed.

ONE CAPITALAND

COMBINATION WITH ASCENDAS-SINGBRIDGE IN BRIEF

Leadership Retreat
2 & 3 May 2019

Onboarding of ex-ASB Employees
27 – 28 May & 7 June 2019

1 OCT
Announced S$7 billion target for India's assets under management, more than double of its current size

25 OCT
Integration Celebration Event and CapitaLand Annual Dinner 2019

1 NOV
CapitaLand announced proposed divestment of a portfolio of 30 business park properties (28 in the USA and two in Singapore) to Ascendas REIT for S$1.66 billion

1 JUL
All employees came together to celebrate our union as ONE CapitaLand.

3 JUL
Proposed combination of Ascott Residence Trust (ART) and Ascendas Hospitality Trust (A-HTRUST) to create the largest hospitality trust in Asia-Pacific and eighth largest globally.

21 OCT
Combination of ART and A-HTRUST **received strong approval of over 99% of votes from unitholders** at their respective EGMs.

29 NOV
First CapitaLand Investor Day 2019 as a unified Group at Funan, Singapore.

31 DEC
Combination of ART and A-HTRUST completed.

Day 1 Welcome Events
1 July 2019

Integration Celebration & CapitaLand Annual Dinner 2019
25 October 2019

OUR AWARDS AND ACCOLADES

CapitaLand received the most wins at Singapore Corporate Awards 2019 for the third consecutive year

CORPORATE EXCELLENCE

4th ASEAN Leadership Award on Rural Development and Poverty Eradication
> Private Sector category

Asiamoney Asia's Outstanding Companies Poll 2019
> Most Outstanding Company in Singapore (Real Estate), Winner

Community Chest Awards 2019
> Charity Platinum Award

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

Euromoney Real Estate Awards 2019
> Best Overall Developer (Singapore), ranked #1
> Best Retail/Shopping Sector Developer (Singapore), ranked #1
> Best Office/Business Sector Developer (Singapore), ranked #1
> Best Industrial/Warehouse Sector Developer (Singapore), ranked #1
> Best Developer in the Innovative Green Development Sector, ranked #2
> Best Developer in the Residential Sector, ranked #3

Forbes' The World's Best Regarded Companies List 2019
> Ranked #87

Forbes Asia's Best Over A Billion List 2019
> Constituent

FTSE4Good Index Series 2019
> Constituent

Global 100 Most Sustainable Corporations in the World 2019
> Ranked #33

Global Real Estate Sustainability Benchmark Real Estate Assessment 2019
> Global & Asia Leader in 'Diversified – Listed' category

gradsingapore – Singapore's 100 Leading Graduate Employers 2019
> Most Popular Graduate Employer (Property and Real Estate Sector), ranked #2
> Most Popular Graduate Employer (All Sectors), ranked #61

IR Magazine Awards – South East Asia 2019
> Best Overall Investor Relations (Large cap)
> Best IR During a Corporate Transaction

Most Attractive Employers in Singapore 2019 by Universum
> Constituent

Randstad SEA Employer Brand Research 2019
> Top 75 Most Attractive Employers in Singapore

RobecoSAM Sustainability Yearbook 2019
> Bronze medal

SIAS 20th Investors' Choice Awards
> Golden Circle Award
> Most Transparent Company Award (Real Estate), Winner
> Corporate Governance Award (Big Cap), Runner Up
> Sustainability Award (Big Cap), Runner Up

Singapore Corporate Awards 2019
> Best Managed Board (Listed companies with S$1 billion & above in market cap), Gold

Singapore Governance and Transparency Index 2019
> Ranked #3

Top 100 Real Estate Investment Managers 2019 by IPE Real Assets
> Top 10 Asia-Pacific Real Estate Investment Manager

World Finance Corporate Governance Awards 2019
> Best Corporate Governance, Singapore

CHINA

ASEAN Enterprises Entering China 2019

Boao Real Estate Forum – China Real Estate Fashion Awards 2019
> Top 30 Most Influential Real Estate Companies & Leaders in China

China Commercial Real Estate Summit 2019
> Top Leader for Commercial Real Estate Industry in China
> Outstanding Manager for Business Information

China's Corporate Citizenship Excellence Award
> 5 Stars

Guandian Property Ranking 2019
> Top 100 Players of The Commercial Real Estate in China, ranked #1
> Top 100 Foreign Real Estate Developers in China, ranked #1
> Top 30 Commercial Real Estate Developers in China (Operational Strength), ranked #2
> Top 30 Commercial Real Estate Developers in China (Creativity), ranked #4
> Top 30 Commercial Real Estate Developers in China (Brand Value), ranked #5
> Top 30 Commercial Real Estate Developers in China (Management Strength), ranked #8
> Most Influential Retail Brand in China - Raffles City

SINGAPORE & INTERNATIONAL

SINGAPORE

BCI Interior Design Awards 2019 (Retailing Category)
Funan

Global Retail & Leisure International Awards 2019
> Most Anticipated Opening
Jewel Changi Airport

MAPIC Awards 2019
> Special Jury Award
Jewel Changi Airport

MIPIM Asia Awards Best Mixed-Use Development 2019
> Bronze
Funan

Retail, Sydney Design Awards (Signage) 2019
> Silver
Funan

Singapore FM Awards 2019
> Best FM Building Owner/Facility Occupier of the Year Award 2019
CapitaGreen
> Inaugural EHS Building Excellence Award of the Year Award 2019
Business Park & Industrial portfolio

VIETNAM

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

PropertyGuru Asia Property Awards 2019
> PropertyGuru Icon Award

OUR AWARDS AND ACCOLADES

PropertyGuru Vietnam Property Awards 2019
> Best Hospitality Developer Special Recognition for Building Communities
> Special Recognition in CSR

MALAYSIA

Malaysia Property Award 2019 – FIABCI Malaysia Chapter
> Winner (Retail)

Melawati Mall

INDIA

13th CNBC-AWAAZ Real Estate Awards
> Best Commercial Project Award *ITPP, Hinjawadi's Juniper Building*

Great Place to Work Certification
> Mid-size Organisation category

Indian Green Building Council Green Champion Award
> Developer Leading the Green Building Movement in India (Commercial)

LODGING

The Ascott Limited

Business Traveller Middle East Awards 2019
> Best Serviced Apartment Company in the Middle East

Travel Weekly Asia Readers' Choice Awards 2019
> Best Serviced Residence Group - Asia-Pacific

World Travel Awards 2019
> Asia's Leading Serviced Apartment Brand
> China's Leading Serviced Apartment Brand
> Hong Kong's Leading Serviced Apartment Brand
> Indonesia's Leading Serviced Apartment Brand
> Malaysia's Leading Serviced Apartment Brand
> Middle East's Leading Serviced Apartment Brand
> Saudi Arabia's Leading Serviced Apartment Brand

Ascott China

2nd That's 2019 Hospitality Awards
> Outstanding Serviced Apartment Brand

4th China Real Estate Leasing Leadership Summit
> The Leader Enterprise of the Housing Rental Industry 2019
> Top 10 Comprehensive List of Inclusive Long-term Rental Apartment Services (First Half of 2019)

12th TTG China Travel Awards
> Best Serviced Residence Operator in China

14th China Hotel Starlight Awards
> Best Serviced Apartment Operator of China

Golden-Pillow Award of China Hotels 2019
> Most Popular Serviced Apartment Brand

Ascott The Residence

Business Traveller Asia-Pacific Awards 2019
> Best Serviced Residence Brand in Asia-Pacific

Business Traveller China Awards 2019
> Best Luxury Serviced Residence Brand in China

DestinAsian Readers' Choice Awards 2019
> Best Serviced Residence Brand

World Travel Awards 2019
> Philippines' Leading Serviced Apartment Brand

The Crest Collection

Lauriers Du Voyages d'Affaires Awards 2019
> Best Lodging Operator

Somerset Serviced Residence

4th China Real Estate Leasing Leadership Summit
> Top 10 Comprehensive List of Inclusive Long-term Rental Apartment Services (First Half of 2019)

MBI Award 2019
> Top 10 Most Influential Serviced Residence Brand

Citadines Apart'hotel

World Travel Awards 2019
> Europe's Leading Serviced Apartment Brand
> Germany's Leading Serviced Apartment Brand

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

OUR BOARD OF DIRECTORS

NG KEE CHOE
Chairman
Non-Executive Independent Director

MIGUEL KO
Deputy Chairman
Non-Executive Non-Independent Director

LEE CHEE KOON
Group Chief Executive Officer
Executive Non-Independent Director

TAN SRI AMIRSHAM BIN A AZIZ
Non-Executive Independent Director

STEPHEN LEE CHING YEN
Non-Executive Independent Director

DR PHILIP NALLIAH PILLAI
Non-Executive Independent Director

KEE TECK KOON
Non-Executive Independent Director

CHALY MAH CHEE KHEONG
Non-Executive Independent Director

ANTHONY LIM WENG KIN
Non-Executive Independent Director

GABRIEL LIM MENG LIANG
Non-Executive Independent Director

GOH SWEE CHEN
Non-Executive Independent Director

OUR BOARD OF DIRECTORS

NG KEE CHOE, 75
Chairman
Non-Executive Independent Director

> Bachelor of Science (Honours), University of Singapore

Date of first appointment as a Director
16 April 2010
Date of appointment as Chairman
1 May 2012
Date of last re-election as a Director
12 April 2019
Length of service as a Director (as at 31 December 2019)
9 years 8 months

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

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

Past directorship in other listed company held over the preceding three years
- PT Bank Danamon Indonesia, Tbk (President-Commissioner)

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

MIGUEL KO, 67
Deputy Chairman
Non-Executive Non-Independent Director

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

Date of first appointment as a Director
6 August 2019
Date of appointment as Deputy Chairman
6 August 2019
Length of service as a Director (as at 31 December 2019)
4 months

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

Present principal commitment
- CLA Real Estate Holdings Pte. Ltd. (formerly known as Ascendas-Singbridge Pte. Ltd.) (Executive Director and Chief Executive Officer)

Past directorships in other listed companies held over the preceding three years
- Ascendas Funds Management (S) Limited (Manager of Ascendas Real Estate Investment Trust) (Vice Chairman)
- Managers of Ascendas Hospitality Trust[1] (Chairman)
- Samsonite International S.A.

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

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

LEE CHEE KOON, 45

Group Chief Executive Officer
Executive Non-Independent Director

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

Date of first appointment as a Director
1 January 2019
Date of last re-election as a Director
12 April 2019
Length of service as a Director (as at 31 December 2019)
1 year

Present directorships in other listed companies
- Managers of Ascott Residence Trust[1]

Present principal commitments
- EDBI Pte Ltd (Director)
- SkillsFuture Singapore Agency (Director)
- Temasek Foundation Nurtures CLG Limited (Director)

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

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

TAN SRI AMIRSHAM BIN A AZIZ, 69

Non-Executive Independent Director

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

Date of first appointment as a Director
30 July 2012
Date of last re-election as a Director
30 April 2018
Length of service as a Director (as at 31 December 2019)
7 years 5 months

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

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

Present principal commitments
- Financial Services Talent Council (Chairman)
- Glenealy Plantations Sdn Bhd (Director)
- RAM Holdings Berhad (Chairman)
- RAM Rating Services Berhad (Chairman)
- Themed Attractions Resorts & Hotels Sdn Bhd (Chairman)
- Wearnes-StarChase Limited (Director)

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

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

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

OUR BOARD OF DIRECTORS

STEPHEN LEE CHING YEN, 73
Non-Executive Independent Director

- Master of Business Administration, Northwestern University, USA

Date of first appointment as a Director
1 January 2013

Date of last re-election as a Director
12 April 2019

Length of service as a Director (as at 31 December 2019)
7 years

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

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

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

Past directorship in other listed company held over the preceding three years
- SIA Engineering Company Limited (Chairman)

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

DR PHILIP NALLIAH PILLAI, 72
Non-Executive Independent Director

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

Date of first appointment as a Director
25 April 2014

Date of last re-election as a Director
12 April 2019

Length of service as a Director (as at 31 December 2019)
5 years 8 months

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

Present directorship in other listed company
- Hotung Investment Holdings Limited

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

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

KEE TECK KOON, 63

Non-Executive Independent Director

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

Date of first appointment as a Director

22 September 2014

Date of last re-election as a Director

30 April 2018

Length of service as a Director (as at 31 December 2019)

5 years 3 months

Board committees served on

- Strategy, Investment and Finance Committee (Member)
- Risk Committee (Member)

Present directorship in other listed company

- Raffles Medical Group Ltd

Present principal commitments

- Changi Airport Group (Singapore) Pte. Ltd. (Director)
- Fullerton Fund Management Company Ltd (Director)[1]
- FFMC Holdings Pte. Ltd. (Director)[1]
- Lien Foundation (Director)
- Mandai Park Holdings Pte. Ltd. (Director)
- NTUC Enterprise Co-operative Limited (Director and Board Advisor)
- NTUC Income Insurance Co-operative Limited (Deputy Chairman)
- NTUC Fairprice Co-operative Limited (Director)

CHALY MAH CHEE KHEONG, 64

Non-Executive Independent Director

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

Date of first appointment as a Director

1 February 2017

Date of last re-election as a Director

24 April 2017

Length of service as a Director (as at 31 December 2019)

2 years 11 months

Board committees served on

- Audit Committee (Chairman)
- Strategy, Investment and Finance Committee (Member)

Present directorship in other listed company

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

Present principal commitments

- Asian Infrastructure Investment Bank (External Member of Audit Committee)
- Flipkart Private Limited (Director)
- Monetary Authority of Singapore (Director)
- National University of Singapore (Member of the Board of Trustees)
- Non-Resident High Commissioner of the Republic of Singapore to the Independent State of Papua New Guinea
- Singapore Accountancy Commission (Chairman)
- Singapore Economic Development Board (Director)
- Singapore Tourism Board (Chairman)

Award

The Public Service Medal at the Singapore National Day Awards 2014

1 Stepping down on 16 March 2020.

OUR BOARD OF DIRECTORS

ANTHONY LIM WENG KIN, 61

Non-Executive Independent Director

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

Date of first appointment as a Director
11 August 2017
Date of last re-election as a Director
30 April 2018
Length of service as a Director (as at 31 December 2019)
2 years 5 months

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

Present principal commitments
- CapitaLand Hope Foundation (Director)
- Institute of International Education, Scholar Rescue Fund Selection Committee (Member)
- Ripple Labs Singapore Pte. Ltd. (Advisor)
- Teach For All Global Advisory Council (Member)

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

GABRIEL LIM MENG LIANG, 44

Non-Executive Independent Director

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

Date of first appointment as a Director
11 August 2017
Date of last re-election as a Director
30 April 2018
Length of service as a Director (as at 31 December 2019)
2 years 5 months

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

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

GOH SWEE CHEN, 59

Non-Executive Independent Director

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

Date of first appointment as a Director
1 September 2017

Date of last re-election as a Director
30 April 2018

Length of service as a Director (as at 31 December 2019)
2 years 4 months

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

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

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

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

OUR LEADERSHIP TEAM

Seated from left

Jonathan Yap
President, CapitaLand Financial
CapitaLand Group

Jason Leow
President, Singapore & International
CapitaLand Group

Lee Chee Koon
Group Chief Executive Officer
CapitaLand Group

Lucas Loh
President, China
CapitaLand Group

Andrew Lim
Group Chief Financial Officer
CapitaLand Group

Tan Seng Chai
Chief Corporate & People Officer
CapitaLand Group

Standing from left

Wen Khai Meng
Senior Advisor, Group Strategy
CapitaLand Group

Kevin Goh
Chief Executive Officer
The Ascott Limited

He Jihong
Chief Corporate Strategy Officer
CapitaLand Group

Lynette Leong
Chief Sustainability Officer
CapitaLand Group

Kng Hwee Tin
Chief Executive Officer,
Finance & Corporate Services
CapitaLand China

Manohar Khiatani
Senior Executive Director
CapitaLand Group


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OUR LEADERSHIP TEAM

LEE CHEE KOON

Group Chief Executive Officer
CapitaLand Group

Lee Chee Koon is the Group Chief Executive Officer (CEO) of CapitaLand Group and serves on its board of directors. Since Chee Koon was appointed as President and Group CEO of CapitaLand in September 2018, the Group has moved towards what he calls "CapitaLand 3.0". This term denotes a CapitaLand under its third leadership team since its listing in 2000. It describes a vision for a focused and agile real estate company, that is balanced and diversified across asset classes and geographies, with a strong resolve for growth.

The most noteworthy change that has taken place under Chee Koon's leadership is the Group's acquisition of Ascendas-Singbridge (ASB) in 2019, which saw CapitaLand diversifying into the business park, industrial and logistics real estate segment and gaining significant scale in India – now one of CapitaLand's core geographies. CapitaLand is currently one of the largest diversified real estate companies in Asia, topping the ranks as Asia's largest real estate investment manager and 9th globally[1].

Prior to becoming Group CEO, Chee Koon was Group Chief Investment Officer (CIO) and was responsible for identifying growth opportunities and capital allocation across the Group. Since joining CapitaLand in 2007, he has held several appointments within the Group, which includes his role as CEO of The Ascott Limited (Ascott), Managing Director (MD) for Ascott in China, as well as Vice President in the Office of the President under CapitaLand's first President & CEO, Mr Liew Mun Leong.

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

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

Directorships and Professional Memberships

> Executive, Non-independent Director, CapitaLand Limited
> Non-executive, Non-independent Director, Ascott Residence Trust Management Limited (ARTML)
> Director, CapitaLand Hope Foundation (CHF)
> Director, Temasek Foundation Nurtures CLG Limited
> Director, EDBI Pte Ltd
> Director, SkillsFuture Singapore Agency

JASON LEOW

President, Singapore & International
CapitaLand Group

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

Jason's career with CapitaLand started over 25 years ago in 1994. Almost half of his tenure with the Group was spent growing the Group's businesses in China. From 2009 to 2014, Jason was the CEO of CapitaLand China. Under his leadership, the China team streamlined and grew the residential and integrated development businesses, including the development and operations of eight Raffles City projects in China. In 2014, he returned to Singapore and took on the role of CEO and Executive Director of CapitaLand Mall Asia. In 2017, Jason was appointed Group Chief Operating Officer (COO) of CapitaLand Group and was responsible for efficient and cost-effective support services for business operations across geographies and asset classes globally. Prior to his current appointment, Jason was CapitaLand's President (Asia[2] & Retail) of which, in addition to overseeing the growth of primarily Singapore, Malaysia and Indonesia, as well as Vietnam markets, he also managed retail operations across the Group.

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

Directorships and Professional Memberships

> Non-executive, Non-independent Director, CapitaLand Mall Trust Management Limited (CMTML)
> Member, Institute of Singapore Chartered Accountants
> Member, Board of Singapore Corporation of Rehabilitative Enterprises
> Committee Member, Home Detention Advisory Committee 4
> Committee Member, NTUC-U Care Fund

1 CapitaLand is the 9th largest real estate investment manager globally in 2019 by IPE Real Assets
2 Asia (ex-China)

LUCAS LOH

President, China
CapitaLand Group

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

Lucas joined CapitaLand in September 2001 and has been based in China for 15 years since 2004. He has been credited for leading the team in China and accelerating the business growth and income. As of 31 December 2019, CapitaLand China's assets contributed to approximately 42% of the Group's earnings before interest and taxes. Under Lucas' leadership, CapitaLand successfully completed and opened four Raffles City integrated developments, including Raffles City Chongqing, which opened in September 2019.

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

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

Directorships and Professional Memberships

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

JONATHAN YAP

President, CapitaLand Financial
CapitaLand Group

Jonathan Yap is President, CapitaLand Financial of CapitaLand Group. Jonathan oversees the Group's fund platform which includes seven listed trusts with a total market capitalisation of approximately S$36 billion as of 31 December 2019, as well as over 20 private funds. He also oversees the Group's India business.

CapitaLand's fund platform, valued at approximately S$73.7 billion of fund assets under management (AUM) as at 31 December 2019, makes CapitaLand the top real estate investment manager in Asia and 9th largest in the world. The Group is targeting further growth to S$100 billion of Fund AUM by year 2024. CapitaLand's business in India, which was added as the Group's newest core geography post its merger with ASB, is committed to growing its AUM from approximately S$3.2 billion as at 31 December 2019 to S$7 billion in 2024. Jonathan will be overseeing both CapitaLand's fund platform as well as the Group's business in India to reach the targets set.

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

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

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

Directorships and Professional Memberships

> Non-executive, Non-independent Director, CMTML
> Non-executive, Non-independent Director, CapitaLand Commercial Trust Management Limited (CCTML)
> Non-executive Director, Ascendas Property Fund Trustee Pte Ltd

OUR LEADERSHIP TEAM

MANOHAR KHIATANI

Senior Executive Director
CapitaLand Group

Manohar Khiatani is the Senior Executive Director of CapitaLand Group. His key responsibilities include assisting CapitaLand's Group CEO in matters relating to organisation integration, group-wide initiatives as well as CapitaLand's businesses in India and business/industrial parks. He also oversees the Group Centre of Excellence for Customer Services & Solutions.

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

Before joining Ascendas in May 2013, Manohar was the CEO of JTC Corporation (JTC), Singapore's lead agency to plan and develop industrial infrastructure. At JTC, he spearheaded the development of specialised infrastructure solutions for various sectors and positioned the organisation as an industrial infrastructure innovator. Prior to his career at JTC, Manohar was the Deputy MD at the Singapore Economic Development Board (EDB), which he first joined in 1986. At EDB, Manohar played an instrumental role in the development and transformation of important sectors in Singapore's economy such as aerospace, marine and offshore, electronics, precision engineering, logistics, infocomms and media, and clean technology. Manohar also led EDB's operations in the Americas and Europe. Between 1994 and 1999, Manohar served as the MD of Preussag SEA, a diversified German conglomerate, where he was responsible for developing the group's business in South East Asia. He returned to EDB in 1999.

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

Directorships and Professional Memberships

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

ANDREW LIM

Group Chief Financial Officer
CapitaLand Group

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

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

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

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

Directorships and Professional Memberships

> Non-executive, Non-independent Director, Ascendas Funds Management (S) Limited
> Non-executive, Non-independent Director, CCTML
> Non-executive, Non-independent Director, ARTML
> Non-executive, Non-independent Director, CRCTML
> Non-executive, Non-independent Director, CapitaLand Malaysia Mall REIT Management Sdn. Bhd.
> President, Real Estate Investment Trust Association of Singapore
> Member, Institute of Singapore Chartered Accountants' CFO Committee
> Member, Accounting Standards Council
> Member, Accounting for Sustainability Circle of Practice in Asia

TAN SENG CHAI

Chief Corporate & People Officer
CapitaLand Group

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

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

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

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

Directorship
> Executive Director, CHF

KEVIN GOH
Chief Executive Officer
The Ascott Limited

Kevin Goh is the CEO of The Ascott Limited (Ascott). He oversees the growth of CapitaLand's lodging business. Under his leadership, Ascott stepped up its global expansion in 2019 with a record opening of about 7,500 units in over 40 properties across 30 cities and 13 countries and signed over 14,000 units across about 100 properties. He also played an instrumental role in the combination of Ascott Residence Trust (ART) and Ascendas Hospitality Trust in December 2019, which has resulted in the creation of the largest hospitality trust in Asia-Pacific.

Kevin was previously the COO of Ascott, a role he assumed since 1 December 2016, where he oversaw operational aspects of the serviced residence business and new growth opportunities. Prior to this, he was Ascott's MD for North Asia since 2013, where he spearheaded Ascott's investments and operations in China, Japan and Korea. Since joining Ascott China in 2007, Kevin was based in China for over 10 years. During his stay in China, he served as Regional GM for South & East China, Vice President for Asset Management and Vice President for Corporate Services.

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

HE JIHONG
Chief Corporate Strategy Officer
CapitaLand Group

He Jihong is the Chief Corporate Strategy Officer of CapitaLand Group. She identifies strategic business focus areas and works closely with businesses in formulating corporate strategies to ensure long-term sustainable business results for the Group. She is also responsible for identifying new business trends and establishing new platforms for the Group.

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

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

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

LYNETTE LEONG
Chief Sustainability Officer
CapitaLand Group

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

Lynette joined CapitaLand Group in October 2007 where she served as the CEO and Executive Director of CCTML, the Manager of CapitaLand Commercial Trust (CCT), until November 2017. Under her leadership, CCT grew to become the largest office landlord in Singapore with a prestigious commercial portfolio. Its assets under management increased

OUR LEADERSHIP TEAM

from approximately S$4 billion in 2007 to more than S$10 billion in 2017 and achieved a total return in excess of 120% notwithstanding the global financial crisis, in addition to winning multiple awards for corporate governance, investor relations and environmental sustainability.

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

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

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

Directorships and Professional Memberships
- Board Member, National Environment Agency of Singapore
- Advisory Board Member, Singapore Management University's Lee Kong Chian School of Business
- Advisory Committee, NUS' School of Design and Environment
- Mentor, Young Women's Leadership Connection

KNG HWEE TIN
Chief Executive Officer, Finance & Corporate Services
CapitaLand China

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

Prior to joining CapitaLand in October 2019, Hwee Tin was with OCBC Bank for more than 30 years. She was appointed the Executive Director and CEO of OCBC Wing Hang Bank (China) Limited in 2013. Subsequently in 2016, she played an instrumental role in leading the successful integration of OCBC Bank (China) Limited and Wing Hang Bank (China) Limited. Based in Shanghai, she was responsible for the strategic and operational management of the bank. During her tenure with OCBC Bank, she was pivotal in leading the bank's establishment of its premier banking business, implementation of Basel II requirements for credit risk, launch of the bank's risk policies framework, as well as execution of key initiatives to strengthen the board's governance.

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

WEN KHAI MENG
Senior Advisor, Group Strategy
CapitaLand Group

Wen Khai Meng is Senior Advisor, Group Strategy of CapitaLand Group.

Prior to his appointment in 2019, Khai Meng held several senior appointments at the CapitaLand Group which include CIO of CapitaLand Limited, CEO of CapitaLand Singapore Limited, CEO of CapitaLand Commercial Limited, CEO of CapitaLand Financial Limited and Deputy CFO of CapitaLand.

Before joining CapitaLand, Khai Meng was the Director (Corporate Development) and Deputy Director (Land Administration) at the Urban Redevelopment Authority, Singapore. Prior to that, he served as the Deputy Director (Infrastructure) at the Ministry of National Development, Singapore.

Khai Meng holds a Master in Business Administration and a Master of Science in Construction Engineering as well as a Bachelor of Engineering (First Class Honours).

Directorships and Professional Memberships
- Member, The Salvation Army Advisory Board
- Director, Ophir-Rochor Investments Pte. Ltd.
- Director, Alexandra Health Fund Limited
- Director, Maxwell Chambers Pte. Ltd.
- Member, Board of Trustees of Singapore Institute of Technology
- Alternate Director to Mr Hiew Yoon Khong, M+S Pte. Ltd.
- Alternate Director to Mr Hiew Yoon Khong, Marina South Investments Pte. Ltd

CORPORATE INFORMATION

(as at 3 March 2020)

BOARD OF DIRECTORS

Ng Kee Choe
Chairman

Miguel Ko
Deputy Chairman

Lee Chee Koon
Group CEO

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

BOARD COMMITTEES

Audit Committee

Chaly Mah Chee Kheong
Chairman

Tan Sri Amirsham Bin A Aziz
Dr Philip Nalliah Pillai
Anthony Lim Weng Kin
Gabriel Lim Meng Liang

Executive Resource and Compensation Committee

Ng Kee Choe
Chairman

Miguel Ko
Stephen Lee Ching Yen
Goh Swee Chen

Nominating Committee

Stephen Lee Ching Yen
Chairman

Ng Kee Choe
Dr Philip Nalliah Pillai
Goh Swee Chen

Risk Committee

Tan Sri Amirsham Bin A Aziz
Chairman

Kee Teck Koon
Gabriel Lim Meng Liang

Strategy, Investment and Finance Committee

Ng Kee Choe
Chairman

Miguel Ko
Kee Teck Koon
Chaly Mah Chee Kheong
Anthony Lim Weng Kin

COMPANY SECRETARIES

Michelle Koh Chai Ping
Hon Wei Seng

REGISTERED ADDRESS

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112 Robinson Road #05-01
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Fax : +65 6225 1452

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16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581
Tel : +65 6213 3388
Fax : +65 6225 0984
(Engagement Partner since financial year ended 31 December 2015: Lee Sze Yeng)

PRINCIPAL BANKERS

Agricultural Bank of China Limited

Bank of China

Bank of Communications Co., Ltd

BNP Paribas

Cathay United Bank

China Construction Bank

CIMB Bank Berhad

Crédit Agricole Corporate & Investment Bank

DBS Bank Ltd

Industrial and Commercial Bank of China Limited

Malayan Banking Berhad

Mizuho Bank, Ltd.

MUFG Bank, Ltd.

Münchener Hypothekenbank eG

Oversea-Chinese Banking Corporation Limited

Standard Chartered Bank

Sumitomo Mitsui Banking Corporation

The Bank of East Asia, Limited

The Hongkong and Shanghai Banking Corporation Limited

United Overseas Bank Limited

GLOBAL MARKET TRENDS

INTENSIFICATION OF URBANISATION

According to the United Nations, more than two-thirds of the world's population will live in urban areas by 2050[1].

This compares to 55% recorded in 2018. The expected increase translates to approximately 2.5 billion new urban residents, giving rise to the need for more homes, jobs and amenities in cities.

Our strategic response:

Over the last two decades, CapitaLand has built homes for urbanising populations across Singapore, China and Vietnam.

That represents more than 100,000 homes constructed since our listing in 2000.

Besides that, CapitaLand's investment property network of approximately 500 assets across retail, offices, lodging and business parks provide quality spaces for these communities to live, work and play.

The Group retains around 6 million square metres[4] of land bank across CapitaLand's core markets to be developed.

THE GROWING NEED FOR REAL ESTATE FUND MANAGERS

In a low interest rate environment with excess liquidity, real estate has become an increasingly liquid financial asset that is actively traded globally.

In 2019, real estate allocation among the top 50 largest global institutional investors reached a record of US$1 trillion. This was up from US$991 billion in 2018 and US$896 billion in 2017[2].

Our strategic response:

CapitaLand has continued to build on our real estate capabilities since our listing. Today, we are one of the few real estate players who are active across the real estate value chain, with in-house capabilities to build, manage and operate.

We also have one of the world's largest real estate fund management platforms[5]. Approximately S$73.7 billion of assets are managed through our seven listed trusts and 25 private funds.

Our strong local presence and experience in over 200 cities around the globe, particularly those within our core markets, put us in the position to provide a full suite of real estate products and services that can meet the increasing needs of real estate investors.

1 Population Division of the UN Department of Economic and Social Affairs (UN DESA). "The 2018 Revision of World Urbanization Prospects".
2 PERE. "Global Investor 50: Top investors hit $1trn in total RE allocations".
3 MSCI. ""G" is just one part of the ESG story".
4 Total of land bank and land currently under development as of March 2020.
5 IPE Real Estate. "Top 100 Investment Managers 2019".

EVERYTHING "TECH" AND "SOCIAL"

Technology and digital advancements are driving tremendous shifts in people's expectations and behaviours.

There is a greater need for collaboration, flexibility and mobility. Smarter and faster are watchwords of the day. Physical space has evolved beyond being a place of trade. It needs to also entertain, connect and inspire.

Our strategic response:

First, we create a digital experience for our physical space.

As an example, our CapitaStar app which we started in 2011 as a shoppers' loyalty platform, now comprises a marketing suite for retailers and also acts as an omnichannel platform where shoppers can transact with CapitaLand's retailers digitally. With approximately 10 million registered users, we are receiving valuable data that helps us understand shoppers' behaviour and needs more than ever.

Second, we create experiential physical space that connects us with our customers.

The newly opened Funan mall caters for activity-based shopping and features new-to-market brands. By offering experiential workshops, community programmes and online-to-offline tenants, we are creating a new level of shopping experience that transcends the brick-and-mortar.

Importantly, we acquired a "new economy" real estate expertise in 2019. The combination with Ascendas-Singbridge gave CapitaLand immediate scale in business park, industrial and logistics space - a real estate segment serving high-growth tech-driven industries and complementing our traditional real estate asset classes.

INCREASED AWARENESS OF ESG ISSUES

There is a growing awareness that sustainable practices can contribute to reducing risks associated with climate change. Over the past five years, companies with higher Environment, Social and Governance (ESG) ratings were valued at a premium over their peers with lower ESG ratings[3].

Our strategic response:

CapitaLand aims to be continually recognised internationally as a leading sustainable company. We embed ESG considerations into our real estate life cycle and value chain - from policies and processes to implementing best practices with a view to building a truly sustainable business.

In 2019, we set ourselves an ambitious target to achieve 100% green certification globally by 2030. We also committed to powering at least 20% energy consumption from renewable energy by 2025 and continuing to reduce the intensities of the Group's energy usage, water consumption and carbon emission.

During the year, we retained our listing on the DJSI World Index and GRESB 5 Stars rating, the highest rating and recognition for being an industry leader. We also achieved our key ESG benchmarks which resulted in a reduction of the interest rates of our S$600 million sustainability-linked loans.

CapitaLand's Sustainability Council oversees the Group's ESG efforts strategically and sets the direction, priorities and targets for the Group. The Council is reviewing current targets with a view to recalibrating them upwards. This ensures CapitaLand's continued progress in ESG initiatives and causal link with its business.

FINANCIAL PERFORMANCE REVIEW

PERFORMANCE OVERVIEW

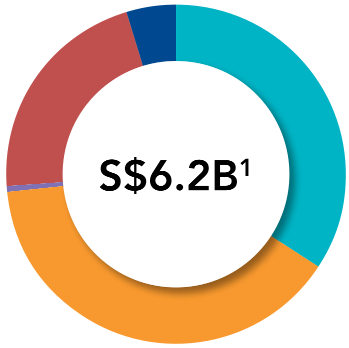
CapitaLand Limited achieved a total PATMI of S$2,135.9 million in FY 2019, 21.2% higher than the S$1,762.5 million for FY 2018. Operating PATMI was S$1,057.2 million, a record high for the Group. This was driven by contributions from Ascendas-Singbridge (ASB) businesses, assets acquired in FY 2018 and assets that turned operational in FY 2019. The Group acquired 100% of interest in ASB on 28 June 2019. Full-year ROE rose to 10.0% from 9.3% in FY 2018, the Group's first double-digit ROE in almost 10 years.

REVENUE

The Group reported an 11.3% increase in revenue for FY 2019 to S$6,234.8 million (FY 2018: S$5,602.4 million), mainly attributed to the contribution from ASB portfolio and higher rental revenue from our properties in Singapore, China, USA and Europe, partially offset by lower contributions from our residential projects in Singapore and China. The residential projects which contributed to the revenue in FY 2019 were Raffles City Residences, Chongqing, The Metropolis, Kunshan, Vermont Hills, Beijing and Parc Botanica, Chengdu in China, The Interlace, Sky Habitat and Marine Blue in Singapore, as well as D1MENSION and Mulberry Lane in Vietnam.

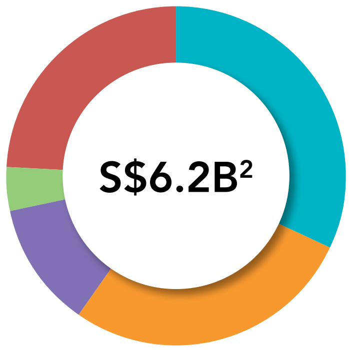
Geographically, the Group's two largest markets of Singapore and China accounted for approximately 71.7% of the Group's revenue. In terms of revenue contribution by asset class, the Group's residential, commercial strata and urban development business accounted for 33.3% of the total revenue, while its investment properties portfolio comprising retail, commercial, business park, industrial and logistics, as well as lodging businesses which are recurring in nature, made up 66.7% of total revenue.

2019 Revenue By Strategic Business Units



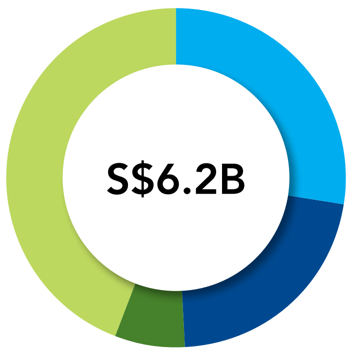
	%
CL Singapore & International	35.6
CL China	40.9
CL India	0.4
CL Lodging	22.3
CL Financial	4.8

2019 Revenue By Asset Class



	%
Residential, commercial strata and urban development	33.3
Retail	28.8
Commercial	12.2
Business park, industrial & logistics	4.5
Lodging	24.8

2019 Revenue By Geographical Location



	%
Singapore	27.7
Other developed markets (exclude Singapore & Hong Kong)	21.7
Other emerging markets (exclude China)	6.6
China (includes Hong Kong)	44.0

Notes
1 Includes Corporate and Others of -4.0% or loss of S$248.8 million which was not reflected in the chart. Amount mainly related to intercompany eliminations.
2 Includes Corporate and Others of -3.6% or loss of S$219.3 million which was not reflected in the chart. Amount mainly related to intercompany eliminations.

EARNINGS BEFORE INTEREST AND TAX (EBIT) ANALYSIS

The Group reported an EBIT for S$5,067.6 million for FY 2019, 22.3% higher as compared to S$4,145.0 million in FY 2018.

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

	FY 2019		FY 2018	
	S$ million	**%**	**S$ million**	**%**
Operating profits	3,223.3	64	2,755.9	66
Portfolio gains[1]	679.8	13	537.6	13
Revaluation gains and impairments	1,164.5	23	851.5	21
EBIT	**5,067.6**	**100**	**4,145.0**	**100**

Note
1 Include realised revaluation gains/losses arising from the revaluation of investment properties to agreed selling prices of properties.

Operating profits for the year grew by 17.0% or S$467.4 million to S$3,223.3 million. The increase was mainly attributed to the contribution from ASB portfolio acquired and better performance from our investment properties mainly in Singapore, China, USA and Europe.

Portfolio gains realised from asset recycling during the year amounted to S$679.8 million, mainly from the divestments of 30 business park properties in Singapore and USA, six serviced residences in Singapore, China, Hong Kong and Japan, four retail malls in Singapore and China, as well as three commercial properties in Germany and China. The gains were partially offset by transaction costs incurred for the acquisition of ASB.

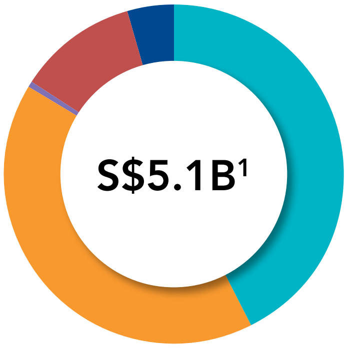
In terms of revaluation of investment properties, the Group recorded a net fair value gain of S$1,195.0 million in FY 2019 (FY 2018: S$832.6 million). The increase in revaluation gains was mainly from our portfolio of investment properties in Singapore, China, Vietnam, India, Australia and USA.

During the year, the Group made a net impairment of S$30.5 million (FY 2018: write back of impairment of S$18.9 million) mainly for our investments and development projects in Australia, Indonesia and Malaysia.

Singapore and China markets remain the key contributors to the Group's EBIT. Singapore accounted for 38.5% (FY 2018: 42.3%) while China accounted for 45.2% (FY 2018: 47.0%) respectively.

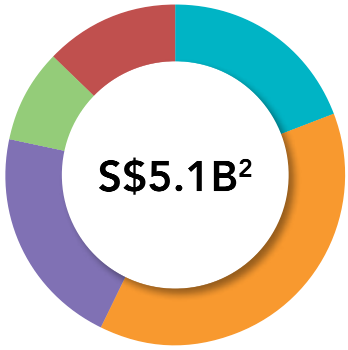
Approximately 80.4% of the Group's EBIT came from investment properties. In addition, about 53.1% (FY 2018: 52.1%) of the Group's earnings before interest, tax, depreciation and amortisation (EBITDA) were from developed markets comprising Singapore, Europe, USA, Australia, New Zealand, Japan, South Korea and Hong Kong.

2019 EBIT by Strategic Business Units



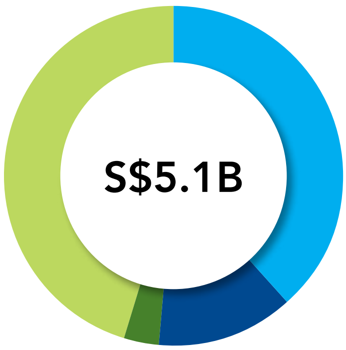
	%
CL Singapore & International	43.6
CL China	41.9
CL India	0.8
CL Lodging	11.4
CL Financial	4.5

2019 EBIT by Asset Class



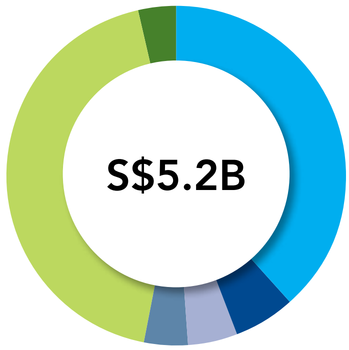
	%
Residential, commercial strata and urban development	19.6
Retail	39.0
Commercial	21.5
Business park, industrial & logistics	9.1
Lodging	12.8

2019 EBIT by Geographical Location



	%
Singapore	38.5
Other developed markets (exclude Singapore & Hong Kong)	13.0
Other emerging markets (exclude China)	3.3
China (includes Hong Kong)	45.2

2019 EBITDA by Geographical Location



	%
Singapore	38.5
Europe developed markets[3], Australia and New Zealand	5.8
Japan, South Korea & Hong Kong	4.8
USA	4.0
China	43.4
Other Asia[4]	3.5

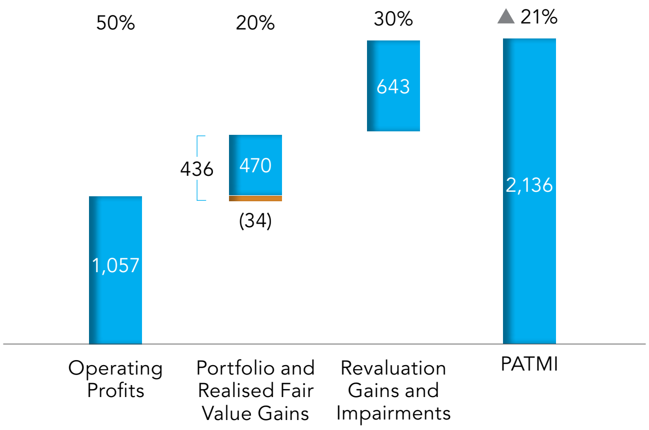
Notes
1 Includes Corporate and Others of -2.2% or loss of S$108.0 million which was not reflected in the chart. Corporate and Others included corporate office and group eliminations.
2 Includes Corporate and Others of -2.0% or loss of S$103.2 million which was not reflected in the chart. Corporate and Others included corporate office and group eliminations.
3 Includes UK, France, Germany, Spain, Belgium and Ireland.
4 Excludes Singapore, China, Japan, South Korea and Hong Kong.

PATMI

Overall, the Group achieved a PATMI of S$2,135.9 million in FY 2019, a 21.2% improvement over FY 2018, on account of better operating performance, higher portfolio gains and revaluation of investment properties. Operating PATMI rose by 21.2% to S$1,057.2 million, driven by better performance from our investment properties in Singapore, China and USA, as well as contributions from the ASB portfolio acquired in June 2019.

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

FY 2019 PATMI Breakdown
(S$ million)



Transaction costs for acquisition of ASB

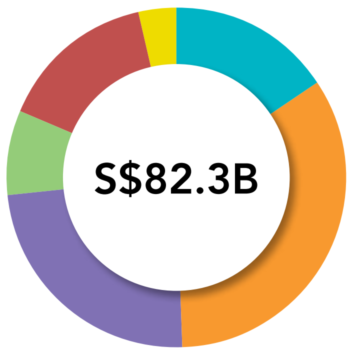
DIVIDENDS

The Board of Directors is proposing a tax-exempt ordinary dividend of 12.0 Singapore cents a share which is unchanged from a year ago. Notwithstanding our strong financial results, we believe that this prudent approach will enable the Group to remain resilient amidst the ongoing uncertainty resulting from the COVID-19 virus. The proposed dividend amounts to approximately S$604.5 million of payout, which represents 40.5% of the Group's cash PATMI[1]. On a per share basis, it translates into gross yield of 3.2% on the Company's last transacted share price as at 31 December 2019.

ASSETS

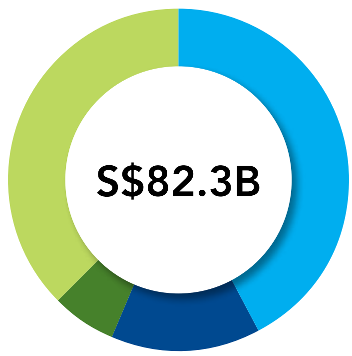
As at 31 December 2019, the Group's total assets were S$82.3 billion, with Singapore and China collectively accounting for approximately 79.6%. The increase in total assets of S$17.7 billion over the prior year was mainly attributable to the acquisition of ASB which included the consolidation of Raffles City Chongqing and fair value gains recognised on our portfolio of investment properties. In terms of total assets by asset class, investment properties and trading properties accounted for 84.2% and 15.8% of the Group's total assets respectively. On an effective share basis, the proportion of investment properties to trading properties was about 79% and 21% respectively. The Group's diversified asset mix continues to generate stable recurring income from our investment properties portfolio, supplemented by a significant contribution from our trading properties.

2019 Total Assets by Asset Class



	%
Residential, commercial strata and urban development	15.8
Retail	33.9
Commercial	23.9
Business park, industrial & logistics	8.0
Lodging	15.0
Corporate and Others	3.4

2019 Total Assets by Geography



	%
Singapore	42.3
Other developed markets (exclude Singapore & Hong Kong)	14.1
Other emerging markets (exclude China)	6.3
China (includes Hong Kong)	37.3

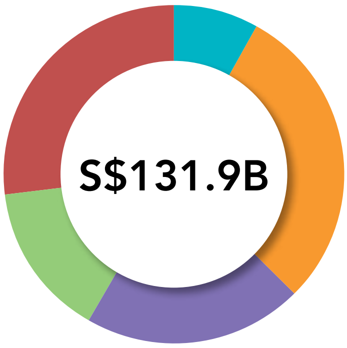
1 Cash PATMI is defined as sum of operating PATMI, portfolio gains and realised fair value gains.

FINANCIAL PERFORMANCE REVIEW

REAL ESTATE ASSETS UNDER MANAGEMENT (RE AUM)[2]

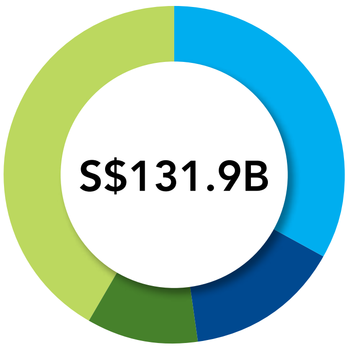
As at 31 December 2019, CapitaLand's RE AUM was at S$131.9 billion. This represents a 31.9% year-on-year increase that is largely attributed to the acquisition of ASB. The increase in new markets such as India, Australia, South Korea, and the UK, resulted in greater diversification and a more balanced exposure.

2019 RE AUM by Asset Class



	%
Residential, commercial strata and urban development	8.2
Retail	29.5
Commercial	20.8
Business park, industrial & logistics	14.6
Lodging	26.9

2019 RE AUM by Geography



	%
Singapore	33.2
Other developed markets (exclude Singapore & Hong Kong)	14.7
Other emerging markets (exclude China)	10.7
China (includes Hong Kong)	41.4

A new asset class, "Business park, industrial and logistics", made up 14.6% of CapitaLand's RE AUM as at the end of FY 2019. This resulted in a more balanced exposure across asset classes.

BORROWINGS

As at 31 December 2019, the Group's gross debt stood at S$31.4 billion. With a cash balance of S$6.2 billion, the net debt as at 31 December 2019 was S$25.2 billion and the Group's net debt-to-equity ratio was 0.63 times (FY 2018: 0.56 times). The net debt position increased by S$6.6 billion mainly due to the consolidation of ASB, as well as additional loans taken to fund the Group's investments and ongoing development expenditure for projects under construction.

SHAREHOLDERS' EQUITY

As at 31 December 2019, issued and paid-up ordinary share capital (excluding treasury shares) of the Company comprised 5.0 billion shares at S$9.3 billion (FY 2018: S$6.3 billion). The increase in share capital of S$3.0 billion was due to the issuance of 862.3 million shares at an issue price of S$3.50 per share, representing 50% of the consideration for the acquisition of ASB. The Group's total reserves increased to S$14.0 billion from S$12.6 billion in 2018. The increase was mainly due to S$2.1 billion net profit for the year, partially offset by the translation of foreign operations arising from the appreciation of SGD against currencies such as the Chinese Renminbi and the Malaysian Ringgit during the year, as well as payment of dividends for 2018.

As at 31 December 2019, the Group's total shareholders' funds was S$23.4 billion (FY 2018: S$19.0 billion) and net assets value per share was S$4.64 (FY 2018: S$4.55).

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

TREASURY HIGHLIGHTS

	2019	2018
Bank Facilities And Available Funds (S$ million)		
Bank facilities available[1]	**30,316**	20,963
Amount utilised for loans	**18,825**	13,004
Available and unutilised	**11,491**	7,959
Cash and cash equivalents	**6,168**	5,060
Unutilised facilities and funds available for use	**17,659**	13,019
Debt Securities Capacity (S$ million)		
Debt securities capacity[2]	**30,014**	28,898
Debt securities issued (net of debt securities purchased)	**11,902**	10,630
Unutilised debt securities capacity	**18,112**	18,268
Leverage Ratios		
Gross debt[4] (S$ million)	**31,411**	23,634
Cash and cash equivalents (S$ million)	**6,168**	5,060
Net debt (S$ million)	**25,243**	18,574
Equity[5] (S$ million)	**40,283**	33,307
Net debt equity ratio (times)	**0.63**	0.56
Total assets (net of cash)	**76,178**	59,588
Net debt/Total assets (net of cash) (times)	**0.33**	0.31
Secured Debt Ratio		
Secured debt (S$ million)	**10,722**	6,607
Percentage of secured debt	**34%**	28%
Interest Cover Ratio		
Earnings before net interest, tax, depreciation and amortisation[3] (S$ million)	**5,650**	4,529
Net interest expense (S$ million)	**741**	548
Interest cover ratio (times)	**7.6**	8.3
Interest Service Ratio		
Operating cashflow before interest and tax (S$ million)	**3,480**	2,862
Net interest paid (S$ million)	**801**	649
Interest service ratio (times)	**4.3**	4.4

Notes
1 Committed and uncommitted facilities in place.
2 Includes outstanding bond issuances and capital market programmes established.
3 Exclude share of taxes from associates and joint ventures.
4 Debt includes S$684 million of lease liabilities under SFRS(I)16.
5 Includes S$500 million fixed rate subordinated perpetual notes issued on 17 October 2019 by CapitaLand Treasury Limited, a wholly owned subsidiary of CapitaLand Limited. The perpetual notes have no fixed maturity date and are guaranteed by CapitaLand Limited with an initial distribution rate of 3.65% per annum with the first distribution reset falling on 17 October 2024 and subsequent resets occurring every five years thereafter.

TREASURY HIGHLIGHTS

OVERVIEW

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

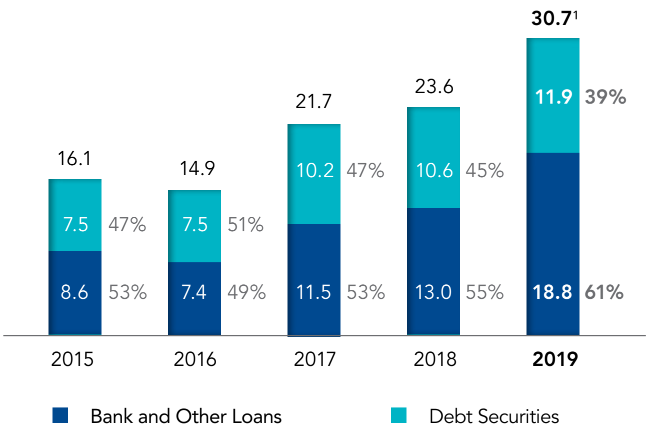
The Group's total gross debt of S$31.4 billion was higher compared to S$23.6 billion as at 31 December 2018. Net debt as at 31 December 2019 was S$25.2 billion compared to S$18.6 billion as at 31 December 2018. The higher gross and net debt was mainly due to the acquisition of Ascendas Pte Ltd and Singbridge Pte. Ltd. (collectively known as (ASB)) and consolidation of Raffles City Chongqing (RCCQ). Additional loans were taken to fund the Group's investments, ongoing development expenditure for projects under construction and the recognition of lease liabilities following the adoption of SFRS(I) 16. As a result, the Group's net gearing as at end 2019 was higher at 0.63 times as compared to 0.56 times as at end 2018.

Finance costs for the Group were S$839.1 million for the year ended 2019. This was about 32% higher compared to S$636.5 million in 2018. Finance costs were higher mainly due to the increase in the Group's borrowings resulting from the consolidation of ASB and RCCQ. Average cost of borrowings remained stable year-on-year at 3.2% as at end 2019.

SOURCES OF FUNDING

As at year end, 61% of the Group's total debt was funded by bank borrowings and the balance 39% was raised through capital market issuances. The Group continues to seek diversified and balanced sources of funding to ensure financial flexibility and mitigate concentration risk.

Sources of Funding (S$ billion)



Note
1 Debt excludes S$684 million of lease liabilities under SFRS(I)16.

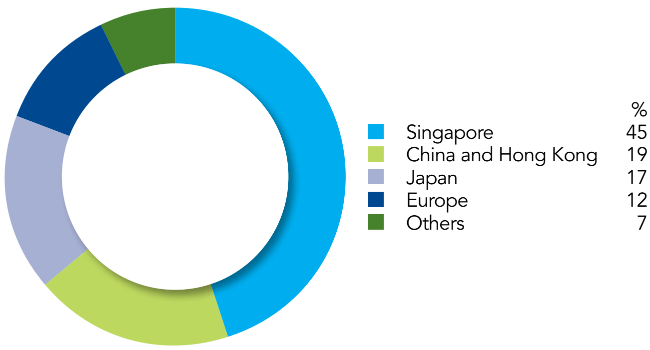
AVAILABLE LINES BY NATIONALITY OF BANKS

The Group has built up an extensive and active relationship with a network of more than 40 banks of various nationalities. Diversity has allowed the Group to tap on the strength and support from financial institutions in pursuing its strategic growth and presence globally, thus enhancing its competitiveness in core markets and enabling the Group to develop other markets where appropriate.

As at end 2019, the Group was able to achieve 99% of its funding from committed facilities. The balance 1% was funded by flexible uncommitted short term facilities.

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

Available Lines By Nationality of Bank



DEBT MATURITY PROFILE

The Group has proactively built up sufficient cash reserves and credit lines to meet its short term debt obligations, support its refinancing needs and pursue opportunistic investments. The Group maintains a healthy balance sheet and has unutilised bank facilities of about S$11.5 billion. To ensure financial discipline, the Group constantly reviews its loan portfolio so as to mitigate any refinancing risks, avoid concentration and extend its maturity profile where possible. In reviewing the maturity profile of its loan portfolio, the Group also takes into account any divestment or investment plans, interest rate outlook and the prevailing credit market conditions.

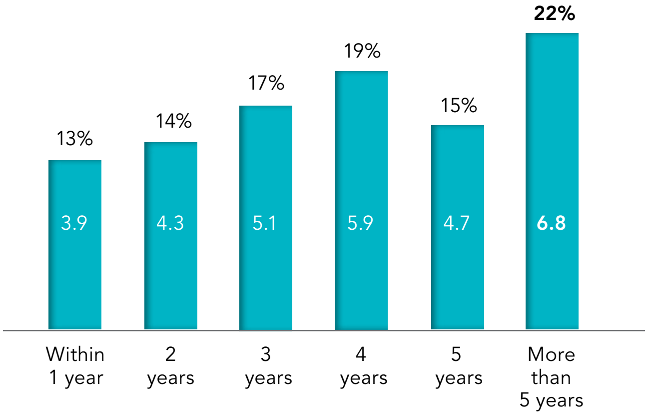
INTEREST RATE PROFILE

The Group manages its finance costs by maintaining a prudent mix of fixed and floating rate borrowings. As at 31 December 2019, the fixed rate borrowings constituted 68% of the portfolio, with the balance on floating rate basis. As finance costs constitute a major component of the Group's costs, a higher percentage in fixed rate funding offers funding cost certainty. In managing the interest rate profile, the Group takes into account the interest rate outlook, holding periods of its investment portfolio, certainty of its planned divestments and operating cashflow generated from its various business units.

INTEREST COVER RATIO AND INTEREST SERVICE RATIO

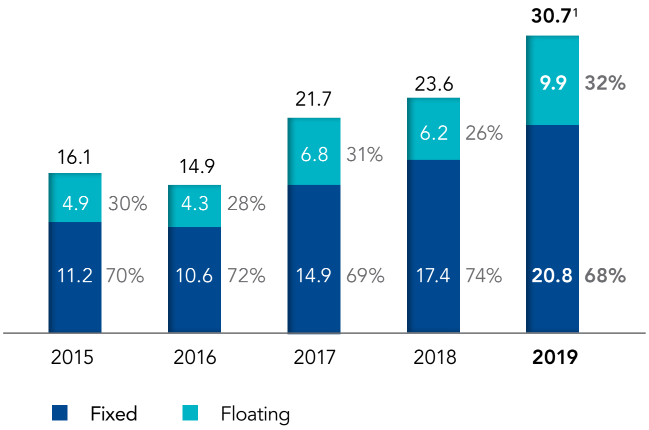
The Interest Cover Ratio (ICR) and Interest Service Ratio (ISR) were 7.6 times and 4.3 times respectively. ICR was lower at 7.6 times compared to 8.3 times in 2018, mainly attributed to higher net interest expense due to the consolidation of the finance costs for ASB and RCCQ with effect from July 2019 as well as higher borrowings. ISR was marginally lower at 4.3 times compared to 4.4 times in 2018 mainly due to higher net interest paid resulting from the consolidation of ASB and RCCQ.

Debt Maturity Profile (S$ billion)



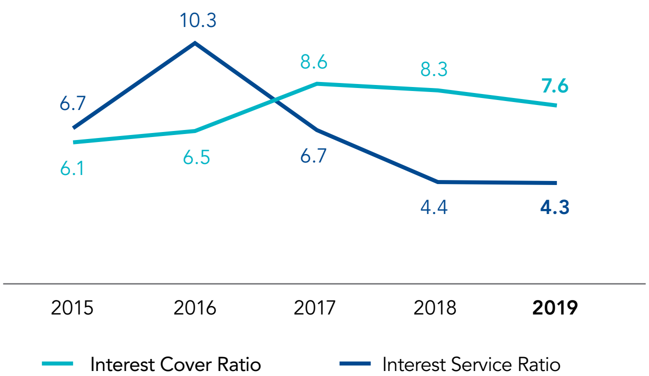
Notes
1 Debt excludes S$684 million of lease liabilities under SFRS(I)16.
2 Convertible bonds are reflected as held till final maturity.

Interest Rate Profile (S$ billion)



Note
1 Debt excludes S$684 million of lease liabilities under SFRS(I)16.

Interest Cover Ratio and Interest Service Ratio (Times)



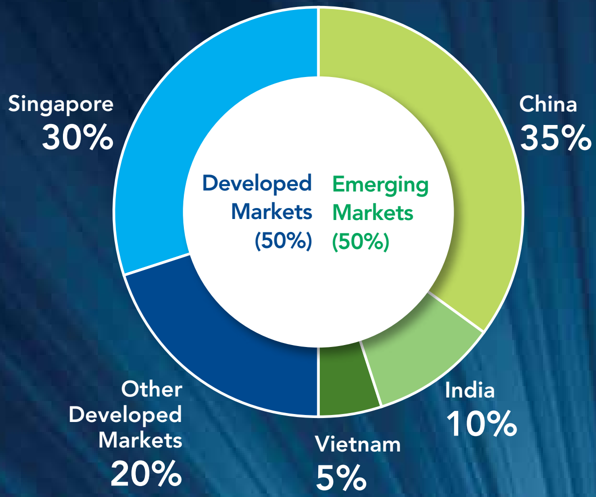
CREATING A RESILIENT GLOBAL PORTFOLIO

CapitaLand's investment strategy is to generate sustainable superior returns through a diversified core portfolio of real estate asset classes and geographies.

Our aim is to construct a resilient portfolio by balancing the desired risk-return between our investments in developed and emerging markets. Our on-the-ground expertise lets us assess the optimal exposure for each asset class within each geography based on our view on the markets and their respective risk and return profiles. This determines how we prioritise our capital allocation.

In addition, by working with and through our sponsored vehicles, as well as various capital partners globally to scale up our real estate assets under management (RE AUM), we seek to enhance capital productivity and maintain an asset-light structure.

CapitaLand's Capital Allocation Priority



OUR CORE MARKETS

Each of CapitaLand's four core markets – Singapore, China, India and Vietnam – encompasses an integrated suite of real estate capabilities and a comprehensive, localised footprint built over decades of experience. This gives us a sustainable competitive advantage in these four markets, enabling us to move with agility and to build scale.

SINGAPORE

Singapore is CapitaLand's home base. With more than 40 years of operational experience, we are the country's biggest private landlord with the largest portfolio of shopping malls, Grade A Central Business District (CBD) offices, and business space.

The country has rolled out several master plans aimed at rejuvenating the city-state and intensifying its land use. With diversified strengths, CapitaLand can play a role in reimagining Singapore's cityscape.

CHINA

CapitaLand is one of the few real estate players in China offering the full suite of real estate capabilities and expertise. In 2019, CapitaLand was voted first in China's Guandian Property's 2019 Top 100 Players of The Commercial Real Estate in China. Currently, we have nearly 7,000 CapitaLand employees working, growing and operating our businesses there.

Our China strategy focuses on first- and second-tier cities surrounding our five core clusters[1]. Our business continues to benefit from strong urbanisation trends and generate attractive risk-adjusted returns.

INDIA

CapitaLand's India presence spreads across six key cities of Bangalore, Chennai, Gurgaon, Hyderabad, Mumbai and Pune. Our current focus is on International Tech (IT) parks and logistics space, one of India's most dynamic and attractive sectors.

Having started India's first IT park in Bangalore through Ascendas-Singbridge (ASB) 25 years ago, CapitaLand India is recognised as one of the best-in-class business space developers and operators in the country. Today, we have over 300 real estate professionals on the ground.

Driven by the strong growth prospects of the IT Enabled Services (ITeS) industry, along with the potential to develop modern warehousing in an under-penetrated market, CapitaLand India has plans to more than double its AUM in India to S$7 billion by 2024.

VIETNAM

CapitaLand's presence in Vietnam is focused on its capital city of Hanoi and its financial centre in Ho Chi Minh City. Vietnam remains one of the fastest growing countries in the Southeast Asia region.

As the country continues its strong economic growth and urbanisation, CapitaLand's first-mover advantage and localised presence allow us to identify new opportunities for our residential, commercial, business space and lodging products.

COMPLEMENTED BY INVESTMENTS IN OTHER DEVELOPED MARKETS

The Group actively explores opportunities to build scale across asset classes in key gateway cities in "Other Developed Markets" or "International" markets. This complements our emerging markets exposure, strengthening the resilience of our overall portfolio.

While a possible exit route for our investments could be our sponsored investment vehicles, the Group also considers divesting to the open market opportunistically. Our staff strength of more than 1,500 supports the Group and our investment vehicles in deal sourcing, asset management and operations across our international markets.

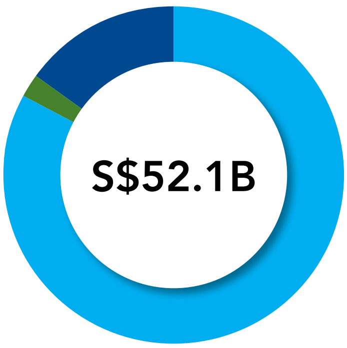
1 The five core city clusters under CapitaLand's China strategy are Beijing/Tianjin, Shanghai/Hangzhou/Suzhou/Ningbo, Guangzhou/Shenzhen, Chengdu/Chongqing/Xi'an, and Wuhan.

OPERATIONAL HIGHLIGHTS

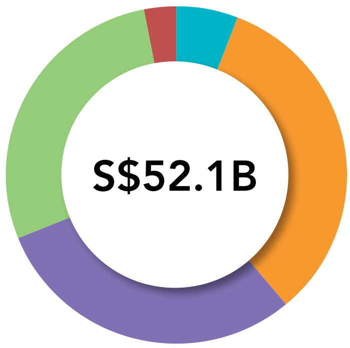
CAPITALAND SINGAPORE AND INTERNATIONAL

CapitaLand Singapore and International primarily comprises the Group's businesses in the core markets of Singapore and Vietnam, as well as international markets in developed countries.

RE AUM[1,2,3]

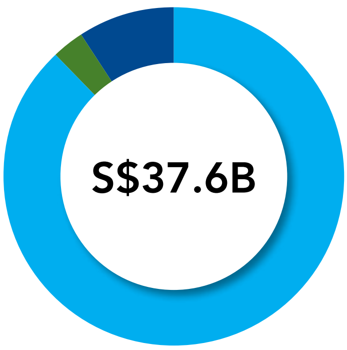


	%
Singapore, Malaysia & Indonesia	83
Vietnam	2
International	15

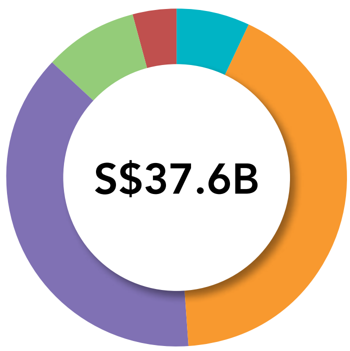


	%
Residential, commercial strata & urban development	6
Retail	33
Commercial	30
Business park, industrial & logistics[4]	28
Others[5]	3

Total Assets[1,2]



	%
Singapore, Malaysia & Indonesia	88
Vietnam	3
International	9



	%
Residential, commercial strata & urban development	7
Retail	42
Commercial	38
Business park, industrial & logistics[4]	9
Others[5]	4

Notes
1 Refers to the total value of real estate managed by CapitaLand Group entities (stated at 100% of property carrying value).
2 Includes Singapore, Malaysia, Indonesia, Vietnam and International.
3 As at 31 December 2019.
4 Includes data centre.
5 Includes the serviced residence component in integrated developments such as CapitaSpring in Singapore, The Stature in Jakarta, Indonesia, The Vista in Vietnam and multifamily assets in USA.

SINGAPORE - A YEAR OF DEVELOPMENT MILESTONES

As at 31 December 2019, the Group's real estate assets under management (RE AUM[1]) and total assets in Singapore, Malaysia and Indonesia was S$43.2 billion and S$33.0 billion respectively.

In 2019, our activities centred on Singapore. We completed and opened two large shopping malls. We also launched two well-received residential projects.

One of the two malls which turned operational in 2019 was Jewel Changi Airport (Jewel), which was opened in April. The S$1.68 billion[2] project is a joint venture between the Changi Airport Group and CapitaLand and took five years to complete. The 135,700 square metres (sqm) mall offers a multi-faceted experience that includes play attractions, unique shopping and dining concepts, as well as accommodation facilities, which appeals to both local and international visitors. Inside the complex is the world's tallest indoor waterfall, surrounded by a lush garden. Since opening, Jewel has welcomed as many as 200,000 visitors a day.

In June 2019, we opened Funan, an integrated development within CapitaLand Mall Trust's (CMT) portfolio, after three years of redevelopment. Unlike the old Funan DigitaLife Mall, which focused on retailers

1 Refers to the total value of real estate managed by CapitaLand Group entities (stated at 100% of property carrying value).
2 Valuation as at 31 December 2019.


Funan, Singapore

selling IT-related products, the new Funan houses two office towers and a coliving space lyf Funan Singapore owned by the Group. The development is home to Singapore's first urban farm in a mall, first fully unmanned futsal facility and first theatre venue in a retail mall. It also serves as an incubator for new retail concepts, and provides interactive spaces targeting pop-up stores accommodating shorter leases. The mall had a committed occupancy of 99% as at 31 December 2019.

Both assets have started to contribute to the Group's recurring rental stream.

In terms of residential projects, CapitaLand launched One Pearl Bank, a 774-unit premium residential development in Singapore's Outram District, and Sengkang Grand Residences, a 680-unit residential development in the heart of Sengkang Central that CapitaLand and City Developments Limited (CDL) are co-developing. Both projects are conveniently located near/on top of MRT stations and near amenities, contributing to their strong sell-through rate. Complementing Singapore's residential portfolio are opportunistic residential projects in Malaysia. In 2019, the Group launched Park Regent, a 505-unit residential development in Desa ParkCity, which is within a township development in Kuala Lumpur, Malaysia. As at 31 December 2019, the project had registered a healthy take-up of 84%.

HEALTHY OPERATING PERFORMANCE ACROSS SINGAPORE PORTFOLIO

As at 31 December 2019, CapitaLand's investment properties in Singapore made up about 90% of the country's total assets. Our investment properties continued to register healthy performance across all segments during the year.

	Retail[1]		Office[2]	Business park, industrial & logistics			
	Singapore	Malaysia	Singapore	Singapore			
				Business park	Industrial	Logistics	Integrated development[3]
Number of operating properties[4]	20	7	5	35	48	21	3
Committed occupancy rate[5]	99.2%	94.3%	98.6%	85.6%	85.9%[6]	90.3%	98.2%
NPI yield on valuation[7]	5.5%	5.4%	3.9%	6.0%	7.1%	7.2%	6.6%
Shopper traffic growth	+1%	-0.4%					
Tenants' sales growth (per sq ft)	+1.5%	+2.0%					

Notes
1 Includes the retail components of integrated developments and properties owned by CapitaLand Group. Same-mall compares the performance of the same set of property components opened/acquired prior to 1 January 2018.
2 Comprises Grade A office buildings as at 31 December 2019.
3 Comprises two or more types of space such as business space, retail and warehousing facility within one integrated development.
4 Portfolio includes properties that are operational as at 31 December 2019 and includes properties managed by CapitaLand Group.
5 As at 31 December 2019.
6 Excludes 9 Tai Seng Drive which completed asset enhancement initiatives in December 2019.
7 Net property income (NPI) yield on valuation is based on valuation as at 31 December 2019.

AN ACTIVE YEAR OF PORTFOLIO RECONSTITUTION

For FY 2019, gross divestments from CapitaLand's Singapore portfolio exceeded S$1.2 billion, corresponding to approximately one-fifth of the Group's total capital recycling during the year.

In April 2019, the Group announced the divestment of StorHub, a self-storage business with presence in Singapore and China to a non-related party for an agreed value of S$185 million. Following that, the Group announced the sale of The Star Vista for S$296 million to the Rock Productions in November. They are the owner of The Star Performing Arts Centre that is co-located with the mall in the same development. Both divestments were completed in 2019, allowing the Group to redirect capital to new growth opportunities.

In December 2019, the Group also sold two business park assets to Ascendas Real Estate Investment Trust (Ascendas Reit). The properties are Nucleos and FM Global Centre, which were sold at an agreed property value of S$289 million and S$91 million respectively. This was part of a larger S$1.66 billion transaction with Ascendas Reit that includes 28 business parks in the United States of America (USA). Nucleos, located in one-north Biopolis, is a multi-tenanted building that caters to companies in biomedical sciences with DuPont as a key tenant. FM Global Centre is a single-tenanted built-to-suit business park development located in Science Park 2. Post transaction, CapitaLand will continue to take part in the growth of these quality assets through CapitaLand's sponsor stake in Ascendas Reit. CapitaLand will also continue to manage the properties.

PLAYING AN IMPORTANT ROLE IN SINGAPORE'S REJUVENATION

In March 2019, Singapore's Urban Redevelopment Authority rolled out an incentive scheme for existing office developments in the Central Business District (CBD) to rejuvenate the city centre. Beyond the CBD, the Strategic Development Incentive Scheme was introduced to rejuvenate existing buildings. With these incentive schemes to intensify land use, CapitaLand has started to identify the opportunities within its portfolio, as well as new investment opportunities where we could play a role in the government's drive to rejuvenate the city.

In May 2019, a joint venture between CDL and CapitaLand successfully acquired Liang Court. The site will be jointly re-developed into an integrated development, which will comprise about 700 residential apartments, a commercial component, a hotel and a serviced residence with a hotel licence. Upon completion in 2024, the CDL-CapitaLand joint venture will own the residential and commercial components while Ascott Residence Trust (ART) will own the 192-unit serviced residence with a hotel licence. CDL Hospitality Trust will own the hotel under a forward purchase agreement with their sponsor, CDL. The project marks another collaboration between CDL and CapitaLand and demonstrates our ability to work with industry partners, as well as government agencies, to rejuvenate Singapore's cityscape.

In another instance, the Group was awarded the joint tender by the Singapore Land Authority, Singapore Tourism Board and Urban Redevelopment Authority for the integrated management of Bugis Village and Bugis Street, for up to 10 years, starting from 1 April 2020. The proposed retail net lettable area is about 195,000 square feet (sq ft) and will allow the Group to strengthen its retail network in Bugis downtown, which currently includes Bugis Junction and Bugis+. To improve connectivity, CapitaLand is exploring building a new bridge between Bugis+ and Bugis Street, linking all three malls in the cluster, and providing seamless and sheltered access from Bugis MRT station to Bugis Street.

Artist's impression of the proposed Bugis Box, Singapore

In 2020, the Group will also begin upgrading 21 Collyer Quay, a 21-storey prime office tower and the podium block at Six Battery Road, a 42-storey Grade A office building, connecting Raffles Place to the Singapore River within CapitaLand Commercial Trust's (CCT) portfolio. Both properties are located in Raffles Place in Singapore's CBD and the upgrading works will capitalise on the transitional downtime in occupancy during major tenants' changeover in 2020. The target return on investment are between 8-9% for each asset. iQuest@IBP within Ascendas Reit's portfolio will also be rebuilt into a Building and Construction Authority Green Mark Platinum business park building with updated specifications. The redevelopment is expected to be completed in the third quarter of 2022 and will maximise the asset's plot ratio to about double of its existing gross floor area.

Being the largest private landlord in Singapore after acquiring ASB, the Group has a much larger canvas for development opportunities across asset classes. We have already begun discussions with planning authorities in Singapore on rejuvenating our Science Park 1 and 2 portfolios, which can potentially see us increasing our plot ratio and introducing a larger variety of real estate product offerings.

In terms of upcoming new developments, 79 Robinson Road, a 29-storey Grade-A office building is expected to be opened in the second half of 2020. It has already achieved a pre-commitment occupancy of nearly 70%[3] and will house a fintech hub operated by Bridge+, an extension of CapitaLand's business space portfolio. In 2021, the Group expects the completion of CapitaSpring, a 51-storey integrated development comprising Grade A offices, a serviced residence, ancillary retail space and a food centre in Singapore's CBD. Also under construction is Rochester Commons, a 17-storey mixed-use tower comprising Grade A office, a Shared Executive Learning Centre and an upscale hotel, as well as 12 black and white conservation bungalows in Buona Vista. Both are on track and expected to be opened in 2021.

These investment properties are expected to further strengthen the Group's rental income and operating PATMI when they turn operational.

VIETNAM – BUILDING OUR MOMENTUM FOR GROWTH

The Group's FY 2019 RE AUM[1] in Vietnam was approximately S$0.9 billion. Total assets for the same period was S$1.1 billion. Around 72% of our total assets in Vietnam are in residential development. In FY 2019, the Group sold 186 residential units for total sales value of approximately S$100 million compared to 1,102 units for total sales value of S$346 million in FY 2018. This was due to less units available for sale, as the Group has almost fully sold its residential inventory. As at 31 December 2019, 2,205 units were sold with total value of approximately S$746 million. The sales proceeds are expected to be handed over in phases from the beginning of 2020, with 43% of the value expected to be recognised in 2020.

Artist's impression of D1MENSION, Ho Chi Minh City, Vietnam

Demand for homes in Ho Chi Minh City and Hanoi continues to be healthy and residential prices in both cities have continued to trend upwards in 2019[4]. Notwithstanding, the Group faced challenges in acquiring more landbank due to the current challenging land acquisition climate. The Group expects this slowdown to be short term. Vietnam remains one of the fastest growing countries in Southeast Asia. The Group's long-term view of Vietnam is positive. We will continue to evaluate and source for well-located sites with attractive attributes to replenish our residential pipeline.

With the pace of real estate activities within Vietnam temporarily slowing, the Group is aggressively identifying new growth opportunities. We continue to see potential in growing our commercial footprint in Hanoi and Ho Chi Minh City, which are underserved in Grade A offices, due to an increasing number of multinational companies setting up their businesses in Vietnam. Outside of the two cities, the Group sees opportunities across its lodging, industrial and logistics platforms. The Group is also evaluating multiple opportunities which include large scale projects, such as townships, which could potentially allow the Group to secure more landbank. Additionally, the Group is also exploring tie-ups with industrial parks for the development of residential and commercial assets.

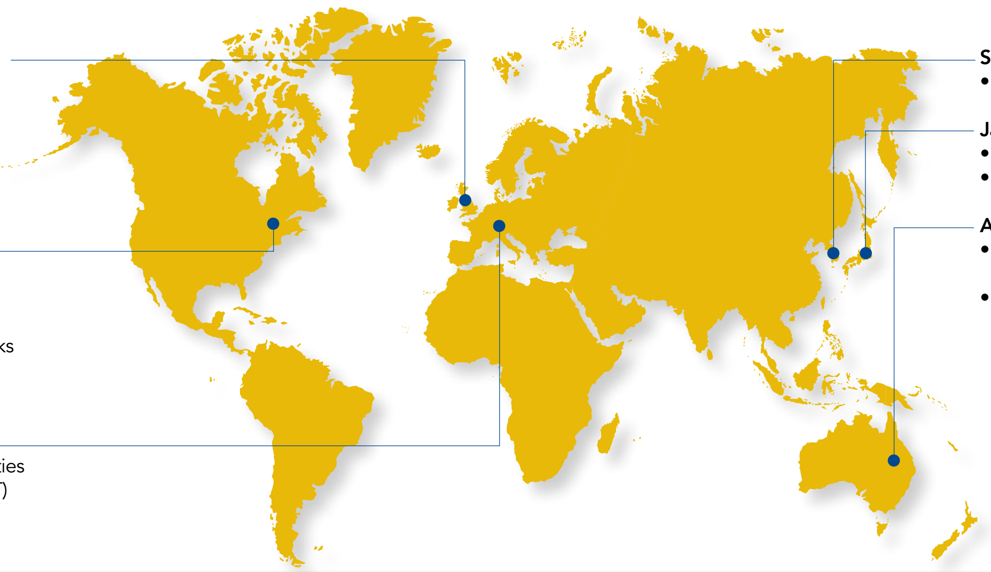
3 As at March 2020.
4 Source: Savills Quarterly Report.

OPERATIONAL HIGHLIGHTS
CAPITALAND SINGAPORE AND INTERNATIONAL

DIVERSIFYING OUR PRESENCE INTERNATIONALLY FOR GREATER RESILIENCE

CapitaLand's international portfolio comprises RE AUM[1] of S$8.0 billion[5] in developed markets outside of Singapore. Total assets for the same period was S$3.5 billion[6]. In 2019, our international portfolio was further strengthened with the addition of a portfolio of business park, office, suburban office and logistics assets across the USA, the United Kingdom (UK), South Korea and Australia from ASB. Most of our business parks, suburban office and logistics properties are currently held through our listed REITs.

Our International Presence



United Kingdom
- 38 Logistics properties (Owned by Ascendas Reit)
- 1 Business Park property[1]

United States of America
- 16 Multifamily properties
- 28 Business Parks (Owned by Ascendas Reit)

Germany
- 2 Office properties (Owned by CCT)

South Korea
- 3 Office properties

Japan
- 4 Office properties
- 5 Shopping malls

Australia
- 3 Suburban office properties
- 32 Logistics properties (Owned by Ascendas Reit)

Notes:
1 On 26 February 2020, CapitaLand announced the acquisition of prime freehold Arlington Business Park in the UK.
2 The above map excludes lodging assets owned or managed by Ascott.

USA MULTIFAMILY VALUE-ADD PROGRAMME

In 2019, the Group began extensive asset enhancement initiatives on the 16 multifamily properties which we acquired in September 2018. We expect the work to continue for a few years. The renovations to unit interiors and common areas to date have resulted in rental uplifts and approximate payback period of five years for the renovated units completed.

Marquessa Villas, California, USA

DIVESTMENT OF NON-CORE INVESTMENT

In June 2019, CapitaLand divested its entire 49% stake in Mubadala CapitaLand Real Estate (MCRE) for S$100.9 million. Incorporated in United Arab Emirates, MCRE completed Rihan Heights and has not undertaken any further projects. Shedding non-core assets lets us unlock capital and optimise the portfolio.

RECYCLING OF QUALITY ASSETS INTO LISTED REITS

The enlarged CapitaLand portfolio has provided us with a robust pipeline of quality assets that has positioned us to better support our REITs' growth. We made two such transactions through our International portfolio in 2019.

In July 2019, CapitaLand announced the divestment of 89.8% of its 94.9% interest in Main Airport Center (MAC), a freehold commercial property in Frankfurt, Germany to CCT. This was based on an agreed property value of €265.0 million (about S$407.8 million).

5 As at 31 December 2019. Excluding The Ascott Limited's portfolio.
6 On CapitaLand's balance sheet as at 31 December 2019. This relates to 16 multifamily portfolio in the USA and properties in Japan and South Korea.

In November 2019, the Group divested 28 business park assets at a total agreed value of US$935 million (S$1,281.7 million) to Ascendas Reit. The assets are located across six business parks in three tech cities, namely San Diego, Raleigh and Portland. The acquisition marked the REIT's foray into the USA, further diversifying its international presence.

Through the Group's stake in both REITs, CapitaLand will continue to benefit from the growth of these quality assets. At the same time, the REITs will benefit from CapitaLand's deep expertise in asset management, creating a win-win scenario for all stakeholders.

FY 2019 OPERATING PERFORMANCE

Retail, Office and Multifamily Portfolio

	Retail[1]	Office[1]			Multifamily
	Japan[2]	Japan[3]	South Korea	Germany[4]	USA
Number of operating properties[5]	5	4	3	2	16
Committed occupancy rate[6]	99.5%	95.4%	94.7%	95.9%	91.2%
NPI yield on valuation[7]	5.5%	4.0%	4.3%[8]	4.0%	4.7%
Shopper traffic growth	+6.4%				
Tenants' sales growth (per sq ft)	+2.2%				

Notes
1 Same-mall/office compares the performance of the same set of property components opened/acquired prior to 1 January 2018.
2 Excludes three master-leased malls.
3 Excludes Shinjuku Front Tower.
4 Gallileo started contributions from 19 June 2018.
5 Portfolio includes properties that are operational as at 31 December 2019.
6 As at 31 December 2019.
7 NPI yield on valuation is based on valuation as at 31 December 2019. It is calculated based on the number of operating properties as at 31 December 2019.
8 Completion of ASB transaction announced on 30 June 2019 and NPI relates to the period July to December 2019.

Logistics, Suburban Office and Business Park

	Australia		UK	USA
	Logistics	Suburban office	Logistics	Business park
Number of operating properties[1]	32	3	38	28
Committed occupancy rate[2]	97.8%	91.7%	97.7%	93.9%
NPI yield on valuation[3]	6.3%		5.2%	6.1%[4]

Notes
1 Portfolio includes properties that are operational as at 31 December 2019.
2 As at 31 December 2019.
3 Completion of ASB transaction announced on 30 June 2019. NPI yield on valuation relates to period after merger. It is based on annualised NPI from July to December 2019 and valuation as at 31 December 2019.
4 Ascendas Reit acquired the 28 properties from CapitaLand on 11 December 2019. NPI yield on valuation is based on annualised NPI from 11 December to 31 December 2019 and valuation as at 31 December 2019.

Together with the Group's Singapore portfolio, our international exposure creates a well-balanced allocation to developed markets. Characterised by strong economic fundamentals and transparency, these markets typically generate better risk-adjusted returns. Our focus is on growing our investment footprint in key gateway cities, as well as in growth locations and sectors. In February 2020, the Group announced the acquisition of Arlington Business Park, a prime freehold business park, in the UK at an agreed property value of £129.3 million (S$226.9 million) - further enlarging our presence in Europe.

OPERATIONAL HIGHLIGHTS

CAPITALAND CHINA

As at 31 December 2019, CapitaLand's RE AUM[1] in China was S$42.9 billion. Its total assets stood at S$29.9 billion for the same period.

For FY 2019, CapitaLand's businesses in China continued to deliver robust operating performance, generating stable rental income from a high-quality investment property portfolio and recognising a healthy stream of proceeds from handover of residential units sold in previous years.

On average, shopping malls registered a committed occupancy level of 96.4% and NPI growth of 14.8% in FY 2019. Our office assets and business space portfolio acquired from ASB have also registered healthy occupancy and rental reversions.

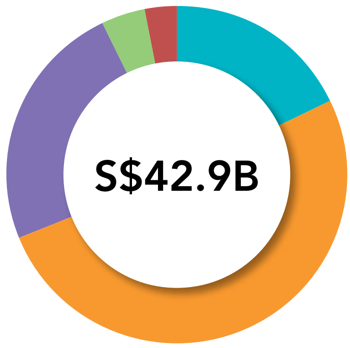
In 2019, the Group opened the 235,000 sqm retail mall and the 200-unit Ascott serviced residence of Raffles City Chongqing. The project is strategically located at Chaotianmen, offering magnificent views of the converging Yangtze and Jialing rivers. It is Singapore's and CapitaLand's single largest development in China at RMB24 billion[7] (approximately S$4.8 billion). Over 900,000 shoppers thronged the mall during the opening weekend in September. During the year, the Group also completed and handed over 467 units in the first two residential towers, corresponding to 97% of the units sold. The remaining components of the integrated development, comprising InterContinental Raffles City Chongqing hotel, a Grade A office space and a 300-metre long crystal conservatory nestled above four 250-metre tall skyscrapers, will open progressively in 2020.

As a whole, the Group handed over 5,390 residential units across China in FY 2019, recognising RMB12.3 billion in sales value. As at 31 December 2019, there were approximately 6,400 units[8] which were sold and in the handover pipeline, translating to RMB14.4 billion[9]. Units making up about 70% of this value are slated for handover in 2020, barring any potential impact on construction progress due to COVID-19.

In terms of residential performance for FY 2019, a total of 5,268 residential units were sold, generating total sales value of RMB13.2 billion. This translates to a 6.7% and 5.4% increase from FY 2018, in terms of units sold and sales value. The improvement also represented a rebound from a dip in sales performance in FY 2018 that was caused by heightened regulatory controls over housing prices which delayed planned launches that year.

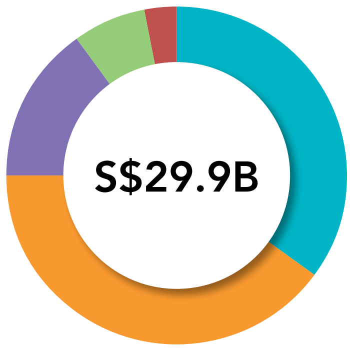
FOCUSED PRESENCE ACROSS KEY REGIONS IN CHINA

RE AUM by Asset Class[1,2]



	%
Residential, commercial strata & urban development	18
Retail	51
Commercial	24
Business park, industrial & logistics[3]	4
Others[4]	3

Total Assets by Asset Class[2]



	%
Residential, commercial strata & urban development	35
Retail	40
Commercial	15
Business park, industrial & logistics[3]	7
Others[4]	3

Notes
1 Refers to the total value of real estate managed by CapitaLand Group entities (stated at 100% of property carrying value).
2 As at 31 December 2019.
3 Includes data centre.
4 Refers mainly to serviced residence component in integrated development projects in China.

7 Includes strata components for sale.
8 Units sold include options issued as at 31 December 2019. Above data is on a 100% basis, including strata units in integrated developments and considers only project being managed.
9 Refers to value of residential units sold including value added tax.

China investment portfolio performance as at 31 December 2019

	Retail[1,2]	Office[1]	Business park, industrial & logistics[1]	
			Business park	Industrial & logistics
Number of operating properties	48	20	8	2
Committed occupancy rate[3]	96.4%	85%	86%	95%
NPI yield on valuation[4]	4.5%	3.7%	5.7%	6.5%
Shopper traffic growth[5]	+5.4%			
Tenants' sales growth (per sqm)[5]	+3.6%			

Notes
1 Portfolio includes properties that are operational as at 31 December 2019.
2 Same-mall compares the performance of the same set of property components opened/acquired prior to 1 January 2018.
3 As at 31 December 2019.
4 NPI yield on valuation is based on valuation as at 31 December 2019. For business park, industrial & logistics, it is based on annualised NPI from July to December 2019 and valuation as at December 2019.
5 Excludes two master-leased malls. Tenants' sales from supermarkets and department stores are excluded.

RECONSTITUTING OUR PORTFOLIO WHILE SUPPORTING THE GROWTH OF OUR INVESTMENT VEHICLES

In FY 2019, the Group divested a total of S$2.4 billion of assets in China, shedding approximately S$600 million of non-core assets and recycling around S$1.8 billion of assets into our listed or private vehicles to support their growth.

In March 2019, CapitaLand together with CapitaLand Retail China Trust (CRCT), divested our combined interests in CapitaMall Wuhu, a five-storey shopping mall in Anhui province, at approximately RMB210 million (about S$41.5 million). The mall had been closed since the exit of its anchor tenant and the divestment allowed both entities to unlock capital for redeployment. This was CRCT's second divestment in 2019, after entering into a bundle deal with a vendor to divest CapitaMall Saihan in Hohhot, Inner Mongolia, at RMB460.0 million (S$90.8 million), in exchange for a higher quality and better located property in Yuquan District for RMB808.3 million (S$159.6 million).

In May and June 2019, the Group seeded two Shanghai properties, Innov Center (valued at RMB3.1 billion (S$620 million)) and Pufa Tower (valued at RMB2.8 billion (S$546.3 million)) into our maiden discretionary real estate equity fund, CapitaLand Asia Partners I (CAP I) to support its portfolio build-up. Innov Center, which the Group acquired in 2017, consists of three office buildings and a two-storey retail podium located in the decentralised CBD of Wujiaochang. The inclusion of Pufa Tower in CAP I was in the pipeline when the Group acquired 70% of it in January 2019 through a 50:50 joint venture with an unrelated third party. The asset is a 34-storey office development in Shanghai's Lujiazui CBD.

In June 2019, the Group divested the interests in CapitaMall Xuefu and CapitaMall Aidemengdun in Harbin, as well as CapitaMall Yuhuating in Changsha to CRCT. The divestment of the three malls were based on an agreed value of RMB2,960 million (about S$589.2 million) and generated proceeds of about S$239.9 million, for a net gain of about S$37.6 million for the Group. The transaction enabled a significant leap in CRCT's asset size and resulted in a further diversification of its footprint in China. The Group will continue to benefit from the growth of these assets through our stake in CRCT.

Finally, in July 2019, CapitaLand divested its entire 24.09% stake in Hong Kong-listed Central China Real Estate Limited (CCRE) for a sale consideration of approximately HK$2,831 million (about S$496 million). CapitaLand's stake in CCRE has generated stable returns over the years. Notwithstanding, the company operates primarily in Henan Province, which is outside of CapitaLand's core city clusters. The divestment has therefore allowed the Group to unlock gains and re-focus capital on other opportunities within our core businesses.

Raffles City Chongqing, China

A NEW LEVEL OF COMPETITIVENESS

On top of our operational excellence, the combined expertise of CapitaLand and ASB has endowed the Group with enhanced capabilities in a new asset class focused in business parks, logistics and industrial space. The widened integrated product offerings and ASB's proven track record in business space will allow CapitaLand to gain access to large tracts of land and development opportunities.

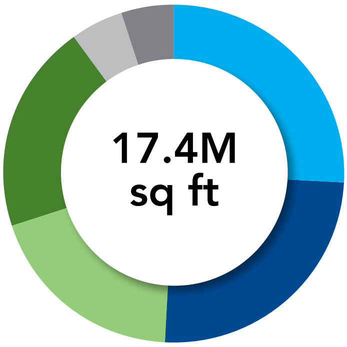
For example, in October 2019, CapitaLand signed a collaborative agreement with the Guangzhou Development District Administrative Committee (GDD) to develop the second phase of China-Singapore Guangzhou Knowledge City (CSGKC), a state-level bilateral collaboration project between Singapore and China. This second phase of the project follows the development of the southern start-up area by ASB, through the joint-venture company with GDD. In the second phase, CapitaLand, through the same joint venture company, will not only participate in the development of business parks, but also commercial properties and residential projects over an area of two square kilometres.

The Group is positive about the long-term growth prospects of China. The outbreak of COVID-19 has caused the International Monetary Fund to lower the country's 2020 GDP forecast to 5.6% or lower. Notwithstanding, the Group believes that domestic consumption (which makes up approximately 60% of the country's GDP) will continue to support the country's growth. The Group will remain disciplined and continue to be on the lookout for attractive investment opportunities.

For 2020, the Group expects to open our 10th Raffles City integrated development, Raffles City The Bund, as well as CRCT's mall in Yuquan district in Hohhot, Inner Mongolia.

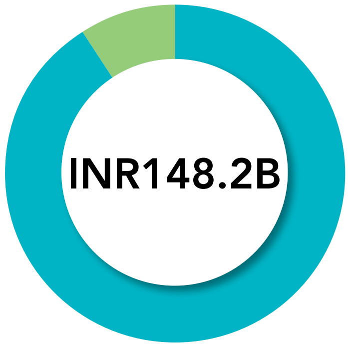
OPERATIONAL HIGHLIGHTS
CAPITALAND INDIA

Total Completed Area[1]



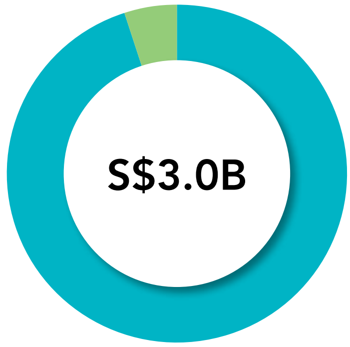
	%
Bangalore	26
Chennai	25
Hyderabad	19
Pune	20
Mumbai	5
Gurgaon	5

Total Property Value[2]



	%
IT parks	91
Logistics	9

RE AUM[1,3]



	%
IT parks	95
Logistics	5

Notes
1 As at 31 December 2019.
2 Based on valuation as at 31 December 2019.
3 Refers to the total value of real estate managed by CapitaLand Group entities (stated at 100% of property carrying value). Excluding serviced residence component.

As at 31 December 2019, CapitaLand India consisted of nearly 17.4 million sq ft of completed IT and logistics parks assets that we own and operate. Its RE AUM was approximately S$3.0 billion.

For 25 years, CapitaLand India, which was part of the ASB portfolio, had built a value chain of real estate capabilities which include investments, development, leasing, property management and fund management. Approximately 80% of the portfolio is under Ascendas India Trust (a-iTrust)[10] and two private funds - Ascendas India Growth Programme (AIGP)[11] and Ascendas India Logistics Programme[12], while the remaining 20% is under its balance sheet.

With an occupancy rate of over 97%, CapitaLand's business parks in India cater to both multinational corporations and local companies. Over 140,000 skilled professionals work at our business parks.

CapitaLand's ongoing developments in India include 17.9 million sq ft of business park space in Bangalore, Chennai, Gurgaon, Hyderabad and Pune. Another 7.5 million sq ft through forward purchases are under construction. This includes IT parks in Mumbai and Hyderabad, a seventh warehouse at Arshiya Free Trade Warehousing Zone near Navi Mumbai, and BlueRidge 3, an IT/ITeS Special Economic Zone (SEZ) development in Hinjawadi Phase 1 in Pune by a-iTrust.

In Bangalore, the construction of a 0.7 million sq ft IT SEZ building at International Tech Park Bangalore is in progress and expected to be completed by the second half of 2020. In Pune, construction of Phase 4 of International Tech Park Pune (ITPP) in Hinjawadi is completed and a total area of 0.4 million sq ft has been leased to a leading IT company. Also in Pune, construction of Phase 1 of the ITPP, Kharadi is underway. Expected to be completed in the second half of 2020, it will offer 1.3 million sq ft of IT SEZ space. In Gurgaon, International Tech Park Gurgaon commenced operations with lease commitments of over 70% by leading MNCs. Included, is a 455,000 sq ft commitment by Optum, the health services platform of UnitedHealth Group. In Hyderabad, we are redeveloping The V Park and have rebranded it as International Tech Park Hyderabad.

10 a-iTrust was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) in 2007 as the first Indian property trust in Asia. a-iTrust owns seven IT business parks and one logistics park. As at 30 June 2019, a-iTrust's asset under management stands at S$1.9 billion.
11 The S$300 million AIGP was launched in 2013 with GIC as the principal investor. AIGP invests in greenfield and brownfield office developments in India including their complementary uses such as residential, retail and hospitality.
12 The S$400 million Ascendas India Logistics Programme was launched in 2018 with Temasek Holdings as the principal investor. The programme targets to develop a portfolio of logistics and industrial spaces in key warehousing and manufacturing hubs.

OPERATIONAL HIGHLIGHTS
CAPITALAND INDIA


Artist's impression of International Tech Park Pune, Kharadi, India


Artist's impression of International Tech Park Chennai, Radial Road, India

The project will be built in phases, ultimately increasing the leasable area from 1.5 million sq ft to 5.0 million sq ft. Phase I of the redevelopment, a new 1.4 million sq ft multi-tenanted building, has commenced. The construction is expected to be completed by second half of 2021. In Chennai, we acquired a 10.6-acre land parcel to develop Grade A IT office space. Located adjacent to CapitaLand's 12.7-acre International Tech Park Chennai, Radial Road, the combined project now spreads across 23.3 acres providing 4.6 million sq ft of office space development potential.

With a growing demand for warehousing space in India, CapitaLand is also expanding its logistics portfolio through its joint venture company, Ascendas-Firstspace. Back in June 2018, the Group had launched Ascendas India Logistics Platform with Temasek, committing S$400 million to be invested in the sector. Currently underway are industrial and logistics park projects across three cities in India, with a total development potential of over 8 million sq ft. This includes a greenfield project in Oragadam, Chennai, that spans 138.5 acres, with development potential of 2.8 million sq ft. Also in Periyalayam, Chennai, is a 119-acre brownfield project with a total development potential of 2.7 million sq ft of which 1.25 million sq ft has been developed and leased. Both projects are currently operational.

In 2019, the platform further acquired two projects comprising a 28.9-acre industrial park in Talegaon, Pune with a development potential of 0.7 million sq ft as well as a 50.5-acre logistics park in Palwal in the National Capital region that will offer approximately 1.2 million sq ft of warehousing space.

OUR FOCUS ON SUSTAINABILITY

In line with the Group's focus on ESG, CapitaLand India's sustainability initiatives are making significant progress. Nearly 30% of the energy used to operate our India portfolio is sourced from solar power, resulting in a reduction of 54,000 metric tonnes of CO2 emissions per annum. We have also made significant reductions in energy and water intensity, totalling 42% and 36% respectively since our baseline was established in 2011. We are accelerating the adoption of digital and "proptech" into our IT parks. For example, we are piloting Intelligent Building Management driven by IoT, automated visitor management and parking systems, facial recognition, usage of drones, and app-based park services among others.

Looking forward, the Group expects India's office and warehousing markets to remain resillient. We will continue to build on our strengths in development, as well as property management and leasing to expand our India portfolio.

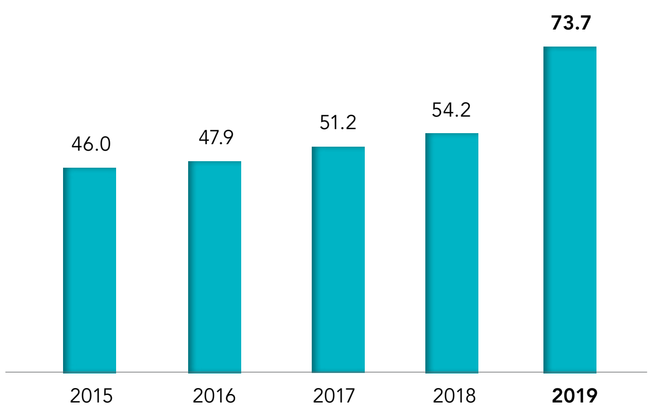
OPERATIONAL HIGHLIGHTS
CAPITALAND FINANCIAL

As at 31 December 2019, CapitaLand Financial managed seven listed trusts, as well as 25 private funds with a total fund assets under management (AUM) of S$73.7 billion. In 2019, the IPE Magazine ranked CapitaLand the 9th largest real estate investment manager in the world.

The 36% increase in fund AUM from S$54.2 billion in FY 2018 was a result of the addition of ASB's fund management platform, as well as active portfolio build-up by the existing investment vehicles during the year. In 2019, the listed and private funds made S$4.7 billion or 79% of the Group's total gross investments. The listed vehicles also reconstituted their portfolios and concluded approximately S$700.0 million of gross divestments.

The increase in fund AUM increased total fee income by 30%, from S$225.8 million in FY 2018 to S$293.2 million in FY 2019. The increase was mainly due to the addition of ASB's fund management platform, which accounted for 16% of FY 2019's total fee income, and higher transaction-related fees stemming from active asset recycling, which accounted for 15% of the total fee income.

Total Fund AUM
(as at 31 December 2019)
(S$ billion)



GROWING THE LISTED PLATFORM THROUGH CLEAR AND WELL-DEFINED MANDATES

Post the completion of the ASB transaction, the Group supported the merger of ART and Ascendas Hospitality Trust (A-HTRUST). The merger enabled the two hospitality trusts to create a single, efficient lodging investment vehicle with greater financial flexibility for growth. The merger was completed in December 2019. With total assets of S$7.4 billion, the enlarged ART has consolidated its position as the largest hospitality trust in Asia-Pacific.

CapitaLand is the sponsor and manager of four listed developed-market focused trusts with sectorial mandates (CMT, CCT, Ascendas Reit and ART) as well as three specialised emerging-market focused listed trusts (CRCT, a-iTrust and CapitaLand Malaysia Mall Trust). Total combined market capitalisation of the seven listed trusts was S$36 billion on 31 December 2019. On average, the stock prices of CapitaLand's listed REITs and trusts registered approximately 18% year-on-year increase in FY 2019. Through our sponsored stake in these trusts, we will continue to benefit from the properties' steady yield, participate in their future growth and grow our AUM.

In January 2020, the Group also announced its support for the proposed merger of CMT and CCT to form CapitaLand Integrated Commercial Trust, a S$22.9 billion[13] commercial real estate trust that is expected to become the third largest REIT in Asia-Pacific. The proposed merger will enhance the ability of the combined entity to take on larger transactions, such as integrated developments, in addition to retail and office spaces across geographies.

CapitaLand's Effective Stakes in the Listed REITs/ Business Trusts (as at 31 December 2019)

	Effective Stake (%)
Ascendas Real Estate Investment Trust	19.04
Ascendas India Trust	20.98
Ascott Residence Trust	40.11
CapitaLand Commercial Trust	29.37
CapitaLand Malaysia Mall Trust	36.98
CapitaLand Mall Trust	28.48
CapitaLand Retail China Trust	27.45

13 By property value as at 31 December 2019.

OPERATIONAL HIGHLIGHTS
CAPITALAND FINANCIAL

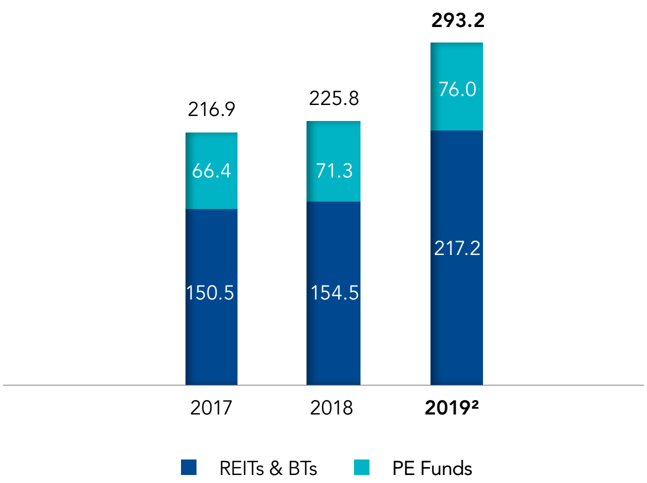
INCEPTION OF CAPITALAND'S FIRST DEBT AND DISCRETIONARY PRIVATE EQUITY FUNDS

In the area of private funds, CapitaLand Financial successfully incepted (i) CREDO I China – the Group's first real estate debt fund and (ii) CAP I - its first discretionary real estate equity fund to invest in value-add and transitional office buildings in Asia's key gateway cities, specifically Singapore, Beijing, Guangzhou, Shanghai, Shenzhen, Osaka and Tokyo. The Group's private funds have raised a total of S$1.9 billion in FY 2019 from both new and existing capital partners and have started their portfolio build-up.

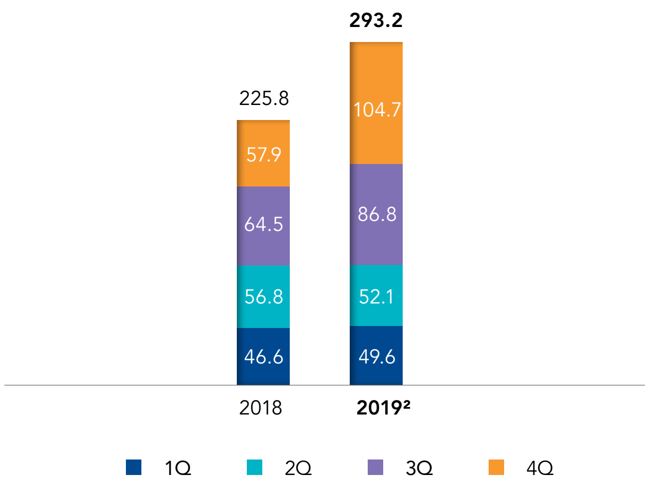
THE WAY FORWARD

CapitaLand Financial aims to grow the fund AUM to S$100 billion by year 2024. Stable base fees and activity-driven transaction fees from its exisiting funds, along with the creation of new funds will enable CapitaLand to scale up the Group's fee income. The Group will continue to support the growth of its funds and consistently review options that will enable an efficient fund management platform for greater growth. Our ability to raise a total of S$3.8 billion of equity in 2019 from investors and capital partners has attested to the strength of our platform as a growth engine, complementing the Group's development and lodging businesses. CapitaLand Financial will leverage the Group's global presence and expertise in real estate development, operation and financing to identify and acquire assets at favourable values to deliver competitive risk-adjusted returns. In short, we are prepared to put our capital to work alongside our investors for all investments.

Fee Income[1] by Equity Sources (S$ million)



Fee Income[1] by Quarter (S$ million)

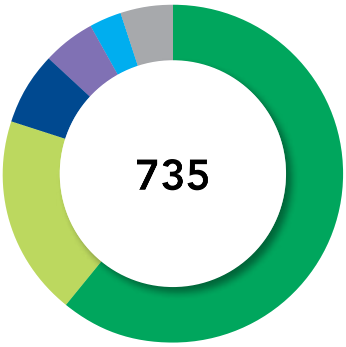


Notes
1 Includes fee based revenue earned from consolidated REITs before elimination at Group level.
2 Includes contribution from ASB for the period from 1 July to 31 December 2019.

OPERATIONAL HIGHLIGHTS

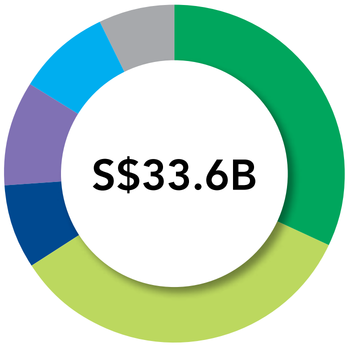
CAPITALAND LODGING

Total Properties[1]



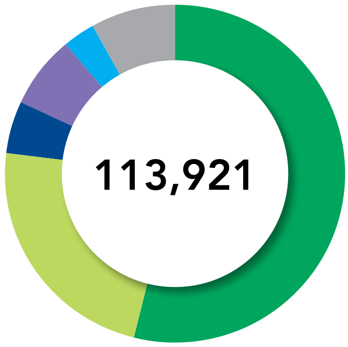
	%
Southeast Asia & Australasia (exclude Singapore)	61
China	19
Europe	7
North Asia (exclude China)	5
Singapore	3
Others	5

Total Lodging RE AUM[2]



	%
Southeast Asia & Australasia (exclude Singapore)	32
China	34
Europe	8
North Asia (exclude China)	10
Singapore	9
Others	7

Total Number of Units[1]



	%
Southeast Asia & Australasia (exclude Singapore)	54
China	23
Europe	5
North Asia (exclude China)	7
Singapore	3
Others	8

Notes
1 Figures as at 17 January 2020.
2 Figures as at 31 December 2019 and include estimates of third party owned assets in various stages of development.

SCALING UP CAPITALAND'S LODGING PLATFORM

The Ascott Limited (Ascott), a leading international lodging owner-operator, is CapitaLand's wholly-owned lodging business unit. As of 31 December 2019, its portfolio comprised nearly 114,000 units across more than 180 cities and 30 countries. Ascott's unique business model combines two highly complementary components - a real estate platform and a hospitality operating platform to drive sustainable returns. The real estate platform creates value and returns through acquisition, active asset management and recycling, while the hospitality operating platform delivers recurring fee income through third-party management contracts and franchises. At year end, Ascott had a total of S$33.6 billion in lodging RE AUM.

In addition to investing through our balance sheet, Ascott's growth strategy includes expanding through its dedicated hospitality trust, ART, as well as through its private fund, Ascott Serviced Residence Global Fund.

In FY 2019, ART underwent a transformative S$1.9 billion combination with A-HTRUST, consolidating its position as the largest hospitality trust in Asia-Pacific. During the year, ART also announced the divestment of partial GFA in Somerset Liang Court Property Singapore for S$163.3 million. Upon completion of the divestment, expected to take place in 1H 2020, the net proceeds will be used to transform the retained GFA into a new Somerset serviced residence, with a hotel licence and a refreshed 99-year lease. The new property will be part of an iconic integrated development, jointly developed with CapitaLand and CDL. In FY 2019, ART also acquired Citadines Connect Sydney Airport, in Australia for AUD60.6 million (S$58.8 million) and actively reconstituted its portfolio.

During the year, Ascott Serviced Residence Global Fund, a US$600 million hospitality close-ended private fund still in its investment phase, acquired a AUD202.2 million (S$192 million) freehold serviced residence in the CBD of Sydney, Australia, which is expected to be completed in 2021. With its global investment teams, Ascott is well-placed to source for deals and support the growth of our investment vehicles.

Asset recycling activities carried out during the year by Ascott, including ART, amounted to S$785.3 million in total gross divestment value[14]. Properties divested included Ascott Raffles Place Singapore, Citadines Mercer Hong Kong and Somerset Jiefangbei Chongqing.

14 Divestment/transfer values based on agreed property value (100% basis) or sales consideration.

First coliving property, lyf Funan, Singapore

In 2019, Ascott stepped up global expansion of its hospitality platform, adding more than 14,100 units across approximately 100 properties, thereby boosting fee income. Our growth was made possible by leveraging our strategic investments in Quest Apartment Hotels, Synergy Global Housing and TAUZIA Hotel Management. In addition to deepening our presence in countries such as Australia, China, Malaysia, Philippines and Indonesia, Ascott also opened its first property in the Netherlands and ventured into new cities such as Yokohama, Japan and Goa, India. As at 31 December 2019, more than 80% of Ascott's nearly 114,000 lodging units were under third-party management contracts and franchises, making the lodging platform largely asset light and ROE-accretive.

Additionally, we continue to expand our product offerings, catering to more demographic groups and diversifying our revenue streams. For example, we opened lyf Funan Singapore, our first coliving property under our lyf brand designed by millennials for millennials and the millennial-minded in 2019. This is the first of seven lyf-branded properties currently in the pipeline.

GROWING RECURRING FEE INCOME

In 2019, Ascott opened nearly 7,500 units in over 40 properties across 13 countries - a record. Approximately S$20-25 million in annual fee income is generated with every 10,000 serviced residence units signed as the properties progressively open and stabilise. In FY 2019, operational units contributed S$254 million[15] of fee income, an 11% year-on-year increase from the fee income generated in FY 2018. As at 31 December 2019, about 44,500 units are under development and expected to contribute positively to Ascott's fee income as they turn operational.

Ascott is expanding its global lodging portfolio to 160,000 units by 2023. By the end of 2019, Ascott had reached the 70% mark and remains on track to meet this target. Fee income contribution is expected to rise in tandem. To support the growth of the platform and boost revenue growth, Ascott is undergoing a digital ecosystem transformation to drive operational efficiency and enhance the customer experience. The comprehensive front-to-backend systems makeover includes adopting a new suite of cost-effective, cloud-based systems that are highly scalable. In April 2019, Ascott also launched its loyalty programme, Ascott Star Rewards. By the end of 2019, membership had tripled. Member bookings and revenue, both direct and online, had quadrupled.

15 Includes fee based and service fee income generated by the various serviced residences and hotel brands of the Group.

FY 2019 DIVESTMENTS/TRANSFERS[1,2]

	Transacted Assets	S$ million	Entity (Buyer)
Recycled into REITs/ Business Trusts/Funds	Innov Center, Shanghai in China	620.0	CAP I
	CapitaMall Xuefu and CapitaMall Aidemengdun, Harbin; and CapitaMall Yuhuating, Changsha in China	589.2	CRCT
	Pufa Tower, Shanghai in China	546.3	CAP I
	94.9%[3] of Main Airport Center, Frankfurt in Germany	387.1	CCT
	28 Freehold office properties in USA and two properties in Singapore (Nucleos and FM Global Centre)	1,661.7	Ascendas Reit
Subtotal		**3,804.3**	

	Transacted Assets	S$ million	Entity (Seller)
Divestments of Non-core Assets	CapitaMall Saihan, Hohhot in China	90.8	CRCT
	CapitaMall Wuhu in China	41.5	CapitaLand (49%)/ CRCT (51%)
	StorHub Self Storage business in Singapore and China	185.0	CapitaLand
	49% equity interest in Mubadala CapitaLand Real Estate	100.9	CapitaLand
	24.09% stake in Hong Kong-listed real estate company	496.0	CapitaLand
	No. 8 Loyang Way 1, Singapore	27.0	Ascendas Reit
	Somerset Jiefangbei Chongqing in China	39.5	CapitaLand
	A property in International portfolio	105.0	CapitaLand
	Somerset West Lake Hanoi in Vietnam	18.5	ART
	Citadines Mercer Hong Kong in China	129.4	CapitaLand
Subtotal		**1,233.6**	
Divestments of Opportunistic Assets	Ascott Raffles Place Singapore	353.3	ART
	The Star Vista in Singapore	296.0	CapitaLand
	Partial sale of Somerset Liang Court Singapore	163.3	ART
	A property in Lodging portfolio	81.3	Ascott Serviced Residence (Global) Fund
Subtotal		**893.9**	
Total Gross Divestment Value[4] is S$5,931.8 million			

Notes
1 Announced transactions from 1 January 2019 to 31 December 2019.
2 The table includes assets divested/transferred by CapitaLand and CapitaLand REITs/Business Trusts/Funds.
3 Total divested stake of which CapitaLand holds 89.8%.
4 Divestment/transfer values based on agreed property value (100% basis) or sales consideration.

OPERATIONAL HIGHLIGHTS

CAPITAL RECYCLING

FY 2019 INVESTMENTS[1,2]

	Transacted Assets	S$ million	Entity (Buyer)
Direct Investments	Pufa Tower, Shanghai in China	546.3	CapitaLand
	Liang Court in Singapore	400.0	CapitaLand
	Citadines Walker North Sydney in Australia	192.0	CapitaLand
	Additional 10% stake in Somerset Central TD Hai Phong City in Vietnam	1.7	CapitaLand
	Additional 34.94% stake in residential project under development in Panyu District, Guangzhou in China	132.8	CapitaLand
Subtotal		**1,272.8**	
Investments through CapitaLand's Sponsored Vehicles	Yuquan Mall, Hohhot in China	159.6	CRCT
	Citadines Connect Sydney Airport in Australia	58.8	ART
	Innov Center, Shanghai in China	620.0	CAP I
	CapitaMall Xuefu and CapitaMall Aidemengdun, Harbin; and CapitaMall Yuhuating, Changsha in China	589.2	CRCT
	Pufa Tower, Shanghai in China	546.3	CAP I
	94.9% of Main Airport Center, Frankfurt in Germany	387.1	CCT
	A property in Singapore	538.9	CAP I
	254 Wellington Road, Melbourne in Australia	104.4	Ascendas Reit
	28 Freehold office properties in USA and two properties in Singapore (Nucleos and FM Global Centre)	1,661.7	Ascendas Reit
Subtotal		**4,666.0**	
Total Gross Investment Value[3] is S$5,938.8 million			

Notes
1 Announced transactions from 1 January 2019 to 31 December 2019.
2 The table includes assets acquired by CapitaLand and CapitaLand REITs/Business Trusts/Funds.
3 Investment values based on agreed property value (100% basis) or purchase/investment consideration.

OUR GOVERNANCE FRAMEWORK

Chairman
Ng Kee Choe
Key Responsibilities
Leads the Board and facilitates the conditions for the overall effectiveness of the Board, Board Committees and individual Directors; provides oversight, direction, advice and guidance to the GCEO

Board of Directors
11 Directors (9 Independent Directors and 2 Non-Independent Directors)
Key Responsibilities
Fosters the success of the Company so as to deliver sustainable value over the long term, and the engagement of stakeholders based on the principles of sustainability and sound governance

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

CORPORATE GOVERNANCE

INTRODUCTION

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

The policies, ethics and practices provide the foundation for a trusted and respected business enterprise.

The Board of Directors (Board) is responsible for the Company's corporate governance standards and policies. This sets the tone from the top and underscores its importance to the Group.

This corporate governance report (Report) sets out the corporate governance practices for financial year (FY) 2019 benchmarked against the Code of Corporate Governance 2018 (Code).

Throughout FY 2019, the Company's governance framework and processes are in compliance with the Code's principles of corporate governance and also substantially, with the provisions underlying the principles of the Code. Where there are deviations from the provisions of the Code, appropriate explanations are provided in this Report.

The Company has received accolades for excellence in corporate governance including the "Best Managed Board Award" in 2019. More details can be found in the Awards & Accolades section on pages 26 to 28 of this Annual Report.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

Board's Duties and Responsibilities

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

The Board conducts itself according to its Board Charter which sets out the Board's role, responsibilities, duties and powers. The duties and powers of the Board include:

(a) approving the strategies and objectives for the Company, and monitoring the progress in achieving them;
(b) approving the financial plan (including annual budgets and capital management plans) and monitoring the financial performance of the Company;
(c) approving share issuances, dividends and other returns to shareholders;
(d) approving corporate and financial restructuring, mergers, major acquisitions and divestments;
(e) approving the risk appetite of the Company, and reviewing the adequacy and effectiveness of the risk management and internal control systems;
(f) approving the overall remuneration policy and compensation framework, and the compensation package for the GCEO and other key management positions; and
(g) reviewing matters which involve a conflict of interest for a substantial shareholder or a Director.

The Board includes sustainability considerations as part of its strategic formulation.

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

Directors are fiduciaries and are collectively and individually obliged at all times to act objectively in the best interests of the Company. Consistent with this principle, the Board is committed to ethics and integrity of action and has adopted a Board Code of Business Conduct & Ethics which provides for every Director to, among other things, adhere to the highest standards of ethical conduct. All Directors are required to comply with the Board Code of Business Conduct & Ethics. This sets the appropriate tone from the top in respect of the desired organisational culture, and ensures proper accountability within the Company. In line with this, the Board has a standing policy which requires each Director to not allow himself/herself to get into a situation where there is a conflict between his/her duty to the Company and his/her own interests. Where a Director has a conflict of interest in a particular matter, he or she will be required to declare his/her interest to the Board, recuse himself/herself from the deliberations and abstain from voting on the matter. Every Director has complied with this policy, and where relevant, such compliance has been duly recorded in the minutes of meeting or circular resolutions. The Company also has a policy that it does not provide loans to Directors. Further, Directors are required to act with due diligence in the discharge of their duties and they are responsible for ensuring that they have the relevant knowledge (including understanding the business of the Company and the environment in which it operates) to carry out and discharge their duties as Directors. They are also required to dedicate the necessary effort, commitment and time to their work, and are expected to attend all meetings of the Board, except if unusual circumstances make attendance impractical.

Directors' Development

The Company ensures that its Directors and executive officers have appropriate experience and expertise to manage the Group's business. In view of the increasingly demanding, complex and multi-dimensional role of a Director, the Board recognises the importance of continual training and development for its Directors so as to equip them to discharge the duties and responsibilities of their office as Directors of the Company to the best of their abilities. The Company has in place a training framework to guide and support the Company towards meeting the objective of having a Board which comprises individuals who are competent and possess up-to-date knowledge and skills necessary to discharge their duties and responsibilities. The costs of training are borne by the Company.

Upon appointment, each Director is provided with a formal letter of appointment and a copy of the Director's Manual (which includes information on a broad range of matters relating to the role, duties and responsibilities of a Director). All Directors upon appointment also undergo an induction programme which focuses on orientating the Director to the Company's business, operations, strategies, organisation structure, responsibilities of key management personnel, and financial and governance practices. The induction programme also includes visits to the Group's properties. Through the induction programme, the new Director also gets acquainted with members of Senior Management which facilitates their interaction at Board meetings.

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

The Company also believes in keeping Board members updated and externally focused. Therefore, training and professional development programmes for Directors include forums and dialogues with experts and senior business leaders on issues facing boards and board practices. In FY 2019, sharing and information sessions were arranged as part of pre-Board dinners and Board meetings, where guest speakers and Management team members presented on key topics to the Board. These included updates on business strategies and key industry developments and trends. The Board and Management have access to CapitaLand Technology Council (CTC) and China Advisory Panel (CAP) for their inputs on matters relating to technology, and economic and real estate industry developments and trends in China. Directors may also receive on a regular basis reading materials on topical matters or subjects and their implications for the business.

Board Committees

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

The SIFC assists the Board in its review of investment, credit and funding proposals, as well as the long-term strategy of the Company. Its remit also includes the review of the strategic talent pipeline in relation to the strategic plan of the Company. The SIFC carries out this responsibility within the authorities/limits approved by the Board.

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

The Board may form other Board Committees from time to time. The Board undertakes a review of its Board Committee structure, as well as the terms of reference of the respective Board Committees regularly, to ensure that they remain relevant and effective in fulfilling the objectives and responsibilities of the respective Board Committees. The respective Board Committees also review their terms of reference and effectiveness and recommend necessary changes to the Board.

Board Committee memberships are also reviewed regularly, and as and when there are changes to Board composition. Where appropriate, changes to Board Committee memberships are made. Considerations include diversity of skills and experience, an equitable and balanced distribution of duties among Board members and the memberships are such that they foster active participation and contributions from Board members. Following a review in February 2020, so as to achieve a better balance in the distribution of workload and demand of time on Directors, the following changes were made to the composition of the Board Committees:

(a) Mr Kee Teck Koon joined the RC and stepped down from the ERCC;
(b) Mr Miguel Ko joined the ERCC;
(c) Mr Chaly Mah Chee Kheong stepped down from the RC;
(d) Mr Anthony Lim Weng Kin joined the AC; and
(e) Ms Goh Swee Chen joined the NC.

The current composition of the various Board Committees is set out in the table below as well as on page 43 of this Annual Report.

Composition of Board Committees

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

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

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

Sustainability Council
The Company regularly engages its stakeholders based on the principles of sustainability and sound governance. In FY 2019, as part of its commitment to sustainability, the Company established a Sustainability Council which comprises both Board and Management members. The Sustainability Council meets on a regular basis and provides guidance to Management and monitors the Group's progress in its implementation of ESG initiatives.

Information on the Company's approach to its engagement with stakeholders can be found at page 104 under Principle 13 in this Report.

Meetings of Board and Board Committees
The Board and the respective Board Committees meet regularly to discuss strategy, operational and governance matters. Board and Board Committee meetings are scheduled prior to the start of each financial year in consultation with the Directors. The Constitution of the Company (Constitution) also permits Directors to participate via audio or video conference.

The non-executive Directors led by the Chairman, also set aside time at each scheduled meeting to meet without the presence of Management, and at other times when necessary.

The Board holds six scheduled meetings each year, and ad hoc Board meetings are held as required by business imperatives. In this regard, a total of two ad hoc Board meetings were held in FY 2019 principally because of the acquisition of all the issued shares of the former Ascendas Pte Ltd and Singbridge Pte. Ltd. (ASB Acquisition).

Board meetings, in general, last up to a full day. At each Board meeting:

(a) the chairperson of each Board Committee provides an update on the significant matters discussed at the Board Committee meetings which are typically scheduled before the quarterly Board meetings;
(b) the GCEO provides updates on the Group's business and operations, including latest market developments and trends, and business initiatives and opportunities; and
(c) the GCFO presents the financial performance, budgetary and capital management related matters.

Presentations in relation to specific business areas are also made by senior executives, external consultants or experts. Any risk management or other major issues that are relevant to the Company's performance or position are also highlighted to the Board. Further, any material variance between any projections in budget or business plans and the actual results from business activities and operations is disclosed and explained to the Board. To keep the Board abreast of investors' perceptions and concerns, the Investor Relations team also provides updates on analyst consensus estimates and views at the quarterly Board meetings. This includes updates and analyses of the shareholder register, highlights of key shareholder engagements as well as market feedback.

Such presentations and updates allow the Board to develop a good understanding of the progress of the Group's business as well as the prevailing issues and challenges facing the Group, and also promote active engagement with the key executives.

The Board also meets at least annually to review and deliberate on the Group's strategies with Senior Management. The strategy meeting in FY 2019 was held in September 2019 during which the Board and Senior Management had in-depth discussions and agreed on the Company's strategic directions and objectives.

The Company adopts and practises the principle of collective decision making. The Board benefits from a culture of open, frank, rigorous and constructive discussions and debates at Board and Board Committee meetings which are conducted on a professional basis. There is mutual trust and respect amongst the Directors. The Board also benefits from the diversity in views, perspectives and expertise. No individual Director influences or dominates the decision-making process.

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

As a general rule, Board papers are sent to Board or Board Committee members at least five working days prior to each Board or Board Committee meeting, to allow them to prepare for the meetings and to enable discussions to focus on any questions or issues that they may have or identify. Where appropriate, Management briefs Directors in advance on issues to be discussed before the Board or Board Committee meeting. Agendas for Board and Board Committee meetings are prepared in consultation with and incorporates inputs from the Senior Management, the Chairman and the respective Board Committees' chairs. This provides assurance that important topics will be covered. Quarterly and year-end financial results are reviewed and recommended by the AC to the Board for approval.

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

A total of six pre-scheduled Board and two ad hoc Board meetings were held in FY 2019. The deliberations and decisions taken at Board meetings are minuted.

A record of the Directors' attendance at Board and Board Committee meetings for FY 2019 is set out on page 106 of this Annual Report. GCEO who is also a Director attends all Board meetings. He also attends all Board Committee meetings on an ex officio basis. Other senior executives attend Board and Board Committee meetings as required to brief the Board on specific business matters.

The matters discussed at Board and Board Committee meetings include:

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

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

Besides Board and Board Committee meetings in which Management participates, there is active interaction between Board members and Management outside of Board and Board Committee meetings. The Board has unfettered access to any Management staff for any information that it may require at all times. Likewise, Management has access to Directors outside of the formal environment of Board and Board Committee meetings for guidance. The Board and Management share a productive and harmonious relationship which facilitates separate and independent access by Directors to management executives, which is critical for good governance and organisational effectiveness.

The Board also has separate and independent access to the Company Secretaries at all times. The Company Secretaries are legally trained and keep themselves abreast on relevant developments. They attend to corporate secretarial administration matters and are the advisor on corporate governance matters to the Board and Management. The Company Secretaries attend all Board meetings and assist the Chairman in ensuring that Board procedures are followed. The Company Secretaries also facilitate orientation and undertake professional development administration for the Directors. The appointment and the removal of the Company Secretaries are subject to the Board's approval.

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

Principle 2: Board Composition and Guidance

Board Independence

The Board, through the NC, reviews from time to time the size and composition of the Board and Board Committees, with a view to ensuring that the size of the Board and Board Committees is appropriate in facilitating effective decision-making. The Board and Board Committees have a strong independent element and their compositions reflect diversity of thought and background. The review takes into account the scope and nature of the Group's operations, and the competition the Group faces.

The Company has always had and continues to have a significant majority of independent Directors. Its Board Charter provides that at least one-third of the Board shall comprise independent Directors. The Board Charter also provides that, in the event that the Chairman is not an independent Director, the Company will appoint a lead independent Director and ensure that the Board comprises a majority of independent Directors.

The Board has a strong independent element - nine out of 11 Directors, including the Chairman, are Non-Executive Independent Directors. The Non-Executive Deputy Chairman and the GCEO are the only non-independent Directors. Other than GCEO who is the only executive Director on the Board, non-executive Directors make up the rest of the Board. No lead independent Director is appointed as the Chairman is an independent Director. Profiles of the Directors, their respective designations and roles are set out on pages 29 to 35 of this Annual Report. Key information on Directors are also available on the Company's website.

The Board, taking into account the views of the NC, assesses annually (and as and when circumstances require) the independence of each Director in accordance with the requirements of the Listing Manual of the Singapore Exchange Securities Trading Limited (Listing Manual), the Code and where relevant, the recommendations set out in the Practice Guidance accompanying the Code (Practice Guidance). A Director is considered independent if he/she has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere with the exercise of his/her independent business judgement in the best interests of the Company.

There is a rigorous process to evaluate the independence of independent Directors. As part of the process:

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

(b) the NC also reflects on the respective Directors' conduct and contributions at Board and Board Committee meetings, in particular, whether the relevant Director has exercised independent judgement in discharging his or her duties and responsibilities.

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

The Board has carried out the assessment of the independence of each of its Directors for FY 2019 and the paragraphs below set out the outcome of the assessment. Based on the outcome of the assessment, other than Mr Lee Chee Koon, GCEO, and Mr Miguel Ko, Non-Executive Deputy Chairman, both of whom are the only non-independent Directors, all members of the Board are considered to be independent Directors. Mr Lee, who is the GCEO of the Company, is considered non-independent by virtue of his employment by the Company. Mr Ko is non-independent because he is an executive of CLA Real Estate Holdings Pte. Ltd. (CLA), the holding company of the Company, and therefore, a related corporation of the Company.

Mr Ng Kee Choe

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

Mr Ng is the only Director on the Board who has served for more than nine years. As guided by Guideline 2.4 of the Code of Corporate Governance 2012, the independence of Mr Ng was subject to particularly rigorous review by the NC and the Board. The NC and the Board reviewed Mr Ng's performance and contributions in light of his tenure including his engagement with the Board and the Board Committees he chairs or is a member of and arrived at the determination that he had continued to exercise independent judgement in carrying out his oversight duties. He has continued to be forthcoming in expressing his individual viewpoints, remains active in his debate over issues concerning the Group, and objective in his scrutiny of and challenges to Management. As Chairman, Mr Ng is effective in facilitating robust debate and formulating consensus.

The Board is of the view that the relationship set out above and his length of service as a Director of the Company did not impair his ability to act with independent judgement in the discharge of his duties and responsibilities as a Director. The Board is therefore of the view that Mr Ng has exercised independent judgement in the discharge of his duties and responsibilities. Based on the above, the Board arrived at the determination that Mr Ng is an independent Director. Mr Ng had recused himself from the NC's and the Board's deliberations, respectively, on his independence.

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

Mr Stephen Lee Ching Yen

Mr Lee is a non-executive director of Temasek. Mr Lee's role on the Temasek board is non-executive in nature and he is not involved in the day-to-day conduct of the business of Temasek. He had also confirmed that he was not under any obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of Temasek in relation to the corporate affairs of the Company.

The Board also considered the conduct of Mr Lee in the discharge of his duties and responsibilities as a Director, and is of the view that the relationship set out above, including the fact that the Company became a subsidiary of Temasek when Temasek increased its interest in the Company on 28 June 2019 (in respect of which a special review on Director's independence was conducted), did not impair his ability to act with independent judgement in the discharge of his duties and responsibilities as a Director. The Board is therefore of the view that Mr Lee has continued to be actively engaged and exercised independent judgement in the discharge of his duties and responsibilities. Based on the above, the Board arrived at the determination that Mr Lee is an independent Director. In the year under review, Mr Lee had also recused himself from participating in any Board deliberation on any transactions involving Temasek. Mr Lee had recused himself from the NC's and the Board's deliberations, respectively on his independence.

Mr Kee Teck Koon

Mr Kee is a non-executive director of Raffles Medical Group Ltd (RMG) which provides healthcare insurance and medical services as part of the welfare and benefits scheme for CapitaLand Group employees. Although the magnitude of the fees and payments made to RMG in FY 2019 exceeded the threshold amount of S$200,000 (which is provided as a general guide in the Practice Guidance), Mr Kee's role in RMG is non-executive in nature and he is not involved in the business operations of RMG. The decision to engage RMG was made by Management in the ordinary course of business and on normal commercial terms, based on merit and competitive terms negotiated by Management. Mr Kee was not involved in the process for or approval of the engagement.

The Board also considered the conduct of Mr Kee in the discharge of his duties and responsibilities as a Director, and is of the view that the relationship set out above did not impair his ability to act with independent judgement in the discharge of his duties and responsibilities as a Director. The Board is therefore of the view that Mr Kee has exercised independent judgement in the discharge of his duties and responsibilities. Based on the above, the Board arrived at the determination that Mr Kee is an independent Director. Mr Kee had recused himself from the Board's deliberations on his independence.

Ms Goh Swee Chen
Ms Goh is a non-executive director of Singapore Airlines Limited (SIA). SIA provides flight services to the Group. The decision to engage SIA was made by Management in the ordinary course of business and on normal commercial terms, based on merit and competitive terms negotiated by Management. Although the magnitude of the fees and payments made to SIA in FY 2019 exceeded the threshold amount of S$200,000 (which is provided as a general guide in the Practice Guidance), Ms Goh's role in SIA is non-executive in nature and she is not involved in the business operations of SIA. The engagement of SIA pre-dates Ms Goh's appointment to the SIA board.

Ms Goh is also a non-executive director of Singapore Power Ltd (SP). SP provides utilities to the properties of the Group. The decision to engage SP was made by Management in the ordinary course of business and on normal commercial terms, based on merit and competitive terms negotiated by Management. Although the magnitude of the fees and payments made to SP in FY 2019 exceeded the threshold amount of S$200,000 (which is provided as a general guide in the Practice Guidance), Ms Goh's role in SP is non-executive in nature and she is not involved in the business operations of SP. The engagement of SP pre-dates Ms Goh's appointment to the SP board.

The Board also considered the conduct of Ms Goh in the discharge of her duties and responsibilities as a Director, and is of the view that the relationships set out above did not impair her ability to act with independent judgement in the discharge of her duties and responsibilities as a Director. The Board is therefore of the view that Ms Goh has exercised independent judgement in the discharge of her duties and responsibilities. Based on the above, the Board arrived at the determination that Ms Goh is an independent Director. Ms Goh had recused herself from the Board's deliberations on her independence.

Dr Philip Nalliah Pillai, Mr Chaly Mah Chee Kheong and Mr Gabriel Lim Meng Liang
Dr Pillai, Mr Mah and Mr Lim do not have any relationships and are not faced with any of the circumstances identified in the Listing Manual, the Code or the Practice Guidance, or any other relationships which may affect their independent judgement. The Board noted that:

(a) Dr Pillai was a non-executive board member of the Inland Revenue Authority of Singapore, a statutory board which functions as the tax collecting agency of Singapore. He stepped down from this role on 1 September 2019. This role did not require him to take or subject him to any obligation to follow any instructions from any government authorities in relation to the corporate affairs of the Company. It also generated no conflict of interest in respect of his role as a Director of the Company. Dr Pillai is also a director of SMRT Group (comprising SMRT Corporation Ltd and SMRT Trains Ltd, which are both subsidiaries of Temasek and therefore related corporations of the Company). Dr Pillai's role in SMRT Group is non-executive in nature and he is not involved in the business operations of the organisation. SMRT Group is an independently managed group of entities under Temasek. The role did not require him to nor result in him having to act in accordance with any instructions, directions or wishes of Temasek in relation to the corporate affairs of the Company. It also does not generate any issue that may affect his independence as a Director of the Company.

(b) Mr Mah is a non-executive board member of (i) the Monetary Authority of Singapore, which is Singapore's central bank and financial regulatory authority; and (ii) the Economic Development Board of Singapore, a statutory board which plans and executes strategies for business and investment. These roles do not require him to take or subject him to any obligation to follow any instructions from any government authorities in relation to the corporate affairs of the Company. These roles also generate no conflict of interest in respect of his role as a Director of the Company.

(c) Mr Lim is presently Permanent Secretary of the Ministry of Trade and Industry. His public office duties do not require him to take or subject him to any obligation to follow any instructions from any government authorities in relation to the corporate affairs of the Company. This role also generates no conflict of interest in respect of his role as a Director of the Company.

The Board also considered the conduct of Dr Pillai, Mr Mah and Mr Lim, respectively, in the discharge of their duties and responsibilities as Directors, and is of the view that each of them had acted with independent judgement in the discharge of their duties and responsibilities as Directors. The Board is therefore of the view that each of Dr Pillai, Mr Mah and Mr Lim has exercised independent judgement in the discharge of his duties and responsibilities. Based on the above, the Board arrived at the determination that Dr Pillai, Mr Mah and Mr Lim are independent Directors. They had recused themselves from the Board's deliberations on their independence. Dr Pillai who is also a NC member had also recused himself from the NC's deliberations on his independence.

Tan Sri Amirsham Bin A Aziz and Mr Anthony Lim Weng Kin

Tan Sri Amirsham and Mr Lim do not have any relationships and are not faced with any of the circumstances identified in the Listing Manual, the Code or the Practice Guidance, or any other relationships which may affect their independent judgement. The Board considered the conduct of each of them in the discharge of their duties and responsibilities as Directors and is of the view that each of them had acted with independent judgement in the discharge of his duties and responsibilities. The Board is therefore of the view that each of Tan Sri Amirsham and Mr Lim has exercised independent judgement in the discharge of his duties and responsibilities. Based on the above, the Board arrived at the determination that Tan Sri Amirsham and Mr Lim are independent Directors. They had recused themselves from the Board's deliberations on their independence.

Board Diversity

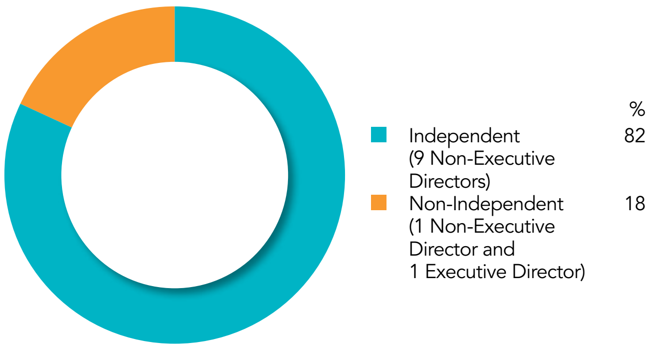
The Board embraces diversity and formally adopted a Board Diversity Policy in 2019. The Board Diversity Policy provides for the Board to comprise talented and dedicated Directors with a diverse mix of expertise, experience, perspectives, skills and backgrounds, with due consideration to diversity, including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

The Board believes in diversity and values the benefits diversity can bring to the Board in its deliberations. Diversity enhances the Board's decision-making capability and ensures that the Company has the opportunity to benefit from all available talent and perspectives.

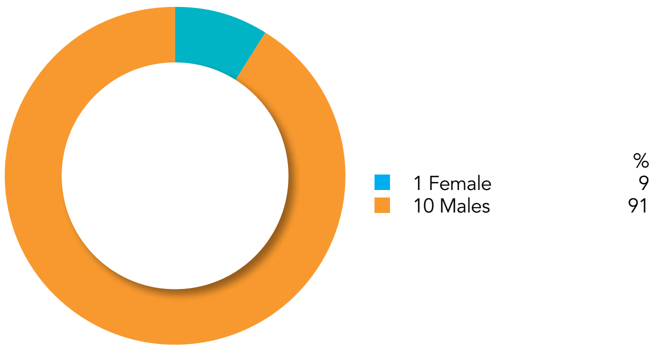
The NC, in carrying out its duties of determining the optimal composition of the Board in its Board renewal process, identifying possible candidates and making recommendations of board appointments to the Board, considers diversity factors such as age, educational, business and professional background of its members. Female representation is also considered an important aspect of diversity.

In line with the Board Diversity Policy, the current Board comprises 11 members who are corporate and business leaders, and are professionals with varied backgrounds, expertise and experience including in finance, banking, real estate, legal, accounting, general management and technology. The current Board has one female member who is also an NC member. For further information on the NC's work in this regard, please refer to "Board Membership" under Principle 4 in this Report.

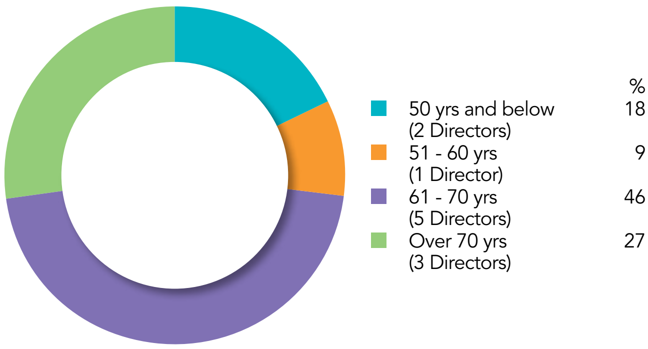
Board Independence



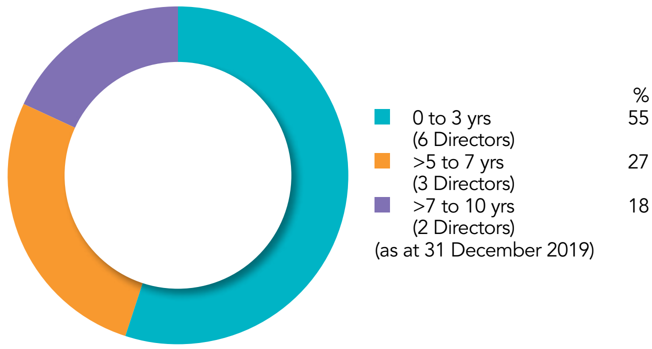
Board Gender Diversity



Age Spread



Tenure Mix



Principle 3: Chairman and Chief Executive Officer

The roles and responsibilities of the Chairman and the GCEO are held by separate individuals, in keeping with the principles that there be a clear division of responsibilities between the leadership of the Board and Management and that no one individual has unfettered powers of decision-making. The non-executive independent Chairman is Mr Ng Kee Choe, whereas the GCEO is Mr Lee Chee Koon. They do not share any family ties. The Chairman and the GCEO enjoy a positive and constructive working relationship between them, and support each other in their respective leadership roles.

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

The Chairman devotes considerable time understanding the business of the Company, as well as the issues and the competition the Company faces. He plays a significant and active leadership role by providing clear oversight, direction, advice and guidance to the GCEO. He also maintains open lines of communication and engages with other members of the senior leadership regularly, and acts as a sounding board for GCEO and the other members of the senior leadership team on strategic and significant operational matters.

The Chairman also presides over Annual General Meetings (AGMs) and other general meetings where he plays a crucial role in fostering constructive dialogue between shareholders, the Board and Management.

GCEO has full executive responsibilities to manage the Group's business and to develop and implement Board approved policies.

The separation of the roles and responsibilities of the Chairman and the GCEO, which is set out in writing, and the resulting clarity of roles provide a healthy professional relationship between the Board and Management, facilitate robust deliberations on the Group's business activities and the exchange of ideas and views to help shape the strategic process, and ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

As the roles of the Chairman and the GCEO are held by separate individuals who are not related to each other, and the Chairman is an independent Director, appointment of a lead independent Director is not necessary.

Principle 4: Board Membership

The Board has a formal and transparent process for the appointment and re-appointment of Directors. It has established the NC, which makes recommendations to the Board on all appointments to the Board and Board Committees. All Board appointments are made based on merit and approved by the Board.

Nominating Committee

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

Mr Ng Kee Choe
Non-Executive Independent Director

Dr Philip Nalliah Pillai
Non-Executive Independent Director

Ms Goh Swee Chen
Non-Executive Independent Director

All NC members, including the Chairman of the NC, are Non-Executive Independent Directors. The NC met four times in the year under review.

The NC also reviewed and approved various matters within its remit via circulating papers.

Under its terms of reference, the NC's scope of duties and responsibilities is as follows:

(a) reviewing and making recommendations to the Board on the size and composition of the Board, the succession plans for Directors, and the structure and membership of the Board Committees;
(b) reviewing and recommending an objective process and criteria for the evaluation of the performance of the Board, Board Committees and Directors;
(c) providing training and professional development programmes for the Board, including ensuring that new Directors are aware of their duties and obligations;
(d) considering annually and, as and when circumstances require, if a Director is independent and providing its views to the Board for consideration; and
(e) reviewing whether a Director has been adequately carrying out his or her duties as a Director.

Board Composition and Renewal
The Board, through the NC, strives to ensure that there is an optimal blend in the Board of backgrounds, experience and knowledge in business and general management, expertise relevant to the Group's business and track record, and that each Director can bring to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made in the interests of the Group. The Board has a few members who have prior working experience in the sector that the Company operates in.

There is a structured process for determining Board composition and for selecting candidates for appointment as Directors. In undertaking its duty of reviewing and making Board appointment recommendations to the Board, the NC evaluates the Board's competencies on a long-term basis and identifies competencies which may be further strengthened in the long-term. Board succession planning takes into account the need to maintain flexibility to effectively address succession planning and to ensure that the Company continues to attract and retain highly qualified individuals to serve on the Board. The process ensures that the Board composition is such that it has capabilities and experience which are aligned with the Company's strategy and environment.

The Board supports the principle that Board renewal is a necessary and continual process, for good governance and ensuring that the Board has the skills, expertise and experience which are relevant to the evolving needs of the Group's business.

Board succession planning is carried out through the annual review by the NC of the Board's composition as well as when a Director gives notice of his or her intention to retire or resign. The outcome of that review is reported to the Board. The Board seeks to refresh its membership progressively and in an orderly manner, whilst ensuring continuity and sustainability of corporate performance. The Board also has in place guidelines on the tenure of Directors. The guidelines provide that a Director is appointed for two terms of a total of approximately six years and any extension of tenure beyond six years will be rigorously considered by the NC in arriving at a recommendation to the Board.

The NC identifies suitable candidates for appointment to the Board. In this regard, external consultants may be retained from time to time to assist the NC in identifying candidates. Candidates are identified based on the needs of the Company and the relevant skills required, taking into account, among other things, the requirements in the Listing Manual and the Code, as well as the factors in the Board Diversity Policy. Those considered will be assessed against a range of criteria including the candidates' demonstrated business sense and judgement, skills and expertise, and market and industry knowledge (and may include elements such as financial, sustainability or other specific competency, geographical representation and business background). The NC also considers the qualities of the candidate in particular if they are aligned to the strategic directions and values of the Company while also assessing his or her ability to commit time to the affairs of the Company, taking into consideration the candidate's other current appointments. The NC uses a skills matrix to determine the skills gaps of the Board and if the expertise and experience of a candidate would complement those of the existing Board members.

In the year under review, no alternate director to any of the Independent Directors was appointed. In keeping with the principle that a Director must be able to commit time to the affairs of the Company, the NC has adopted the principle that it will generally not approve the appointment of alternate directors to Independent Directors.

Shareholders' Approval at AGM
Election of Board members is the prerogative and right of shareholders. The Constitution requires one-third of the Company's Directors (prioritised by length of service since the previous reelection or appointment and who are not otherwise required to retire) to retire and subject themselves to reelection by shareholders (one-third rotation rule) at every AGM. Effectively, this results in all Directors having to retire and stand for reelection at least once every three years or even earlier. In addition, any newly appointed Director (whether as an additional Director or to fill a vacancy) will submit himself or herself for reelection at the AGM immediately following his or her appointment. Thereafter, he or she is subject to the one-third rotation rule.

With regard to the reelection of existing Directors each year, the NC advises the Board of those Directors who are retiring or due for consideration to retire in accordance with the articles of the Constitution. The NC makes recommendations to the Board as to whether the Board should support the reelection of a Director who is retiring and, for the purpose, undertakes a review of the retiring non-executive Director's contributions to the Board's deliberations during the period in which the non-executive Director has been a member of the Board. The NC also considers the respective Directors' attendance record and preparedness for Board meetings, as well as their other appointments and commitments. Each member of the NC is required to recuse himself or herself from deliberations on his or her own reelection. Shareholders elect the Directors or candidates put up for election and reelection at the AGM individually. Key information on the Directors or candidates who are seeking election or reelection at the AGM is provided in the Annual Report.

The GCEO, as a Board member, is also subject to the one-third rotation rule. His role as GCEO is separate from his position as a Board member, and does not affect the ability of shareholders to exercise their right to select all Board members.

Board Changes during FY 2019

On 1 January 2019, Mr Lee Chee Koon, the GCEO, joined the Board as an executive Director. Ms Euleen Goh Yiu Kiang retired from the Board at the conclusion of the last AGM held on 12 April 2019. On 6 August 2019, Mr Miguel Ko joined the Board as its Non-Executive Non-Independent Deputy Chairman.

Mr Ko is an executive of CLA which is the former Ascendas-Singbridge Pte. Ltd. (ASPL), from which the Company acquired all the issued shares of the former Ascendas Pte Ltd and Singbridge Pte. Ltd. pursuant to the ASB Acquisition. The ASB Acquisition was completed in June 2019 and resulted in CLA becoming the Company's majority shareholder. Both the Company and CLA share a common objective for the ASB Acquisition which is to transform the Company into a leading diversified real estate group and take it forward into a new era of growth. Based on Mr Ko's credentials including his leadership role and track record in ASPL, the NC and the Board determined that he would be able to contribute to the growth of the enlarged CapitaLand Group and the integration of the business and people, and on that basis, approved his appointment as Non-Executive Non-Independent Deputy Chairman of the Board. Prior to joining the Board, Mr Ko had prior experience as a director of listed entities.

Review of Directors' Ability to Commit Time

In view of the responsibilities of a Director, Directors need to be able to devote sufficient time and attention to adequately perform their duties and responsibilities. The NC conducts a review of the other appointments and commitments of each Director on an annual basis and as and when there is a change of circumstances involving a Director which may affect his or her ability to commit time to the Company. In this regard, Directors are required to report to the Company any changes in their other appointments.

In respect of the consideration of the Directors' other appointments and commitments, no limit is set as to the number of listed company board appointments. The Board takes the view that the limit on the number of listed company directorships that an individual may hold should be considered on a case-by-case basis, as a person's available time and attention may be affected by many different factors, such as his or her individual capacity, whether he or she is in full-time employment, the nature of his or her other responsibilities and near term plan regarding some of the other appointments. A Director with multiple directorships is expected to ensure that he or she can devote sufficient time and attention to the affairs of the Company. Directors are also required to consult the Chairman before accepting any invitation for appointment as a director of another entity or offer of a full-time executive appointment.

Each of the Directors is required to make his or her own self-assessment and confirm that he or she is able to devote sufficient time and attention to the affairs of the Company. For FY 2019, all Directors had undergone the self assessment and provided the confirmation.

On an annual basis and, where appropriate when there is a change of circumstances involving a Director, the NC assesses each Director's ability to commit time to the affairs of the Company. In the assessment, the NC takes into consideration each Director's confirmation, his or her commitments, attendance record at meetings of the Board and Board Committees, as well as conduct and contributions (including preparedness, participation and candour) at Board and Board Committee meetings.

NC reviews each Director's other appointments and commitments, attendance record, as well as conduct and contributions at Board and Board Committee meetings

A Director is also required to make his or her own self-assessment and confirm that he or she is able to devote sufficient time and attention to the affairs of the Company

Assessment Process

The Directors' listed company directorships and other principal commitments are disclosed on pages 30 to 35 of this Annual Report. GCEO who is the sole executive director, does not serve on any listed company board outside of the Group. The Directors' attendance record for FY 2019 is set out on page 106 of this Annual Report. For FY 2019, the Directors achieved high attendance rates and they have contributed positively to discussions at Board and Board Committee meetings. In respect of any meetings for which Directors could not attend, comments were provided by the relevant Directors to the Chairman or the relevant Board Committee chair prior to the meeting. Based on the above, the NC has determined that each Director has been adequately carrying out his or her duties as a Director of the Company.

The Board, taking into consideration the NC's assessment, has noted that each Director has been adequately carrying out his or her duties and responsibilities as a Director of the Company and that none of them holds a significant number of listed company directorships and principal commitments.

Principle 5: Board Performance

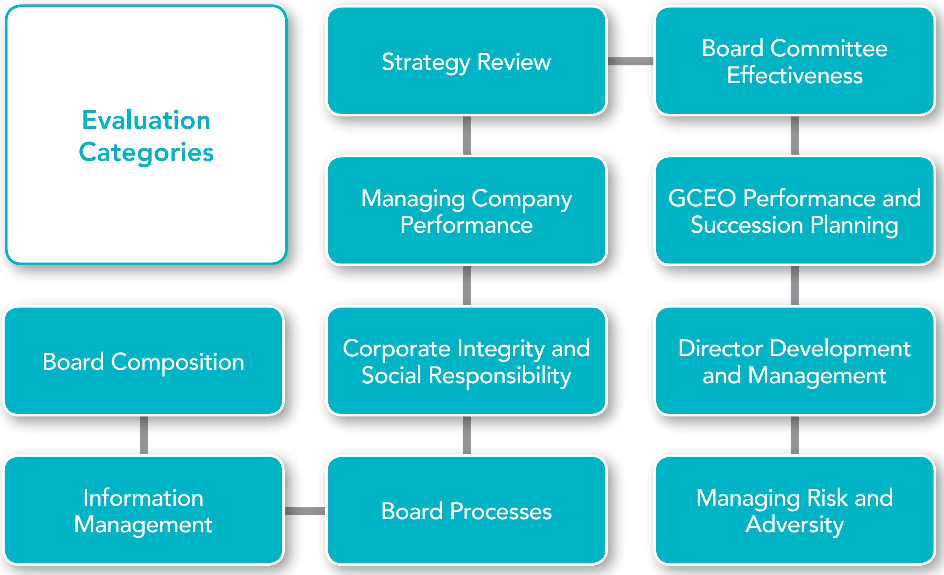
The Company believes that oversight from a strong and effective Board goes a long way towards guiding a business enterprise to achieving success.

Whilst Board performance is ultimately reflected in the long-term performance of the Group, the Board believes that engaging in a regular process of self-assessment and evaluation of Board performance provides an opportunity for the Board to reflect on its effectiveness including the quality of its decisions, and for Board members to consider their performance and contributions. It also enables the Board to identify key strengths and areas for improvement which is essential to effective stewardship and attaining success for the Company.

Board and Board Committees

The NC undertakes a process to evaluate the effectiveness of the Board as a whole and the Board Committees for every financial year. For an objective and independent evaluation, an external consultant, Aon Hewitt Singapore Pte Ltd, is engaged to facilitate the evaluation process. The consultant is independent of and is not related to the Company or any of its Directors.

As part of the process, questionnaires are sent by the consultant to the Directors and interviews are conducted where required. The objective of the interviews is to seek clarifications to the feedback obtained from the responses in the questionnaires, during which broader questions might also be raised to help validate certain survey findings. The findings are then evaluated by the consultant and reported, together with the recommendations of the consultant, to the NC and thereafter the Board. The evaluation categories covered in the questionnaire included Board composition, information management, Board processes, corporate integrity and social responsibility, managing company performance, strategy review, Board Committee effectiveness, GCEO performance and succession planning, Director development and management, and managing risk and adversity. For FY 2019, in addition to questionnaires, one-to-one interviews were conducted with each Director to obtain more in-depth feedback on the performance of the Board. Members of Senior Management were also interviewed for their perspectives on the effectiveness of the Board.



Senior Management members also participate in the evaluation and provide their feedback on areas including developing strategy, managing risks and working with Management.

The findings and recommendations of the consultant which include benchmarking information and best practices of other boards, are considered by the Board and follow up action is taken, where necessary. Overall, the Board has maintained a positive trajectory for its performance and effectiveness. Reflecting the positive, professional and constructive relationship amongst Board members, the Board is functioning well as a team. The Board and Management enjoy a positive and healthy relationship and there is an appreciation by Management of the value of the guidance the Board provides. There is candour in the dealings between the Board and Management which, in turn, is reflected in the quality of the discussions between the Board and Management. Board Committees were also considered to work well with thorough debate, a good understanding of the issues and functional knowledge.

Individual Directors

In respect of individual Directors, a formal evaluation is also carried out on an annual basis. For FY 2019, the Board Chairman and NC Chairman jointly evaluated each individual Director using an agreed evaluation framework as a guide. Feedback from selected Senior Management members was also sought as part of the process. The outcome of the evaluation is that every Director has been diligent in discharging his or her duties and has performed well, contributing positively to the Board's deliberations. Additionally, Directors worked well with each other, and with Management, contributing to the overall smooth functioning of the Board. Whilst collegial, deliberations at meetings were open, constructive and robust, and conducted on a professional and respectful basis. Management has also provided positive feedback on the performance and contributions of the individual Directors, noting that the relationship between the Board and Management is healthy and good.

Formal evaluation is also carried out by the NC as and when a Director is due for retirement by rotation and is seeking reelection. The NC also takes into consideration the contributions and performance of individual Directors when it reviews Board composition.

The Board also recognises that contributions by an individual Board member can take different forms including providing objective perspectives on issues, facilitating business opportunities and strategic relationships, and accessibility to Management outside of the formal environment of Board and/or Board Committee meetings.

Board Evaluation as an Ongoing Process

The Board believes that performance evaluation should be an ongoing process and the Board achieves this by seeking feedback on a regular basis. The regular interactions between Board members, and between Board members and Management, also contribute to this ongoing process. Through this process of engaging its members, the Board also benefits from an understanding of shared norms between Board members which also contributes to a positive Board culture. The collective Board performance and the contributions of individual Board members are also reflected in, and evidenced by, the synergistic performance of the Board in discharging its responsibilities as a whole by providing proper guidance, diligent oversight and able leadership, and lending support to Management in steering the Company in the appropriate direction, as well as the long-term performance of the Company whether under favourable or challenging market conditions.

REMUNERATION MATTERS

Principles 6, 7 and 8: Procedures for Developing Remuneration Policies, Level and Mix of Remuneration and Disclosure on Remuneration

The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel.

It has established the ERCC to recommend to the Board for approval a general framework of remuneration for the non-executive Directors and key management personnel of the Group, and the specific remuneration package for each key management personnel. The ERCC also recommends to the Board for endorsement the specific remuneration package for each Director.

Executive Resource & Compensation Committee

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

Mr Miguel Ko
Non-Executive Non-Independent Director

Mr Stephen Lee Ching Yen
Non-Executive Independent Director

Ms Goh Swee Chen
Non-Executive Independent Director

A majority of ERCC members, including the Chairman of the ERCC, are Non-Executive Independent Directors. The ERCC met four times in FY 2019.

The ERCC is guided by its terms of reference. The ERCC oversees leadership and succession planning for key management personnel. This includes overseeing the process that supports the Board in making a decision regarding the appointment of GCEO and his terms of appointment and remuneration package, and approving the appointment and remuneration of other key management personnel. In carrying out its role, the ERCC also aims to build capable and committed management teams through market competitive compensation and progressive policies which are aligned to the long-term interests and risk policies of the Group. The ERCC thus plays a crucial role in helping to ensure that the Company is able to attract, motivate and retain the best talents to drive the Group's business forward and deliver sustainable returns to shareholders.

The ERCC also conducts, on an annual basis, the evaluation of the GCEO's performance and a succession planning review of the GCEO and key management positions in the Group, and presents its findings and recommendations to the Board. Potential candidates for leadership succession are reviewed for their readiness in the immediate, medium and longer term.

Remuneration Policy for Key Management Personnel
The remuneration framework and policy is designed to support the implementation of the Group's strategy and deliver sustainable returns to shareholders. The principles governing the Company's key management personnel remuneration policy are as follows:

Business Alignment

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

Motivate Right Behaviour

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

Fair & Appropriate

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

Effective Implementation

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

The Board sets the remuneration policies in line with the Company's business strategy and approves the executive compensation framework based on the key principle of linking pay to performance. Pay-for-performance is emphasised by linking total remuneration to the achievement of corporate and individual goals and objectives. In its deliberations, the ERCC also took into consideration industry practices and norms in compensation to maintain market competitiveness. The ERCC also considers all aspects of remuneration, including termination terms, to ensure they are fair.

The Board has access to independent remuneration consultants to advise on remuneration matters as required.

Consistent with its practice in previous years, the ERCC appointed an independent remuneration consultant, Willis Towers Watson, to provide professional advice on Board and executive remuneration in FY 2019. Willis Towers Watson is a leading global advisory, broking and solutions company with over 45,000 employees serving more than 140 countries. The remuneration consultant is not related to the Company or any of its Directors and does not otherwise have any relationships with the Company that could affect its independence and objectivity.

Remuneration for Key Management Personnel
Remuneration for key management personnel comprises fixed components, variable cash components, share-based components and employee benefits. A significant proportion of key management personnel's remuneration is in the form of variable compensation, awarded in a combination of short-term and long-term incentives, in keeping with the principle that the interests of GCEO and key management personnel align with those of the Company's stakeholders and that the remuneration framework links rewards to corporate and individual performance.

A. Fixed Components:
The fixed components comprise the base salary, fixed allowances and compulsory employer contribution to an employee's Central Provident Fund.

B. Variable Cash Components:
The variable cash components comprise the Balanced Scorecard Bonus Plan (BSBP) and Economic Value-Added (EVA)-based Incentive Plan (EBIP).

Balanced Scorecard Bonus Plan
The BSBP is linked to the achievement of annual performance targets for each key management personnel as agreed at the beginning of the financial year with the Board and/or the GCEO, as the case may be.

Under the Balanced Scorecard framework, the Group's strategy and goals are translated into performance outcomes comprising both quantitative and qualitative targets in the dimensions of *Financial*, *Execution*, *Future Growth* and *Sustainability*; these are cascaded down throughout the organisation, thereby creating alignment across the Group.

After the close of each year, the ERCC reviews the Group's achievements against the targets set in the Balanced Scorecard, determines the overall performance taking into consideration qualitative factors such as the quality of earnings, business environment, regulatory landscape and industry trends, and approves a bonus pool that corresponds to the performance achieved.

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

Economic Value-Added-based Incentive Plan
The EBIP is based on sharing with employees a portion of the EVA, which varies according to the actual achievement of residual economic profit.

The EBIP rewards sustainable value creation over the medium term achieved by growing profits, deploying capital efficiently and managing the risk profile and risk time horizon of a real estate business.

Under this plan, the bonus declared to each EBIP participant for the current year is added to the participant's balance carried forward from the previous year, upon which one-third of the resulting total amount is paid out in cash, with the remaining two-thirds to be carried forward to the following year. The balance in each participant's EBIP account is at risk because a significant reduction in EVA in any year may result in retraction (performance clawback) of the EBIP bonus declared in preceding years. The EBIP encourages key management personnel to work for sustained EVA generation and to take actions that are aligned with the longer term interests of the Company's stakeholders.

In determining the EBIP bonus declared to each participant, the ERCC considers the overall business performance, individual job responsibilities, performance and contribution, as well as the relevant market remuneration benchmarks.

C. Share-based Components:
Share awards were granted in FY 2019 pursuant to the CapitaLand Performance Share Plan 2010 (PSP) and the CapitaLand Restricted Share Plan 2010 (RSP) (together, the Share Plans), approved and adopted by the shareholders of the Company at the Extraordinary General Meeting held on 16 April 2010.

For FY 2019, the total number of shares in the awards granted under the Share Plans did not exceed the yearly limit of 1% of the total number of issued shares (excluding treasury shares). The obligation to deliver the shares is expected to be satisfied out of treasury shares.

To promote the alignment of Management's interests with that of the Company's stakeholders, the ERCC has approved share ownership guidelines for Senior Management to instil stronger identification by senior executives with the longer term performance and growth of the Group. Under these guidelines, Senior Management participants are required to retain a prescribed proportion of the Company's shares received under the Share Plans.

Details of the Share Plans as well as awards granted under the Share Plans are given in the Share Plans section of the Directors' Statement on pages 149 to 152 of this Annual Report and the Equity Compensation Benefits section of the Notes to the FY 2019 Financial Statements on pages 231 to 236 of this Annual Report.

Shareholders of the Company had also approved the CapitaLand Performance Share Plan 2020 and CapitaLand Restricted Share Plan 2020 (RSP 2020 and collectively, the New Share Plans) at the AGM held on 12 April 2019, to replace, with effect from 1 April 2020, the Share Plans. No awards under the New Share Plans were granted in FY 2019 in light of the effective date of the New Share Plans. In alignment with the Practice Guidance, shares awarded pursuant to the New Share Plans may be clawed back in circumstances of misstatement of financial results, misconduct resulting in financial or other losses to the Company or other misdemeanours.

CapitaLand Performance Share Plan 2010

In FY 2019, the ERCC granted awards which are conditional on targets set for a three-year performance period. A specified number of shares will only be released to recipients at the end of the qualifying performance period, provided that minimally the threshold targets are achieved.

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

(a) Absolute Total Shareholder Return (TSR) of the Group measured as a multiple of Cost of Equity;

(b) Relative TSR of the Group measured by the percentile ranking of the Group's TSR relative to the constituents of a peer group comprising public-listed companies of comparable scale, scope and business mix in Singapore, Hong Kong and China; and

(c) Average ROE of the Group, over the three years of the performance period.

The above performance measures have been selected as key measurements of wealth creation for shareholders. The final number of shares to be released will depend on the achievement of pre-determined targets over the three-year qualifying performance period. No share will be released if the threshold targets are not met at the end of the qualifying performance period. On the other hand, if superior targets are met, more shares than the baseline award can be delivered up to a maximum of 200% of the baseline award. Recipients will receive fully paid shares at no cost.

For the year under review, the relevant award for assessment of the performance achieved by the Group is the award granted in FY 2017 where the qualifying performance period was FY 2017 to FY 2019. Based on the ERCC's assessment that the performance achieved by the Group has met the pre-determined performance targets for such performance period, the resulting number of shares released has been adjusted accordingly to reflect the performance level. In respect of the share awards granted in FY 2018 and FY 2019, the respective qualifying performance periods have not ended as at the date of this Report.

CapitaLand Restricted Share Plan 2010

In FY 2019, the ERCC granted awards which are conditional on targets set for a one-year performance period. A specified number of shares will only be released to recipients at the end of the qualifying performance period, provided that minimally the threshold targets are achieved.

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

(a) Operating EBIT of the Group; and
(b) Operating ROE of the Group.

The above performance measures have been selected as they are the key drivers of business performance. The final number of shares to be released will depend on the achievement of pre-determined targets at the end of the one-year qualifying performance period. The shares will be released over a vesting period of three years. No share will be released if the threshold targets are not met at the end of the qualifying performance period. On the other hand, if superior targets are met, more shares than the baseline award can be delivered up to a maximum of 150% of the baseline award. Recipients can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost.

In respect of the award granted in FY 2019, based on the ERCC's assessment that the performance achieved by the Group has met the pre-determined performance targets for FY 2019, the resulting number of shares released has been adjusted accordingly to reflect the performance level.

D. Employee Benefits:

The benefits provided are comparable with local market practices.

Each year, the ERCC evaluates the extent to which the GCEO and each of the key management personnel have delivered on the corporate and individual goals and objectives, and based on the outcome of the evaluation, approves the compensation for the key management personnel, and proposes the compensation for GCEO for the Board's approval. GCEO who attends meetings of the ERCC on an ex officio basis does not attend discussions relating to his own performance and remuneration.

The details of the remuneration for the GCEO are provided in the Directors' and GCEO's Remuneration section on page 107 of this Annual Report.

Provision 8.1 of the Code requires an issuer to disclose the names, amounts and breakdown of remuneration of at least the top five key management personnel (who are not also Directors or the GCEO) of the Company in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel. The Board considered this matter carefully and has decided against such a disclosure with effect from FY 2019 due to the confidential and commercial sensitivities associated with remuneration matters. Such a disclosure would also not be in the interest of the Company due to the intense competition for talents in the industry. The Company is making available, however, the aggregate remuneration and the breakdown of the components of remuneration in percentage terms of the top five key management personnel which are set out on page 108 of this Annual Report. The Company is of the view that the disclosures in this Report and the information on pages 91 to 95 of this Annual Report provide sufficient information to shareholders on the Company's remuneration policies, the level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

The ERCC seeks to ensure that the remuneration paid to the GCEO and key management personnel is strongly linked to the achievement of business and individual performance targets. The performance targets endorsed by the ERCC and approved by the Board are set at realistic yet stretched levels each year to motivate a high degree of business performance with emphasis on both short and longer term quantifiable objectives. A pay-for-performance alignment study was conducted by the appointed independent remuneration consultant and reviewed by the ERCC; the findings indicate that there has been effective pay-for-performance alignment for the Group in both absolute and relative terms against a peer group of large listed companies in Singapore and the region over a multi-year period.

In FY 2019, there were no termination, retirement or post-employment benefits granted to Directors, the GCEO and key management personnel. There was also no special retirement plan, 'golden parachute' or special severance package for any of the key management personnel.

There are no employees of the Group who are substantial shareholders of the Company or immediate family members of such a substantial shareholder, Director or the GCEO. "Immediate family member" refers to the spouse, child, adopted child, step-child, sibling or parent of the individual.

Non-Executive Director Remuneration

The compensation policy for Directors (except the Chairman) is based on a scale of fees divided into basic retainer fees for serving as Director and additional fees for attendance and serving on Board Committees. The Chairman receives an all-inclusive fee (i.e. without any additional fee for attendance and for serving on Board Committees). The compensation package is market benchmarked on an annual basis, taking into account the effort, time spent and demanding responsibilities on the part of the Directors in light of the scale, complexity and the international nature of the business. The remuneration of Directors is reviewed from time to time to ensure that it is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company.

The GCEO who is also a Director is remunerated as part of key management personnel and therefore does not receive any Director's fees.

No individual Director by himself or herself could decide his or her own remuneration. Directors' fees will be paid only upon shareholders' approval at an AGM. These measures serve to assure that the independence of the non-executive Directors is not compromised by their compensation.

The fee structure for non-executive Directors for FY 2019, which remains unchanged as that for the previous financial year save for the introduction of a basic retainer fee for the Board Deputy Chairman who was appointed in August 2019, is as follows:

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

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

Directors' fees of the non-executive Directors (including the Chairman) will be paid as to about 70% in cash and about 30% in the form of share awards under the RSP 2020, save in the case of (i) a Director who is retiring from the Board at the conclusion of the AGM, and a Director who retired from the Board at the conclusion of the last AGM, both of whom will receive their fees wholly in cash; (ii) Mr Gabriel Lim Meng Liang whose fees will be paid fully in cash to a government agency, The Directorship & Consultancy Appointments Council; and (iii) Mr Miguel Ko whose fees will be paid fully in cash to his employer, CLA. The awards consist of the grant of fully paid shares, with no performance conditions attached and no vesting periods imposed. In order to encourage the alignment of the interests of the non-executive Directors with the interests of shareholders, a non-executive Director is required to hold shares in the Company worth at least one year of his or her basic retainer fee or the total number of shares awarded under the above policy, whichever is lower, at all times during his or her Board tenure. For the Chairman, the shares are required to be held for at least two years from the date of award, and the two-year moratorium shall continue to apply in the event of retirement. Other than this, the non-executive Directors do not receive any other share incentives under any of the Company's share plans. Details of the Directors' remuneration are provided in the Directors' and GCEO's Remuneration section on page 107 of this Annual Report.

The Company will seek shareholders' approval at the 2020 AGM for the remuneration to be paid to the Directors in respect of (inter alia) the Directors' fees for FY 2019.

As with each past year, an independent remuneration consultant was engaged in FY 2019 to carry out a comprehensive review of the fee structure for the non-executive Directors. The review is undertaken each year with a view to ensuring that the fee structure remains competitive. A competitive fee structure is essential to help ensure that the Company is able to attract and retain qualified individuals necessary to contribute effectively to the Board.

Compensation Risk Assessment
Under the Practice Guidance, the compensation system shall take into account the risk policies of the Group, be symmetric with risk outcomes and sensitive to the time horizon of risks. The ERCC has conducted a Compensation Risk Assessment to review the various compensation risks that may arise as well as the mitigating policies to better manage risk exposures identified. The ERCC is satisfied that there are adequate risk mitigation features in the Group's compensation system, such as the use of malus, deferral and clawback features in the Share Plans and EBIP. The ERCC will continue to undertake periodic reviews of compensation-related risks.

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Company maintains an adequate and effective system of risk management and internal controls (including financial, operational, compliance and information technology (IT) controls) to safeguard stakeholders' interests and the Group's assets.

The Board has overall responsibility for the governance of risk, including determining the risk strategy, risk appetite and risk limits, as well as the risk policies. The Board has established the RC to assist it in carrying out the Board's responsibility of overseeing the Company's risk management framework and policies for the Group and ensuring that Management maintains a sound system of risk management and internal controls.

Under its terms of reference, the RC's scope of duties and responsibilities is as follows:

(a) making recommendations to the Board on risk strategy, risk appetite and risk limits;
(b) reviewing the risk management framework, including the processes and resources to identify, assess and manage material risks;
(c) overseeing the design, implementation and monitoring of the risk management and internal controls systems;
(d) reviewing the material risks facing the Group and the management of risks thereof;

(e) reviewing the adequacy and effectiveness of the risk management and internal controls systems covering material risks and the assurance given by Management, as well as the disclosures in the Annual Report; and

(f) considering and advising on risk matters referred to it by the Board or Management.

Risk Committee

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

Mr Kee Teck Koon
Non-Executive Independent Director

Mr Gabriel Lim Meng Liang
Non-Executive Independent Director

All RC members, including the Chairman of the RC, are Non-Executive Independent Directors. The RC met twice in FY 2019.

To facilitate sharing of information and knowledge and to foster common understanding of the risk management and internal controls systems, two members of the RC are also members of the AC.

The Group adopts an Enterprise Risk Management (ERM) Framework which sets out the required environmental and organisational components for managing risks in an integrated, systematic and consistent manner. The ERM Framework and related policies are reviewed annually. A team comprising the GCEO and other key management personnel is responsible for directing and monitoring the development, implementation and practice of ERM across the Group.

As part of the ERM Framework, Management, among other things, undertakes and performs a Group-wide Risk and Control Self-Assessment (RCSA) annually to identify material risks along with their mitigating measures.

The adequacy and effectiveness of the systems of risk management and internal controls are reviewed at least annually by Management, the RC, the AC and the Board, taking into account the best practices and guidance in the Risk Governance Guidance for Listed Boards issued by the Corporate Governance Council and the Listing Manual.

The Group Risk Appetite Statement (RAS), incorporating the Group's risk limits, addresses the management of material risks faced by the Group. Alignment of the Group's risk profile to the Group RAS is achieved through various communication and monitoring mechanisms (including key performance indicators set for Management) put in place across the Group.

More information on the Group's ERM Framework including the material risks identified can be found in the ERM section on pages 109 to 113 of this Annual Report.

The internal and external auditors conduct reviews of the adequacy and effectiveness of the material internal controls (including financial, operational, compliance and IT controls) and risk management systems. This includes testing, where practicable, material internal controls in areas managed by external service providers. Any material non-compliance or lapses in internal controls together with corrective measures recommended by the internal and external auditors are reported to and reviewed by the AC. The AC also reviews the adequacy and effectiveness of the measures taken by Management on the recommendations made by the internal and external auditors in this respect.

The Board has received assurance from the GCEO and the GCFO that the financial records of the Group have been properly maintained and the financial statements for FY 2019 give a true and fair view of the Group's operations and finances. It has also received assurance from the GCEO and the relevant key management personnel who have responsibility regarding various aspects of risk management and internal controls that the systems of risk management and internal controls within the Group are adequate and effective to address the risks (including financial, operational, compliance and IT risks) which the Company considers relevant and material to its current business environment.

The GCEO, GCFO and the other key management personnel have obtained similar assurances from the respective business and corporate executive heads in the Group.

In addition, in FY 2019, the Board received quarterly certification by Management on the integrity of financial reporting and the Board provided a negative assurance confirmation to shareholders as required by the Listing Manual.

Based on the ERM Framework established and the reviews conducted by Management and both the internal and external auditors, as well as the assurance from the GCEO, the GCFO and the relevant key management personnel, the Board is of the opinion that the systems of risk management and internal controls within the Group are adequate and effective to address the risks (including financial, operational, compliance and IT risks) which the Company considers relevant and material to its current business environment as at 31 December 2019. The AC and RC concur with the Board in its opinion. No material weaknesses in the systems of risk management and internal controls were identified by the Board, the AC or the RC in the review for FY 2019.

The Board notes that the systems of risk management and internal controls established by Management provide reasonable assurance that the Group, as it strives to achieve its business objectives, will not be significantly affected by any event that can be reasonably foreseen or anticipated. However, the Board also notes that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision-making, human error, losses, fraud or other irregularities.

Principle 10: Audit Committee

Audit Committee

Mr Chaly Mah Chee Kheong
Committee Chairman & Non-Executive Independent Director

Tan Sri Amirsham Bin A Aziz
Non-Executive Independent Director

Dr Philip Nalliah Pillai
Non-Executive Independent Director

Mr Anthony Lim Weng Kin
Non-Executive Independent Director

Mr Gabriel Lim Meng Liang
Non-Executive Independent Director

All members of the AC, including the Chairman of the AC, are Non-Executive Independent Directors. The Chairman of the AC is not the Chairman of the Board. The members bring with them invaluable recent and relevant managerial and professional expertise in accounting and related financial management domains. The Chairman of the AC, Mr Chaly Mah Chee Kheong, is a Fellow of the Institute of Singapore Chartered Accountants, among other professional affiliations, and Tan Sri Amirsham Bin A Aziz, another AC member, is a Certified Public Accountant of Malaysia. The AC meets at least four times in a year and met six times in FY 2019.

The AC does not comprise members who were partners or directors of the incumbent external auditors, KPMG LLP, within the period of two years commencing on the date of their ceasing to be a partner or director of KPMG LLP. The AC also does not comprise any member who has any financial interest in KPMG LLP.

The AC has explicit authority to investigate any matter within its terms of reference. Management provides the fullest co-operation in providing information and resources to the AC, and in implementing or carrying out all requests made by the AC. The AC has direct access to the internal and external auditors and full discretion to invite any Director or executive officer to attend its meetings. Similarly, both the internal and external auditors have unrestricted access to the AC.

Under its terms of reference, the AC's scope of duties and responsibilities is as follows:

(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
(b) reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Company's internal controls, and together with the RC, the risk management systems including financial, operational, compliance and information technology controls;
(c) reviewing the assurances from the GCEO and GCFO on the financial records and financial statements of the Company;
(d) reviewing the scope and results of the internal audit, and the adequacy, effectiveness and independence of the Company's internal audit function;
(e) reviewing the scope and results of the external audit, and the adequacy, effectiveness and independence of the external auditors;
(f) reviewing the policy, processes and whistleblowing reports relating to detection, investigation and action relating to financial improprieties; and
(g) making recommendations to the Board on the proposals to the shareholders on the appointment, reappointment and removal of the external auditors, and the remuneration and terms of engagement of the external auditors.

To assist the AC to carry out its duty to monitor the performance, objectivity and independence of the external auditors, in particular, to balance the independence and objectivity of the external auditors, the Company has developed policies regarding the types of non-audit services that the external auditors can provide to the Group and the related approval processes. The AC has reviewed the nature and extent of non-audit services provided by the external auditors in FY 2019 and the fees paid for such services. The AC is satisfied that the independence of the external auditors is not impaired by the provision of those services. The external auditors have also provided confirmation of their independence to the AC.

The total audit and non-audit fees paid to the external auditors for FY 2019 were as follows:

External Auditor Fees for FY 2019	S$'000	As a percentage to Total Fees Paid
Total Audit Fees	10,580	80%
Total Non-Audit Fees	2,637	20%
Total Fees Paid	13,217	100%

At all pre-scheduled quarterly meetings of the AC in FY 2019, the GCEO and all key management personnel were in attendance. During each of these meetings, among other things, the AC reviewed the financial statements including the relevance and consistency of the accounting principles adopted and any significant financial reporting issues and judgements. The AC recommended the financial statements and corresponding announcements to the Board for approval. In FY 2019, it also, together with the RC, reviewed and assessed the adequacy and effectiveness of the Company's internal controls and risk management systems to address the material risks faced by the Company, taking into consideration the outcome of reviews conducted by Management and both the internal and external auditors, as well as the assurance from the GCEO and the GCFO.

The AC also met with the internal and external auditors, separately and without Management's presence, to discuss the reasonableness of the financial reporting process, the internal controls and risk management systems, and the significant comments and recommendations by the auditors.

Where relevant, the AC makes reference to the best practices and guidance for Audit Committees in Singapore including practice directions issued from time to time in relation to the Financial Reporting Surveillance Programme administered by the Accounting and Corporate Regulatory Authority of Singapore.

Key Audit Matters
In its review of the financial statements of the Group and the Company for FY 2019, the AC had discussed with Management the accounting principles that were applied and their judgement of items that could affect the integrity of the financial statements; they also considered the clarity of key disclosures in the financial statements. The AC reviewed, amongst other matters, the following key audit matters as reported by the external auditors for FY 2019.

Key audit matters	How these issues were addressed by the AC
Valuation of investment properties	The AC reviewed the outcomes of the half-yearly valuation process and discussed the details of the valuation with Management, focusing on properties which registered higher fair value gains/losses during the period under review and the key drivers for the changes. The AC considered the findings of the external auditors, including their assessment of the appropriateness of valuation methodologies and the underlying key assumptions applied in the valuation of investment properties. The AC was satisfied with the valuation process, the methodologies used and the valuation for investment properties as adopted and disclosed in the financial statements.
Accounting for ASB acquisition	Management updated the AC on the accounting treatment for and the financial impact from the ASB acquisition. The AC considered Management's use of independent valuation specialists to assist Management in arriving at its purchase price allocation (PPA) assessment. The PPA assessment involved the use of valuation methodologies and certain assumptions to derive the fair value estimates of identified assets and liabilities and the resulting goodwill. The AC also considered the findings of external auditors on the PPA assessment performed by Management, including their assessment of the appropriateness of valuation methodologies and the underlying key assumptions applied in the valuation of property portfolio and intangible assets relating to management contracts. The AC was satisfied with the accounting treatment and that the valuation methodology and estimates used for PPA assessment were appropriate and reasonable.

Changes to the accounting standards and accounting issues which have a direct impact on the financial statements are reported to and discussed with the AC at its meetings. Directors are also invited to attend relevant seminars on changes to accounting standards and issues by leading accounting firms.

The Company confirms that it complies with Rules 712, 715 and 716 of the Listing Manual.

Internal Audit
The Company has an Internal Audit Department (CL IA). CL IA is independent of the activities it audits. The primary reporting line of CL IA is to the AC, which also decides on the appointment, termination and remuneration of the head of CL IA. CL IA has unfettered access to the Group's documents, records, properties and employees, including access to the AC, and has appropriate standing within the Company.

The AC has carried out a review of the internal audit function and is satisfied that the internal audit function performed by CL IA is adequately resourced, effective and independent.

CL IA plans its internal audit schedules in consultation with, but independently of, Management and its plan is submitted to the AC for approval prior to the beginning of each year. During FY 2019, the AC reviewed the results of audits performed by CL IA based on the approved audit plan. The AC also reviewed reports on whistle blower complaints reviewed by CL IA to ensure independent and thorough investigation and adequate follow-up. The AC also received reports on interested person transactions reviewed by CL IA that they were on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. In FY 2019, there was an interested person transaction, namely, the acquisition of all the issued shares of Ascendas Pte Ltd and Singbridge Pte. Ltd. which was subject to the approval of shareholders. An Extraordinary General Meeting was convened on 12 April 2019 and the transaction was duly approved by independent shareholders.

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

CL IA is adequately resourced and staffed with persons having the relevant qualifications and experience. CL IA is a corporate member of the Institute of Internal Auditors Inc. Singapore (IIAS), which is an affiliate of the Institute of Internal Auditors Inc. headquartered in the United States of America (USA). CL IA subscribes to, and is guided by, the International Standards for the Professional Practice of Internal Auditing (Standards) developed by the IIAS, and has incorporated these Standards into its audit practices.

To ensure that internal audits are performed by competent professionals, CL IA recruits and employs suitably qualified professional staff with the requisite skill sets and experience. This includes CL IA staff who are involved in IT audits having relevant professional IT certifications. The IT auditors are also members of the ISACA Singapore Chapter, a professional body administering information systems audit and information security certifications that is headquartered in the USA. The ISACA Information Systems Auditing Standards provide guidance on the standards and procedures to be applied in IT audits. CL IA identifies and provides training and development opportunities for its staff to ensure their technical knowledge and skill sets remain current and relevant.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principles 11 and 12: Shareholder Rights and Conduct of General Meetings and Engagement with Shareholders

The Company is committed to treating all its shareholders fairly and equitably. All shareholders enjoy specific rights under the Constitution and the relevant laws and regulations. These rights include, among other things, the right to participate in profit distributions, and the right to approve any proposed amendments to the Constitution.

General Meetings
Shareholders are entitled to attend general meetings and are accorded the opportunity to participate effectively and vote at general meetings (including through the appointment of up to two proxies, if they are unable to attend in person or in the case of a corporate shareholder, through its appointed representative). Shareholders such as nominee companies which provide custodial services for securities are not constrained by the two proxy limitation, and are able to appoint more than two proxies to attend, speak and vote at general meetings of the Company.

The Company supports the principle of encouraging shareholder participation and voting at general meetings. The Annual Report of the Company is provided to shareholders within 120 days from the end of the Company's financial year. Shareholders may download the Annual Report (printed copies are available upon request) and notice of the general meeting from the Company's website at www.capitaland.com. The notice of general meeting is also advertised in the press and issued on SGXNet. More than the legally required notice period for general meetings is generally provided. The rationale and explanation for each agenda item which requires shareholders' approval are provided in the notice of general meeting so as to enable shareholders to exercise their voting rights on an informed basis. To safeguard shareholder interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings.

At general meetings, the GCEO makes a presentation to shareholders to update them on the Company's performance, position and prospects. The presentation materials are made available to shareholders on the Company's website and SGXNet. Shareholders are given the opportunity to communicate their views, ask questions and discuss with the Board and Management on matters affecting the Company. All Directors (including the chairpersons of the respective Board Committees), Management and the external auditors, are present for the entire duration of general meetings to address any queries that the shareholders may have, including queries about the conduct of the Company's audit and preparation and contents of the auditors' report. Directors and Management also interact with shareholders after the general meetings. All Directors (including the GCEO who is also a Director, but excluding Mr Miguel Ko who was only appointed onto the Board later in the year) attended both general meetings of shareholders held during FY 2019. A record of the Directors' attendance at the general meetings held on 12 April 2019 can be found in the record of their attendance of Shareholders, Board and Board Committee meetings set out on page 106 of this Annual Report.

To ensure transparency in the voting process and better reflect shareholders' shareholding interests, the Company conducts electronic poll voting for all the resolutions proposed at general meetings. One ordinary share is entitled to one vote. Voting procedures and rules governing general meetings are explained and vote tabulations are disclosed at the general meetings. An independent scrutineer is also appointed to validate the vote tabulation procedures. Votes cast, for or against and the respective percentages, on each resolution are tallied and displayed 'live' on-screen to shareholders immediately at the general meetings. The total number of votes cast for or against the resolutions and the respective percentages are also announced on SGXNet after the general meetings.

Provision 11.4 of the Code requires an issuer's Constitution to allow for absentia voting at general meetings of shareholders. The Company's Constitution currently does not, however, permit shareholders to vote at general meetings in absentia (such as via mail or email). The Company will consider implementing the relevant amendments to the Constitution to permit absentia voting after it has carried out careful study and is satisfied that the integrity of information and authentication of the identity of shareholders will not be compromised through web transmission, and legislative changes are effected to recognise remote voting. The Company is of the view that despite its deviation from Provision 11.4 of the Code, shareholders nevertheless have opportunities to communicate their views on matters affecting the Company even when they are not in attendance at general meetings. For example, shareholders may appoint proxies to attend, speak and vote, on their behalf, at the respective general meetings.

Minutes of the general meetings, recording the substantial and relevant comments made, questions raised and answers provided, are prepared and available to shareholders for their inspection upon request. Minutes of general meetings are also uploaded to the Company's website at www.capitaland.com.

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

The Company's institutional shareholder base is geographically well-diversified. To keep them updated on the Company's progress, the Company regularly participates in investor conferences and conducts non-deal roadshows in global financial hubs across Asia, Europe and North America. The Company also held its Investor Day successfully in FY 2019 in Singapore, which attracted more than 100 participants, mainly from Singapore and Hong Kong. This is the Company's annual initiative where the Company's full senior management bench share insights on the Company's strategy, key growth areas and market focus.

For retail shareholders, the Company also pursues opportunities to keep them informed through the media, website postings and other publicity channels. In FY 2019, CapitaLand hosted a dialogue session for 250 retail investors during which attendees shared their views about the Company. The Company also held smaller sessions for retail investors through collaborations with financial institutions.

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

The Company has an Investor Relations department which facilitates effective communication with the Company's shareholders and the general investor community which includes sell-side analysts, fund managers and retail investors analysts. The Company maintains a website which contains information on the Company including but not limited to announcements and news releases, quarterly and annual financial reports (current and past), investor presentations, Annual Reports (current and past years), the Constitution and key events.

The Company has in place an Investor Relations Policy (Policy) to promote regular, effective and fair communications with its shareholders. The Policy, which sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions, is available on the Group's website at www.capitaland.com. Shareholders are encouraged to engage with the Company beyond general meetings and they may do so by contacting the Investor Relations department whose details may be found on the Group's website.

The Company also has a Group Communications team which works closely with the media and oversees the Company's external communications efforts.

More information on the Company's investor and media relations efforts can be found in the Investor & Media Relations section on pages 22 to 23 of this Annual Report.

Dividends Policy
The Company has a policy on the payment of dividends. Barring unforeseen circumstances, the Company's policy is to declare a dividend of at least 30% of the annual cash PATMI (profit after tax and non-controlling interests), defined as the sum of operating PATMI, portfolio gains/losses and realised revaluation gains/losses. Upon approval by shareholders at the general meeting, dividends are paid to all shareholders within 15 market days of the record date.

Timely Disclosure of Information
The Company is committed to ensuring that its shareholders, other stakeholders, analysts and the media have access to accurate information on a timely basis. This is performed through posting announcements and news releases on SGXNet on a timely and consistent basis. These announcements and news releases are also posted on the Company's website.

For FY 2019, the Company provided shareholders with quarterly and annual financial statements within the relevant periods prescribed by the Listing Manual. These quarterly and annual financial statements were reviewed and approved by the Board prior to release to shareholders by announcement on the SGXNet. The releases of quarterly and annual financial statements were accompanied by news releases issued to the media and which were also posted on the SGXNet. In presenting the quarterly and annual financial statements to shareholders, the Board sought to provide shareholders with a balanced, clear and understandable assessment of the Company and the Group's performance, position and prospects. In order to achieve this, Management provided the Board with management accounts on a monthly basis and such explanation and information as any Director may require, to enable the Directors to keep abreast, and make a balanced and informed assessment, of the Group's financial performance, position and prospects.

In addition to financial statements, the Company also keeps its shareholders, stakeholders and analysts informed of the performance and changes in the Group or its business which are materially price- or trade- sensitive, so as to assist shareholders and investors in their investment decision-making.

The Group has a formal policy on corporate disclosure controls and procedures to ensure that the Company complies with its disclosure obligations under the Listing Manual. These controls and procedures incorporate decision-making processes and an obligation on internal reporting of decisions made.

The Company believes in conducting itself in ways that seek to deliver maximum sustainable value to its stakeholders. Best practices are promoted as a means to build an excellent business for its stakeholders. Prompt fulfilment of statutory reporting requirements is but one way to maintain stakeholders' confidence and trust in the capability and integrity of the Company.

MANAGING STAKEHOLDER RELATIONSHIPS

Principle 13: Engagement with Stakeholders

The Company engages with its stakeholders based on the principles of sustainability and sound governance, in keeping with its commitment to sustainability with a view to enabling the Company to generate stronger and sustainable returns over time. It adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders and embeds environment, social and governance considerations into its investment analysis, risk assessment, financing consideration and day-to-day business operations. Its sustainability strategy is aligned with its credo of "Building People. Building Communities.". It has arrangements in place to identify and engage stakeholder groups, and manage its relationships with such groups.

The Company has received recognition for its efforts - it is listed in the Sustainability Yearbook, Dow Jones Sustainability World Index and FTSE4Good Index Series, amongst others. More information on the Company's efforts on sustainability management can be found on pages 114 to 119 of this Annual Report and in the CapitaLand Global Sustainability Report, which will be published by end May 2020.

ADDITIONAL INFORMATION

Dealings in Securities

The Company has adopted a securities dealing policy for the Group's officers and employees which applies the best practice recommendations in the Listing Manual. Under the policy, Directors and employees in the Group are required to refrain from dealing in the Company's securities (i) while in possession of material unpublished price-sensitive information, and (ii) during the one month period immediately preceding, and up to the time of the announcement of the Company's half year and full year financial statements[1]. Prior to the commencement of each relevant period, an email would be sent out to all Directors and employees of the Group to inform them of the duration of the period.

The policy also provides for the Company to maintain a list(s) of persons who are privy to price-sensitive information relating to the Group as and when circumstances require such a list to be maintained.

Directors and employees of the Group are also required to refrain from dealing in securities of the Company and/or other relevant listed entities in the Group if they are in possession of unpublished price-sensitive information of the Company and/or these other listed entities arising from their appointment as Directors and/or in the course of performing their duties. As and when appropriate, they would be issued an advisory to refrain from dealing in the relevant securities.

Under the policy, Directors and employees are also discouraged from trading on short-term or speculative considerations. They are also prohibited from using any information with respect to other companies or entities obtained in the course of their employment in connection with securities transactions of such companies or entities. In addition, senior management are required to notify the GCEO of any intended trade prior to any trade of the Company's securities.

A Director is required to notify the Company of his or her interest in the Company's securities within two business day after (a) the date on which he or she becomes a Director or (b) the date on which he or she acquires an interest in the Company's securities. A Director is also required to notify the Company of any change in his or her interests in the Company's securities within two business days after he or she becomes aware of such change. Any dealings by the Directors (including the GCEO who is also a Director) in securities of the Company are disclosed, in accordance with the requirements of the Securities and Futures Act, Chapter 289. In FY 2019, there were no dealings by the Directors in the securities of the Company (other than the award of shares to them in part payment of their Directors' fees).

1 This follows the Company's adoption of announcement of half yearly financial statements with effect from FY ending 31 December 2020.

Ethics and Code of Business Conduct

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

The Company's core values include integrity. The Company is committed to doing business with integrity and has adopted a zero tolerance stance against fraud, bribery and corruption. Consistent with this commitment, the Company has in place a Fraud, Bribery and Corruption Risk Management Policy (FBC Risk Management Policy). The FBC Risk Management Policy reiterates the Company's strong stance against fraud, bribery and corruption, and sets the overarching approach and standards in managing fraud, bribery and corruption risks in an integrated, systematic and consistent manner. The FBC Risk Management Policy works together with various other policies and guidelines to guide all employees to maintain the highest standards of integrity in their work and business dealings. This includes guidelines and procedures for the giving and receipt of corporate gifts and concessionary offers. The Company's zero tolerance policy on bribery and corruption extends to its business dealings with third parties. The Company's stance against bribery and corruption is also reiterated by Management during its regular staff communication sessions. In addition, on an annual basis, all employees of the Group are required to pledge that they will uphold the Company's core values and not engage in any corrupt or unethical practices.

In addition to the FBC Risk Management Policy and related policies, various other policies and guidelines are in place to guide employees' behaviour.

Together, these policies aim to help to detect and prevent occupational fraud in mainly three ways. First, the Company offers fair compensation packages, based on practices of pay-for-performance and promotion based on merit to its employees. The Company also provides various healthcare subsidies and financial assistance schemes to alleviate the common financial pressures its employees may face. Second, clearly documented policies and work procedures incorporate internal controls which ensure that adequate checks and balances are in place. Periodic audits are also conducted to evaluate the effectiveness of these internal controls. Finally, the Company seeks to build and maintain the right organisational culture through its core values and imbibing employees on good business conduct and ethical values.

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

Whistle-Blowing Policy

A whistle-blowing policy and other procedures are put in place to provide the Group's employees and parties who have dealings with the Group with well defined, accessible and trusted channels to report suspected fraud, corruption, dishonest practices or other improprieties in the workplace, and for the independent investigation of any reported incidents and appropriate follow up action. The objective of the whistle-blowing policy is to encourage the reporting of such matters – that employees or external parties making any reports in good faith will be able to do so with the confidence that they will be treated fairly and, to the extent possible, be protected from reprisal.

The AC reviews all whistle-blowing complaints at its quarterly meetings. Independent, thorough investigation and appropriate follow-up actions are taken. The outcome of each investigation is reported to the AC.

The policy is made available to all employees on the Company's intranet. Further, as part of the Group's efforts to promote strong ethical values and fraud and control awareness, the whistle-blowing policy is covered during periodical communications to all staff.

Attendance Record of Meetings of Shareholders, Board and Board Committees in 2019[1]

	Board[6]	Audit Committee[7]	Executive Resource and Compensation Committee	Strategy, Investment and Finance Committee	Nominating Committee	Risk Committee	AGM	EGM
No. of Meetings Held	8	6	4	8	4	2	1	1
Board Members								
Ng Kee Choe	100%	-	100%	100%	100%	-	100%	100%
Miguel Ko[2]	100%	-	-	80%[10]	-	-	-	-
Lee Chee Koon[3]	100%	-	-	-	-	-	100%	100%
Euleen Goh Yiu Kiang[4]	100%	-	-	100%	-	100%	100%	100%
Tan Sri Amirsham Bin A Aziz	100%	100%	-	-	-	100%	100%	100%
Stephen Lee Ching Yen	100%[8]	-	100%	-	100%	-	100%	100%
Dr Philip Nalliah Pillai	100%	100%	-	-	100%	-	100%	100%
Kee Teck Koon	100%	-	100%	100%	-	-	100%	100%
Chaly Mah Chee Kheong[5]	100%	100%	-	100%	-	100%	100%	100%
Anthony Lim Weng Kin	100%	-[9]	-	87.5%[11]	-	-	100%	100%
Gabriel Lim Meng Liang	100%	66.67%	-	-	-	100%	100%	100%
Goh Swee Chen	100%	-	100%	-	-	-	100%	100%

Notes
1 All Directors are required to attend Shareholders, Board and/or Board Committee meetings called, in person or via audio or video conference, unless required to recuse. Attendance is marked against the Shareholders, Board and Board Committee meetings each Director is required to attend, and the percentage computed accordingly.
2 Appointed as Deputy Chairman and a Member of the SIFC on 6 August 2019.
3 Attended all Board Committee meetings on an ex officio basis.
4 Stepped down as a Director, and a Member of the SIFC and the RC, respectively, at the conclusion of the AGM held on 12 April 2019.
5 Appointed as a Member of the SIFC on 6 August 2019.
6 Includes a Board Strategy Meeting and two ad hoc Board meetings.
7 Includes two ad hoc AC meetings.
8 Recused from one Board meeting due to conflict of interest.
9 Attended one ad hoc AC meeting in his capacity as an independent Director.
10 Meetings of the SIFC are typically called on short notice.
11 A separate meeting on 26 June 2019 was held to brief Mr Lim on the agenda item of the relevant SIFC meeting that Mr Lim was unable to attend, during which he provided his comments to Management.

Directors' and GCEO's Remuneration Table for the Financial Year Ended 31 December 2019

Directors and GCEO of the Company	Salary inclusive of AWS and employer's CPF	Bonus and other benefits inclusive of employer's CPF[1]	Awards of shares[2]	Directors' fees[3] Cash Component	Directors' fees[3] Shares component	Benefits[5]	Total Remuneration[6]
	S$	S$	S$	S$	S$	S$	S$
Director and GCEO							
Lee Chee Koon[4]	1,033,640	2,956,483	2,545,144	-	-	-	6,535,267
Sub-Total 1	**1,033,640**	**2,956,483**	**2,545,144**	**-**	**-**	**-**	**6,535,267**
Non-Executive Directors							
Ng Kee Choe	-	-	-	525,000	225,000	-	750,000
Miguel Ko[3]	-	-	-	95,016	–	-	95,016
Euleen Goh Yiu Kiang[3]	-	-	-	46,730	-	-	46,730
Tan Sri Amirsham Bin A Aziz	-	-	-	161,700	69,300	2,791	233,791
Stephen Lee Ching Yen	-	-	-	126,420	54,180	-	180,600
Dr Philip Nalliah Pillai	-	-	-	125,020	53,580	1,396	179,996
Kee Teck Koon	-	-	-	129,780	55,620	1,396	186,796
Chaly Mah Chee Kheong	-	-	-	157,195	67,370	463	225,028
Anthony Lim Weng Kin	-	-	-	107,030	45,870	-	152,900
Gabriel Lim Meng Liang[3]	-	-	-	169,300	-	-	169,300
Goh Swee Chen	-	-	-	96,460	41,340	-	137,800
Sub-Total 2	**-**	**-**	**-**	**1,739,651**	**612,260**	**6,046**	**2,357,957**
Total for Directors and GCEO of the Company	**1,033,640**	**2,956,483**	**2,545,144**	**2,351,911**		**6,046**	**8,893,224**

Notes

1. The amounts disclosed include bonuses earned under the EBIP and the other incentive plans which have been accrued for in FY 2019. Under the EBIP, EVA bonus declared during the year is added to the bonus account and one-third of the accumulated balance in the bonus account will be paid out in cash annually with the remaining two-thirds to be carried forward to the following year; any negative EVA bonus declared will result in an offset against the current EVA bonus account balance.
2. For FY 2019, contingent awards of shares under the Share Plans were granted to Mr Lee Chee Koon. The final number of shares to be released under these awards will depend on the achievement of pre-determined targets over the respective performance periods and vesting periods under the Share Plans. The share awards disclosed are based on the fair value of the shares comprised in the contingent awards at the time of grant. There was no contingent award of RSP or PSP granted to the other Directors.
3. If approved, the aggregate amount of Directors' fees of S$2,351,911 will be paid as to S$1,739,651 in cash, and S$612,260 in the form of share awards under the RSP 2020 with any residual balance to be paid in cash. Directors' fees of the non-executive Directors (including the Chairman) will be paid as to about 70% in cash and about 30% in the form of share awards under the RSP 2020, save in the case of (i) Ms Euleen Goh Yiu Kiang (who retired from the Board at the conclusion of the last AGM) who will receive her Director's fees wholly in cash; (ii) Mr Gabriel Lim Meng Liang whose Director's fees will be paid fully in cash to a government agency, The Directorship & Consultancy Appointments Council; and (iii) Mr Miguel Ko whose Director's fees will be paid fully in cash to his employer, CLA. The actual number of shares to be awarded will be based on the volume-weighted average price of a share of the Company on the Singapore Exchange Securities Trading Limited over the 14 trading days from (and including) the ex-dividend date following the AGM. The actual number of shares to be awarded will be rounded down to the nearest share, and any residual balance settled in cash. The awards will consist of the grant of fully paid shares, with no performance conditions attached and no vesting periods imposed, although a share retention policy applies. The Directors' fees will only be paid upon approval by shareholders at the AGM.
4. Mr Lee Chee Koon, GCEO of the Company, was appointed to the Board on 1 January 2019.
5. The Company provides complimentary accommodation in the serviced apartments managed by the Group of up to 7 nights per year to non-executive Directors.
6. The remuneration of the non-executive Directors amounting to S$2,357,957 in aggregate is subject to approval by shareholders at the AGM.

Remuneration of GCEO and Top 5 Key Management Personnel

The remuneration of the GCEO and top 5 key management personnel and in aggregate the total remuneration paid to them for the financial year ended 31 December 2019 are set out in the table below:

<table>
<tr><th></th><th>Salary inclusive of AWS and employer's CPF</th><th>Bonus and other benefits inclusive of employer's CPF[1]</th><th>Award of Shares[2]</th><th>Total</th></tr>
<tr><td rowspan="2">Lee Chee Koon[3]</td><td>S$1,033,640</td><td>S$2,956,483</td><td>S$2,545,144</td><td>S$6,535,267</td></tr>
<tr><td>16%</td><td>45%</td><td>39%</td><td>100%</td></tr>
<tr><td>Jason Leow Juan Thong</td><td rowspan="5">22%</td><td rowspan="5">39%</td><td rowspan="5">39%</td><td rowspan="5">100%</td></tr>
<tr><td>Lucas Ignatius Loh Jen Yuh[4]</td></tr>
<tr><td>Jonathan Yap Neng Tong[5]</td></tr>
<tr><td>Andrew Geoffrey Lim Cho Pin</td></tr>
<tr><td>Tan Seng Chai</td></tr>
<tr><td>Aggregate Remuneration for GCEO and Top 5 Key Management Personnel</td><td colspan="4">S$22,378,012</td></tr>
</table>

Notes
1 The disclosure includes the bonuses earned under the EBIP and the other incentive plans which have been accrued for in FY 2019. Under the EBIP, EVA bonus declared during the year is added to the bonus account and one-third of the accumulated balance in the bonus account will be paid out in cash annually with the remaining two-thirds to be carried forward to the following year; any negative EVA bonus declared will result in an offset against the current EVA bonus account balance.
2 The share awards are based on the fair value of the shares comprised in the contingent awards under the Share Plans at the time of grant. The final number of shares released under the contingent awards of shares for RSP and PSP will depend on the achievement of pre-determined targets and subject to the respective vesting period under the RSP and PSP.
3 Mr Lee Chee Koon was appointed GCEO on 15 September 2018. The amounts disclosed are in respect of his remuneration for the full year in 2019 as GCEO.
4 The disclosure excludes overseas posting allowances and benefits of approximately S$216,000.
5 Mr Jonathan Yap Neng Tong was appointed President, CapitaLand Financial with effect from 1 July 2019.

ENTERPRISE RISK MANAGEMENT

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

GOVERNANCE

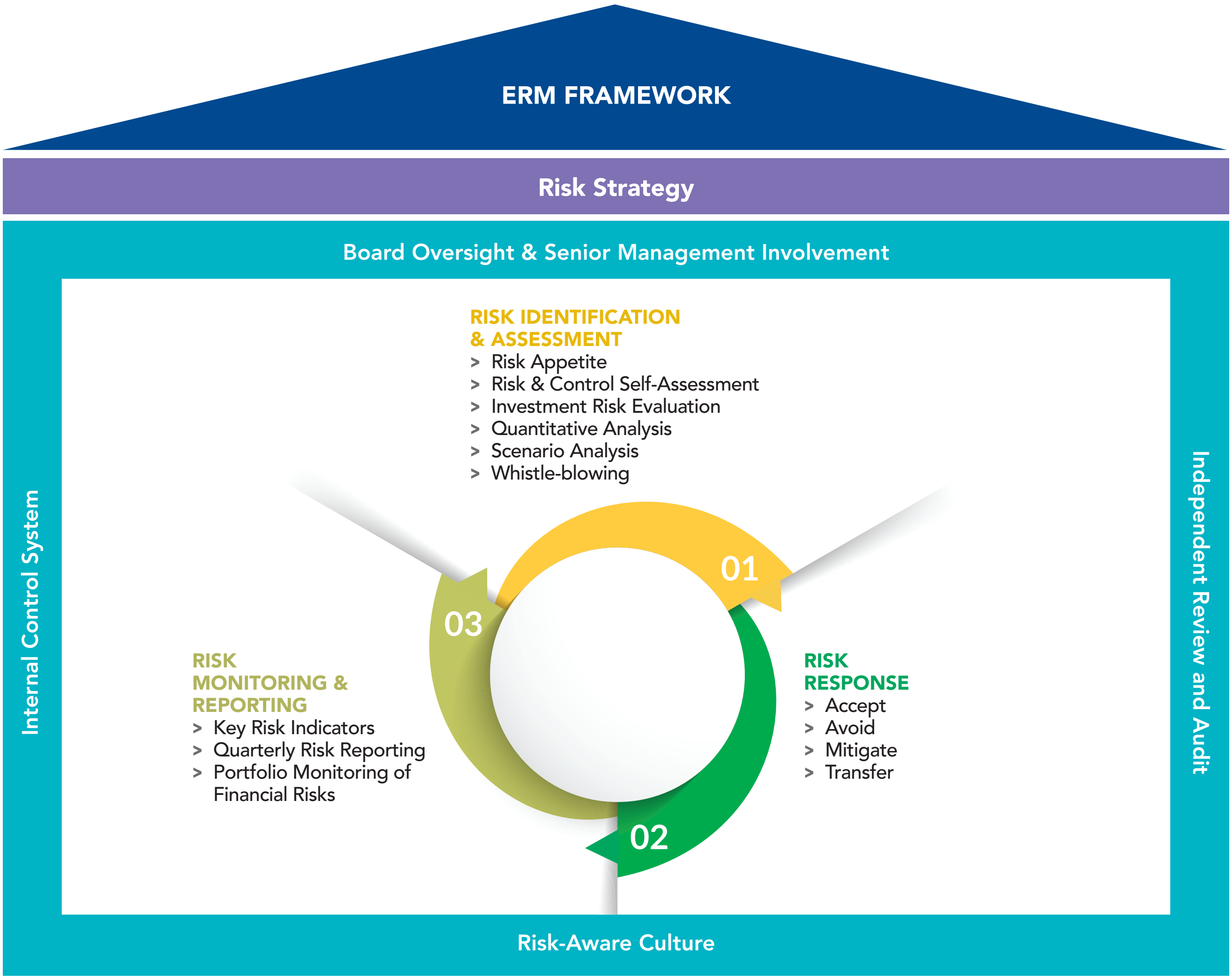
The Board is responsible for the governance of risks across the Group. Their role includes to determine the Group's risk appetite; oversee the Group's Enterprise Risk Management (ERM) Framework; regularly review the Group's risk profile, material risks and mitigation strategies; and ensure the adequacy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

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

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

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

ENTERPRISE RISK MANAGEMENT



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

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

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

MANAGING MATERIAL RISKS

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

Material Risk	Details	Key Mitigating Action
Competition	> Keen industry competition from established and new real estate players who are able to capture our customers by meeting their demands > Digitalisation of real estate industry that has disrupted and transformed many core processes	> Constantly strive to differentiate ourselves from our peers by delivering exceptional products and services > Focus on building key enablers that give the Group a competitive advantage amidst digital disruption, such as enhancing the Group's data analytics capabilities to speed up data-driven decisions > Focus on customers by staying ahead of competitors on customer-centric initiatives and loyalty programmes using innovation tools and solutions > Leverage in-house team of analysts to keep the Group on top of latest market trends > Sharpen the Group's development focus with stronger execution abilities
Economic	> Exposure to event risks, such as political leadership uncertainties, trade wars, economic downturns and sudden changes in real estate-related regulations, in major economies, key financial and property markets > These events may reduce revenue, increase costs and result in downward valuation of our assets. They may also impede the financial viability of the Group's investments	> Learn from the events encountered to enhance our strategic responses to possible negative contingencies > Diversify our portfolio across asset classes and geographies in accordance with Board-approved country limits > Focus on markets where the Group has operational scale and the underlying economic fundamentals are more robust > Actively monitor macroeconomic trends, policies and regulatory changes in key markets > Perform scenario analysis using an in-house developed 'Value-at-Risk' model
Climate Change	> Physical risks such as rising sea levels, violent storms, long intense heat waves, flash floods and fresh water depletion > Transitional risks including potentially more stringent regulations and increased expectations from stakeholders	> Regular reviews of the Group's mitigation and adaptation efforts, which include future proofing our portfolio by setting targets for green building ratings, carbon emissions and energy efficiency. We have in place a global environment, health and safety management system which is externally certified to ISO 14001 > For more information, please refer to CapitaLand's Global Sustainability Report 2019, to be published by 31 May 2020
Safety, Health & Well-being	> Increased expectations from stakeholders to provide safe and healthy environment, including well-being, at our development projects and operations	> Regular reviews of the Group's mitigation efforts which include work-related safety targets > We have in place a global environment, health and safety management system which is externally certified to OHSAS 18001

ENTERPRISE RISK MANAGEMENT

Material Risk	Details	Key Mitigating Action
Financial	> Exposure to financial risks involving liquidity, foreign currency and interest rates given the Group's diversified portfolio of businesses > Volatility of cash flow negatively impacting planned cash generation and cash usage profile > Volatility of foreign currencies and interest rates resulting in realised/ unrealised losses	> Measure and evaluate financial risks using multiple risk management models, such as conducting 'Cold-Winter' scenario review, stress testing and 'Value-at-Risk' modelling > Hedge and limit certain financial risk exposures using various forms of financial instruments. For more details, please refer to the Financial Risk Management section on page 258
Fraud, Bribery & Corruption	> Any form of fraud, bribery and corruption that could be perpetuated by employees, third parties or collusion between employees and third parties	> Promote an ethical culture at all levels of the Group that builds strong foundations for a leading real estate company > Continue adoption of a zero-tolerance stance against fraud, bribery and corruption in the conduct of business and reinforce the importance of integrity – one of the Group's core values > Communicate the commitment to integrity from the top through policies in place, such as Fraud, Bribery & Corruption (FBC) Risk Management Policy, Whistle-blowing Policy and Ethics and Code of Business Conduct Policies > All employees to sign the CapitaLand Pledge to renew their commitment to uphold the Group's core values annually > Rolled out Online FBC Quiz in 2019 to heighten staff awareness
Information Technology/ Cyber Security	> Ongoing business digitalisation exposes the business to IT-related threats, which may result in compromising the confidentiality, integrity and availability of the Group's information assets and/ or systems. This may have negative impact to customer experience, financials and/or regulatory compliance	> Execute CapitaLand's Cyber Security Strategy through ongoing review against existing/evolving threat landscapes and institute measures to minimise vulnerability exposure and manage threat vectors > Roll out ongoing staff IT Security Awareness Training to reduce the probability of staff being targeted by cyber threats > Periodically review and update Group-wide IT Security Policy and Data Protection Framework to ensure relevancy > Maintain and test IT Security Incident Management Procedure to ensure prompt response and timely remediation to cyber security incident > Conduct annual Disaster Recovery Plan (DRP) exercise to ensure timely recoverability of business critical IT systems

Material Risk	Details	Key Mitigating Action
Investment & Divestment	> Deployment of capital into loss-making or below target return investments due to wrong underwriting assumptions or poor execution > Inadequate planning to identify suitable divestment opportunities	> GRM conducts a comprehensive independent risk evaluation for all projects above a stipulated investment value threshold > Hurdle rates and weighted average cost of capital based on relevant risk adjusted input parameters, used as investment benchmarks, are reviewed/updated annually and adjusted accordingly where necessary > Monitor asset performance for both completed and projects under development
Project Management	> Inability to meet the project's key deliverables in relation to cost, quality and time to completion which may adversely impact profitability	> Conduct regular site visits to closely monitor progress of development projects > Appoint vendors through a stringent pre-qualification procedure to assess key criteria such as vendors' track records and financial performance > Leverage in-house teams of experienced technical staff to provide guidance and independent audit checks on safety, quality of architectural design, and mechanical and electrical engineering detailing
Regulatory & Compliance	> Subjected to applicable local laws and regulations in the markets CapitaLand operates in > Breaches to laws and regulations may lead to hefty penalties/fines and negative publicity	> Maintain a framework that proactively identifies the applicable laws and regulations, and embeds compliance into day-to-day operations > Leverage in-house specialised teams such as compliance and tax that provide advisory services and updates on latest changes to laws and regulations

SUSTAINABILITY

BOARD STATEMENT

CapitaLand is committed to sustainability and incorporates the key principles of environment, social and governance (ESG) in setting our business strategies and operations.

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

The Board also approves the executive compensation framework based on the principle of linking pay to performance. The Group's business plans are translated to both quantitative and qualitative performance targets, including sustainable corporate practices and are cascaded throughout the organisation.

SUSTAINABILITY COMMITMENT

CapitaLand's sustainability strategy is aligned with our credo of 'Building People. Building Communities.'. We are committed to improving the economic and social well-being of our stakeholders through the execution of development projects and management of our operations. In a rapidly changing business landscape, we actively embrace innovation to ensure commercial viability without compromising the environment for future generations.

CapitaLand upholds high standards of corporate governance and transparency to safeguard shareholders' interests. We have in place an adequate and effective Enterprise Risk Management Framework to enhance our business resilience and agility. Our proactive approach towards environmental, health and safety management, which incorporates universal design into our developments, ensures that our properties are sustainable and future-proof. Policies and guidelines are put in place to ensure the efficient use of energy, water and other resources.

CapitaLand's integrated human capital strategy aims to recruit, develop and motivate employees to drive growth for the Group. Community development is an important component of our commitment to sustainability. It focuses on providing support to enhance the lives of underprivileged children and vulnerable elderly, through corporate philanthropy and employee volunteerism.

CapitaLand was one of the first companies in Singapore to voluntarily publish an annual Global Sustainability Report and externally assure the entire report. Benchmarking against an international standard and framework that is externally validated helps us to overcome the challenges in sustainability reporting that may arise from our diversified asset types and geographical presence. We are also a signatory to the United Nations (UN) Global Compact and our Global Sustainability Report serves as our Communication on Progress, which will be made available at www.unglobalcompact.org when published.

For our efforts, we are listed in The Sustainability Yearbook, Global 100 Most Sustainable Corporations Index, Dow Jones Sustainability World Index and Asia-Pacific Index, Global Real Estate Sustainability Benchmark (Global Sector Leader, Diversified- Listed), FTSE4Good Index Series, MSCI Global Sustainability Indexes, Euronext VigeoEiris Indices World 120 and STOXX® Global ESG Leaders Indices.

CapitaLand Global Sustainability Report 2019 will be published by 31 May 2020 and will continue to be prepared in accordance with the Global Reporting Initiative Standards: Core option. We will also continue to apply the Guiding Principles of the International Integrated Reporting Framework and ISO 26000:2010 Guidance on Social Responsibility and reference the UN Sustainable Development Goals (SDGs) and the Taskforce on Climate Related Financial Disclosure. The report will cover the Group's global portfolio and employees, including our listed real estate investment trusts (REITs) - CapitaLand Mall Trust, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust and CapitaLand Malaysia Mall Trust, unless otherwise indicated. Lastly, the report will be externally assured to AA1000 Assurance Standard.

With the completion of the merger between CapitaLand and Ascendas-Singbridge, CapitaLand Global Sustainability Report will also include data from 1 July 2019 onwards, pertaining to CapitaLand's expanded business portfolio and staff strength.

TOP MANAGEMENT COMMITMENT AND STAFF INVOLVEMENT

CapitaLand's sustainability management comes under the purview of our Sustainability Council.

In 2019, the CapitaLand Sustainability Council was re-constituted to include two independent board members and four CapitaLand Executive Committee (EXCO) members. Chaired by an independent board member, the Council is supported by the Sustainability office as secretariat and various work teams to ensure our continued progress and improvement in the areas of ESG. The work teams comprise representatives from all business units. CapitaLand Board of Directors is updated regularly through the Risk Committee and Audit Committee on matters relating to sustainability risks and business malpractice incidents. The Board is also updated on the sustainability management performance of the Group, key material issues identified by stakeholders and the planned follow-up measures.

CapitaDNA
Vision, Mission, Credo and Core Values

CORE VALUES

WINNING MINDSET | ENTERPRISING | RESPECT | INTEGRITY

COMMITMENT TO OUR STAKEHOLDERS

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

Sustainability Management Structure

Board of Directors

Sustainability Council

CapitaLand Management Council

Various Sustainability Work Teams covering environment, health and safety, corporate governance, enterprise risk management, human capital, investor relations, and corporate marketing and communications

All Staff

MATERIALITY

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

We identify and review material issues that are most relevant and significant to us and our stakeholders. These are prioritised based on the likelihood and potential impact of issues affecting business continuity and development. For external stakeholders, priority is given to issues important to the society and applicable to CapitaLand. For more information on stakeholder engagement, please refer to the Social and Relationship Capital, Human Capital and Environmental Capital chapters in the upcoming CapitaLand Global Sustainability Report 2019.

Prioritisation of ESG Material Issues

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

Note
1 This includes customer health and safety

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

The Guiding Principles of the International Integrated Reporting Council (IIRC) Framework were referenced in this report, and the material ESG issues are grouped into six Capitals – Environmental, Manufactured, Human, Social and Relationship, Organisational, and Financial. This is also mapped against some of CapitaLand's key efforts and programmes in relation to the 13 key UN SDGs material to real estate. For more information, please refer to CapitaLand Global Sustainability Report 2019 which will be published by 31 May 2020.

Capitals	Material ESG Issues	What we do	2019 Value Created
Environmental Capital > Carbon emissions > Energy management > Water stewardship > Waste and resource management **Manufactured Capital** > Environmentally sustainable, healthy, safe and accessible quality buildings > Innovative and sustainable construction methods and technologies (SDG 3, 6, 7, 9, 11, 13, 15)	> Energy efficiency > Climate change and emissions reduction > Water management > Building materials > Construction and operational waste > Biodiversity > Stakeholder engagement	CapitaLand is committed to > Reduce water consumption, reuse water and prevent water pollution, especially in countries where the availability of clean water and sanitation are of concern > Reduce energy consumption through improved energy efficiency and encourage use of renewable energy > Green its global operational portfolio by 2030 > Actively embrace innovation to ensure commercial viability without compromising the environment for future generations > Future-proof its developments by addressing the risks of climate change right from the design stage > Preserve the biodiversity of its sites as well as the wider area where possible > Build safe, accessible, vibrant and quality real estate developments to enhance the lives of its shoppers, tenants, serviced residence and hotel guests, homeowners and members of the community	> Achieved 31 green building ratings for its new development projects and existing buildings > S$204 million in utilities cost avoidance since 2009, arising from 16.8% and 22.2% energy and water reduction (per m^2 from base year 2008) respectively[1] > 27.1% reduction in carbon emissions intensity since 2008[1]

Note
1 Data provided is for the period from 1 January to 30 September 2019. The full year data from 1 January to 31 December 2019 will be available in CapitaLand Global Sustainability Report 2019.

Capitals	Material ESG Issues	What we do	2019 Value Created
Manufactured Capital > Environmentally sustainable, healthy, safe and accessible quality buildings > Innovative and sustainable construction methods and technologies **Human Capital** > Health and safety > Job creation and security > Learning and development > Benefits and remuneration (SDG 3, 8, 10)	> Occupational health & safety > Supply chain management > Employment > Diversity > Human rights	> CapitaLand believes that regardless of ethnicity, age or gender, staff can make a significant contribution based on their talent, expertise and experience. We adopt consistent, equitable, and fair labour policies and practices in rewarding as well as developing staff under the direct hire of CapitaLand > CapitaLand is a signatory to the UN Global Compact > CapitaLand aims to provide a work environment that is safe and contributes to the general well-being of its staff > Occupational health and safety of our stakeholders is of utmost importance to CapitaLand. This includes all our staff, tenants, contractors, suppliers and the communities that use our properties	> Global workforce • more than 80 nationalities working within the Group • males and females at a ratio of 47:53 • 67% of CapitaLand's global workforce was aged between 30 and 50 > About 34% of senior management were women > Over 55 training hours per staff > Zero staff fatality or permanent disability > 18 main contractors appointed for new development projects were both ISO 14001 and OHSAS 18001 certified
Social and Relationship Capital > Stakeholder relations > Social license to operate > Community development (SDG 1, 2, 4)	> Stakeholder engagement > Products and services (include customer health and safety)	> CapitaLand is committed to building safe, accessible, vibrant and quality real estate developments to enhance the lives of its shoppers, tenants, serviced residence and hotel guests, homeowners and members of the community > CapitaLand is committed to activities that are aligned with its focus on community investment. We engage our stakeholders, raising awareness in the areas of philanthropy, environment, health and safety	> More than 260 CapitaLand properties worldwide participated in the WWF Earth Hour initiative by turning off the facade and non-essential lights through the night. In Singapore, 16 participating properties collected over 30,000 kg of e-waste from 2018 > Invested more than S$3.48 million through CapitaLand Hope Foundation, CapitaLand's philanthropic arm, to benefit underprivileged children and vulnerable elderly

Capitals	Material ESG Issues	What we do	2019 Value Created
Organisational Capital > Leadership and culture > Corporate governance > Risk management (SDG 16)	> Compliance > Business ethics > Stakeholder engagement	> CapitaLand is a signatory to the UN Global Compact > CapitaLand's Supply Chain Code of Conduct influences its supply chain to operate responsibly in the areas of anti-corruption, human rights, health and safety, as well as environmental management > All staff are required to make an annual declaration to uphold CapitaLand's core values and not to engage in any corrupt or unethical practices > Requires third-party service providers and vendors to adhere to anti-bribery and anti-corruption provisions > Requires main contractors to ensure no child labour and forced labour at CapitaLand project sites	> Refer to Corporate Governance section > No reported incident relating to discrimination, child labour or forced labour in CapitaLand
Financial Capital > Earnings > Equity > Investments > Assets		> Combination of operating income from investment properties and trading properties, disciplined capital recycling and growth of fee income > Calibrated balance across product platforms and geographies	> Refer to Financial Performance Review section

PROPERTY PORTFOLIO
INTEGRATED DEVELOPMENTS

City	Property	Effective Stake (%)	GFA (sqm)	Tenure (Years)	Tenure Expiry/ Lease Type
CHINA					
Beijing	Raffles City Beijing R: 36% O: 37% L: 27%	55.0	110,996	Leasehold	2046 Retail 2056 Integrated Use
Chengdu	CapitaMall Tianfu R: 72% O: 11% S: 17%	50.0	194,114	Leasehold	2048 Commercial 2078 Residential
	Raffles City Chengdu R: 33% O: 29% L: 26% S: 12%	55.0	242,086	Leasehold	2046
Chongqing	Raffles City Chongqing R: 29% O: 10% L: 11% S: 50%	100.0[A,1]	758,169	Leasehold	2057 Commercial 2087 Residential
Guangzhou	Guangzhou Science City** O: 70% S: 30%	75.0[A]	142,107	Leasehold	2058
Hangzhou	Raffles City Hangzhou R: 37% O: 13% L: 26% S: 24%	55.0	282,177	Leasehold	2049
Ningbo	Raffles City Ningbo R: 51% O: 30% S: 19%	55.0	101,405	Leasehold	2047
	Y-Town O: 36% S: 64%	100.0	24,173	Leasehold	2057
Shanghai	Capital Square R: 33% O: 67%	70.0	70,206	Leasehold	2052 Retail 2062 Office
	Capital Tower Shanghai R: 2% O: 66% L: 32%	99.0[B]	66,160	Leasehold	2056
	CapitaMall Hongkou R: 74% O: 26%	72.5	202,145	Leasehold	2057
	CapitaMall LuOne R: 65% O: 35%	33.0[A]	130,085	Leasehold	2056
	CapitaMall Minhang R: 62% O: 38%	65.0	144,915	Leasehold	2053
	Raffles City The Bund R: 40% O: 60%	20.8[A]	301,188	Leasehold	2053 Retail 2063 Office
	Raffles City Changning R: 47% O: 53%	42.8	273,447	Leasehold	2055
	Raffles City Shanghai R: 34% O: 66%	30.7	139,593	Leasehold	2045
Shenzhen	Raffles City Shenzhen R: 56% O: 27% L: 17%	30.4	121,348	Leasehold	2056
Suzhou	Suzhou Center Mall & Suzhou Center Office R: 82% O: 18%	50.0	331,464	Leasehold	2051
Tianjin	Tianjin International Trade Centre R: 18% O: 23% S: 59%	100.0	189,720	Leasehold	2057

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

City	Property	Effective Stake (%)	GFA (sqm)	Tenure (Years)	Tenure Expiry/ Lease Type
CHINA					
Wuhan	CapitaMall Westgate R: 62% O: 23% S: 15%	100.0	253,918	Leasehold	2053 Commercial 2063 Integrated Use
	CapitaMall Wusheng R: 73% L: 27%	45.0	107,281	Leasehold	2044
Xi'an	CapitaMall Xindicheng R: 36% O: 37% L: 12% S: 15%	45.0	170,888	Leasehold	2043
China Total			**4,357,585**		
INDONESIA					
Jakarta	The Stature Jakarta R: 1% O: 33% L: 28% S: 38%	50.0[A]	55,436	20 to 30	2029 to 2037
Indonesia Total			**55,436**		
MALAYSIA					
Petaling Jaya	3 Damansara R: 83% O: 17%	37.0[2]	71,493	Freehold	–
Malaysia Total			**71,493**		
SINGAPORE					
Singapore	CapitaSpring NLA: R: 1,084 sqm, O: 59,027 sqm, L: 299 rooms	58.2[A,3,4]	93,351	99	2081
	Funan R: 66% O: 34%	28.5[5,6]	71,283	99	2078
	Raffles City Singapore NLA: R: 39,707 sqm, O: 35,425 sqm, L: 2,030 rooms	29.0[3,5]	320,490	99	2078
	Sengkang Grand Mall and Sengkang Grand Residences R: 23% S: 77%	50.0[A]	65,621	99	2117
Singapore Total			**550,745**		
VIETNAM					
Hanoi	Integrated Site in Tay Ho District R: 4% L: 29% S: 67%	99.8[B]	95,267	Leasehold	2056 Retail/Office
Ho Chi Minh City	D1MENSION R: 1% L: 65% S: 34%	100.0	37,832	Freehold* Leasehold	Residential 2055 Retail/ Serviced Residence
	The Vista R: 9% O: 5% L: 8% S: 78%	100.0	190,374	Leasehold Freehold*	2056 Retail/Office/ Serviced Residence Residential
Vietnam Total			**323,473**		
Grand Total			**5,358,732**		

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

PROPERTY PORTFOLIO

SHOPPING MALLS

City	Property	Effective Stake (%)	GFA (sqm)	Tenure (Years)	Tenure Expiry/ Lease Type
CHINA					
Beijing	CapitaMall Crystal	45.0	72,422	Leasehold	2043 Commercial 2053 Underground Car Park
	CapitaMall Grand Canyon	27.4[7]	69,967	Leasehold	2044 Commercial 2054 Underground Car Park
	CapitaMall Shuangjing	27.4[7]	49,463	Leasehold	2042
	CapitaMall Taiyanggong	45.0	83,693	Leasehold	2044
	CapitaMall Tiangongyuan	100.0	136,183	Leasehold	2051
	CapitaMall Wangjing	27.4[7]	68,010	Leasehold	2043 Commercial 2053 Underground Car Park
	CapitaMall Xizhimen	27.4[7]	83,075	Leasehold	2044 Commercial 2054 Integrated Use
Changsha	CapitaMall Yuhuating	27.4[7,8]	62,080	Leasehold	2044
Chengdu	CapitaMall Jinniu	45.0	152,045	Leasehold	2044
	CapitaMall Meilicheng	50.0	61,182	Leasehold	2044
	CapitaMall Xinnan	27.4[7]	53,619	Leasehold	2047
Dalian	CapitaMall Peace Plaza	30.0	152,125	Leasehold	2035
Guangzhou	CapitaMall SKY+	100.0	87,404	Leasehold	2051
	Rock Square	63.0[4,7]	83,591	Leasehold	2045
Harbin	CapitaMall Aidemengdun	27.4[7,8]	43,394	Leasehold	2042
	CapitaMall Xuefu	27.4[7,8]	104,294	Leasehold	2045
Hohhot	CapitaMall Saihan	27.4[7,9]	41,938	Leasehold	2041
	Yuquan Mall	27.4[7]	76,309	Leasehold	2049
Mianyang	CapitaMall Fucheng	45.0	90,244	Leasehold	2044
Qingdao	CapitaMall Xinduxin	50.0	104,849	Leasehold	2050
Rizhao	CapitaMall Rizhao	30.0	70,898	Leasehold	2043
Shanghai	CapitaMall Qibao (CapitaMall Qibao is indirectly held under a master lease which expires in January 2024, with the right to renew for a further term of 19 years and 2 months)	27.4[7]	72,729	Leasehold	2024 Master Lease
Tianjin	CapitaMall TianjinOne	30.0	59,305	Leasehold	2054
Wuhan	CapitaMall 1818	50.0	61,363	Leasehold	2052
	CapitaMall Minzhongleyuan	27.4[7]	41,717	Leasehold	2044 Conserved Building: Master Lease 2045 Annex Building
Zhengzhou	CapitaMall Erqi	27.4[7,9]	92,356	Leasehold	2042
China Total			**2,074,255**		

City	Property	Effective Stake (%)	GFA (sqm)	Tenure (Years)	Tenure Expiry/ Lease Type
INDIA					
Jalandhar	Land in Jalandhar	29.6[B]	57,043	Freehold	–
Nagpur	Land in Nagpur	29.6[B]	94,761	Freehold	–
India Total			**151,804**		
JAPAN					
Chiba	Vivit Minami-Funabashi	100.0	69,444	Freehold	–
Hyogo	Coop Kobe Nishinomiya-Higashi	100.0	7,970	Freehold	–
Tokyo	La Park Mizue	100.0	18,914	Freehold	–
	Olinas Mall	100.0	54,146	Freehold	–
Saitama	Seiyu & Sundrug	100.0	24,895	Freehold	–
Japan Total			**175,369**		
MALAYSIA					
Kuala Lumpur	Sungei Wang (approximately 61.9% of aggregate retail floor area and 100% of car park bays)	37.0[2]	47,483	Freehold	–
Kuantan	East Coast Mall	37.0[2]	66,986	99	2106
Penang	Gurney Plaza	37.0[2]	115,185	Freehold	–
	Queensbay Mall (approximately 91.8% of aggregate retail floor area and 100% of car park bays)	100.0	86,137	Freehold	–
Selangor	Melawati Mall	50.0	87,706	Freehold	–
	The Mines	37.0[2]	106,913	99	2091
Malaysia Total			**510,410**		
SINGAPORE					
Singapore	Bedok Mall	28.5[5]	31,204	99	2110
	Bugis Junction	28.5[5]	53,607	99	2089
	Bugis+	28.5[5]	29,697	60	2065
	Bukit Panjang Plaza	28.5[5]	22,998	99	2093
	Clarke Quay	28.5[5]	34,058	99	2089
	IMM Building	28.5[5]	132,527	60	2049
	ION Orchard	50.0	87,811	99	2105
	JCube	28.5[5]	29,426	99	2090
	Jewel Changi Airport	49.0	135,676	60	2073
	Junction 8	28.5[5]	34,983	99	2090
	Liang Court	50.0[10]	24,901	97	2077
	Lot One Shoppers' Mall	28.5[5]	31,011	99	2092
	Plaza Singapura	28.5[5]	70,347	Freehold	–
	Tampines Mall	28.5[5]	47,132	99	2091
	The Atrium@Orchard	28.5[5]	53,582	99	2107
	Westgate	28.5[5]	55,176	99	2110
Singapore Total			**874,136**		
Grand Total			**3,785,974**		

PROPERTY PORTFOLIO
LODGING

City	Property	Effective Stake (%)	No. of Units	Tenure (Years)	Tenure Expiry
AUSTRALIA					
Brisbane	Pullman and Mercure Brisbane King George Square	40.1[11]	438	Freehold	–
	Quest Cannon Hill	100.0	100	Freehold	–
Melbourne	Citadines on Bourke Melbourne	40.1[11]	380	Freehold	–
	Pullman and Mercure Melbourne Albert Park	40.1[11]	378	Freehold	–
	Quest NewQuay Docklands	50.0	221	Freehold	–
	Somerset on Elizabeth Melbourne	100.0	135	Freehold	–
Perth	Citadines St Georges Terrace Perth	40.1[11]	85	Freehold	–
Sydney	Citadines Connect Sydney Airport	40.1[11]	150	Freehold	–
	Citadines Walker North Sydney	50.0[A]	252	Freehold	–
	Courtyard by Marriott Sydney - North Ryde	40.1[11]	196	Freehold	–
	Novotel Sydney Central	40.1[11]	255	Freehold	–
	Novotel Sydney Parramatta	40.1[11]	194	Freehold	–
	Pullman Sydney Hyde Park	40.1[11]	241	Freehold	–
	Quest Campbelltown	40.1[11]	81	Freehold	–
	Quest Mascot	40.1[11]	91	Freehold	–
	Quest Sydney Olympic Park	40.1[11]	140	99	2111
Australia Total			**3,337**		
BELGIUM					
Brussels	Citadines Sainte-Catherine Brussels	40.1[11]	169	Freehold	–
	Citadines Toison d'Or Brussels	40.1[11]	155	Freehold	–
Belgium Total			**324**		
CHINA					
Chengdu	Somerset Riverview Chengdu	100.0	200	50	2049
Dalian	Somerset Grand Central Dalian	40.1[11]	195	50	2056
Guangzhou	Ascott Guangzhou	40.1[11]	207	70	2074
Shanghai	Ascott Heng Shan Shanghai	100.0	90	50	2054
	Somerset Xu Hui Shanghai	40.1[11]	168	70	2066
	The Paragon Tower 6	99.0	74	70	2072
Shenyang	Somerset Heping Shenyang	40.1[11]	270	40	2046
Suzhou	Citadines Xinghai Suzhou	40.1[11,12]	167	70	2066
Tianjin	Somerset Olympic Tower Property Tianjin	40.1[11]	185	70	2062
Wuhan	Citadines Zhuankou Wuhan	40.1[11,12]	249	40	2043
China Total			**1,805**		
FRANCE					
Cannes	Citadines Croisette Cannes	40.1[11]	58	Freehold	–
Grenoble	Citadines City Centre Grenoble	40.1[11]	107	Freehold	–
Lille	Citadines City Centre Lille	40.1[11]	101	Freehold	–
Lyon	Citadines Presqu'île Lyon	40.1[11]	116	Freehold	–
Marseille	Citadines Castellane Marseille	40.1[11]	97	Freehold	–
	Citadines Prado Chanot Marseille	40.1[11]	77	Freehold	–
Montpellier	Citadines Antigone Montpellier	40.1[11]	122	Freehold	–

City	Property	Effective Stake (%)	No. of Units	Tenure (Years)	Tenure Expiry
FRANCE					
Paris	Citadines Austerlitz Paris	40.1[11]	50	Freehold	–
	Citadines Didot Montparnasse Paris	40.1[11]	80	Freehold	–
	Citadines Les Halles Paris	40.1[11]	189	Freehold	–
	Citadines Maine Montparnasse Paris	40.1[11]	67	Freehold	–
	Citadines Montmartre Paris	40.1[11]	111	Freehold	–
	Citadines Place d'Italie Paris	40.1[11]	169	Freehold	–
	Citadines République Paris	40.1[11]	76	Freehold	–
	Citadines Tour Eiffel Paris	40.1[11]	104	Freehold	–
	Citadines Trocadéro Paris	40.1[11]	97	Freehold	–
	La Clef Champs-Élysées Paris	50.0	70	Freehold	–
	La Clef Louvre Paris	40.1[11]	51	Freehold	–
	La Clef Tour Eiffel Paris	100.0	112	Freehold	–
France Total			**1,854**		
GERMANY					
Berlin	Citadines Kurfürstendamm Berlin	40.1[11]	117	Freehold	–
Frankfurt	Citadines City Centre Frankfurt	43.3[4,11]	165	Freehold	–
Hamburg	Citadines Michel Hamburg	43.3[4,11]	127	99	2111
	The Madison Hamburg	40.1[11]	166	Freehold	–
Munich	Citadines Arnulfpark Munich	39.7[11]	146	Freehold	–
Germany Total			**721**		
INDIA					
Chennai	Citadines OMR Chennai	100.0	269	Freehold	–
	Somerset Greenways Chennai	51.0	187	Freehold	–
India Total			**456**		
INDONESIA					
Jakarta	Ascott Jakarta	40.1[11]	204	26	2024
	Ascott Kuningan Jakarta	100.0	185	30	2027
	Ascott Sudirman Jakarta	50.0	192	20	2036
	Somerset Grand Citra Jakarta	23.0[11]	203	30	2024
Indonesia Total			**784**		
IRELAND					
Dublin	Temple Bar Hotel	100.0	136	Freehold	
Ireland Total			**136**		
JAPAN					
Fukuoka	Actus Hakata V-Tower	40.1[11]	296	Freehold	–
	Infini Garden	40.1[11]	389	Freehold	–
Hiroshima	Gravis Court Kakomachi	40.1[11]	63	Freehold	–
	Gravis Court Kokutaiji	40.1[11]	48	Freehold	–
	Gravis Court Nishiharaekimae	40.1[11]	29	Freehold	–
Kobe	S-Residence Shukugawa	88.9	33	Freehold	–
Kyoto	Citadines Karasuma-Gojo Kyoto	40.1[11]	124	Freehold	–
	House Saison Shijo-dori	88.9	190	Freehold	–

PROPERTY PORTFOLIO
LODGING

City	Property	Effective Stake (%)	No. of Units	Tenure (Years)	Tenure Expiry
JAPAN					
Nagoya	Marunouchi Central Heights	88.9	30	Freehold	–
Osaka	Hotel WBF Honmachi	40.1[11]	182	Freehold	–
	Hotel WBF Kitasemba East	40.1[11]	168	Freehold	–
	Hotel WBF Kitasemba West	40.1[11]	168	Freehold	–
	Sotetsu Grand Fresa Osaka-Namba (f.k.a. Hotel Sunroute Osaka Namba)	40.1[11]	698	Freehold	–
	S-Residence Fukushima Luxe	40.1[11]	178	Freehold	–
	S-Residence Gakuenzaka	88.9	58	Freehold	–
	S-Residence Hommachi Marks	40.1[11]	110	Freehold	–
	S-Residence Midoribashi Serio	40.1[11]	98	Freehold	–
	S-Residence Namba Viale	88.9	116	Freehold	–
	S-Residence Tanimachi 9 chome	40.1[11]	102	Freehold	–
Sapporo	Big Palace Kita 14jo	40.1[11]	140	Freehold	–
Tokyo	Citadines Central Shinjuku Tokyo	40.1[11]	206	Freehold	–
	Citadines Shinjuku Tokyo	40.1[11]	160	Freehold	–
	Roppongi Residences Tokyo	40.1[11]	64	Freehold	–
	Somerset Azabu East Tokyo	40.1[11]	79	Freehold	–
	Sotetsu Grand Fresa Tokyo-Bay Ariake (f.k.a. Hotel Sunroute Ariake)	40.1[11]	912	Freehold	–
Japan Total			**4,641**		
MALAYSIA					
Kuala Lumpur	Ascott Kuala Lumpur	50.0	221	Freehold	–
	Somerset Kuala Lumpur (f.k.a. Somerset Ampang Kuala Lumpur)	40.1[11]	205	Freehold	–
Malaysia Total			**426**		
PHILIPPINES					
Makati	Ascott Makati	40.1[11]	362	48	2044
	Somerset Millennium Makati	25.3[11]	133	Freehold	–
Philippines Total			**495**		
SINGAPORE					
Singapore	Ascott Orchard Singapore	40.1[11]	220	99	2113
	Citadines Mount Sophia Property Singapore	40.1[11]	154	96	2105
	lyf Funan Singapore	50.0	329	99	2079
	lyf one-north Singapore	40.1[A,11]	324	60	2079
	Park Hotel Clarke Quay	40.1[11]	336	99	2105
	Somerset Liang Court Property Singapore	40.1[11]	197	97	2077
Singapore Total			**1,560**		
SOUTH KOREA					
Seoul	ibis Ambassador Seoul Insadong	40.8[4,11]	363	Freehold	–
	Sotetsu Hotels The Splaisir Seoul Dongdaemun	40.9[4,11]	215	Freehold	–
South Korea Total			**578**		

City	Property	Effective Stake (%)	No. of Units	Tenure (Years)	Tenure Expiry
SPAIN					
Barcelona	Citadines Ramblas Barcelona	40.1[11]	131	Freehold	–
Spain Total			**131**		
THAILAND					
Bangkok	Ascott Sathorn Bangkok	40.0	177	50	2054
	Citadines Sukhumvit 11 Bangkok	49.0	127	Freehold	–
	Citadines Sukhumvit 16 Bangkok	49.0	79	Freehold	–
	Citadines Sukhumvit 23 Bangkok	49.0	138	Freehold	–
	Citadines Sukhumvit 8 Bangkok	49.0	130	Freehold	–
Thailand Total			**651**		
UNITED KINGDOM					
London	Citadines Barbican London	40.1[11]	129	Freehold	–
	Citadines Holborn-Covent Garden London	40.1[11]	192	Freehold	–
	Citadines Islington London	50.0[A]	108	999	3015
	Citadines South Kensington London	40.1[11]	92	Freehold	–
	Citadines Trafalgar Square London	40.1[11]	187	Freehold	–
	The Cavendish London	100.0	230	150	2158
United Kingdom Total			**938**		
UNITED STATES OF AMERICA					
New York City	Citadines Connect Fifth Avenue New York	100.0	125	99	2113
	DoubleTree by Hilton Hotel New York - Times Square South	40.1[11]	224	Freehold	–
	Element New York Times Square West	40.1[11]	411	99	2112
	Sheraton Tribeca New York Hotel	40.1[11]	369	99	2112
Sunnyvale	The Domain Hotel	100.0	136	Freehold	–
United States of America Total			**1,265**		
VIETNAM					
Hai Phong City	Somerset Central TD Hai Phong City	100.0	132	64	2075
Hanoi	Somerset Grand Hanoi	30.5[11]	185	45	2038
	Somerset Hoa Binh Hanoi	36.1[11]	206	36	2042
Ho Chi Minh City	Somerset Chancellor Court Ho Chi Minh City	26.9[11]	172	48	2041
	Somerset Ho Chi Minh City	24.9[11]	198	45	2039
Vietnam Total			**893**		
Grand Total			**20,995**		

PROPERTY PORTFOLIO

MULTIFAMILY

City	Property	Effective Stake (%)	No. of Units	Tenure (Years)
UNITED STATES OF AMERICA				
Aurora	Canterra at Fitzsimons	100.0	188	Freehold
	Silverbrook	100.0	165	Freehold
Corona	Deerwood Apartments	100.0	316	Freehold
	Marquessa Villas	100.0	336	Freehold
	The Ashton	100.0	492	Freehold
Denver	Parkfield	100.0	476	Freehold
	Sienna at Cherry Creek	100.0	220	Freehold
Everett	CentrePointe Greens	100.0	186	Freehold
	Timberline Court	100.0	126	Freehold
Kirkland	Heronfield	100.0	202	Freehold
Lacey	Capitol City on the Course	100.0	96	Freehold
	Village at Union Mills	100.0	182	Freehold
Lakewood	Dartmouth Woods	100.0	201	Freehold
Milwaukie	Miramonte Lodge	100.0	231	Freehold
	The Bluffs	100.0	137	Freehold
Portland	Stoneridge at Cornell	100.0	233	Freehold
United States of America Total			**3,787**	
Grand Total			**3,787**	

PROPERTY PORTFOLIO

BUSINESS PARK, INDUSTRIAL & LOGISTICS, URBAN DEVELOPMENT

City	Property	Effective Stake (%)	GFA (Sqm)	Tenure (Years)	Tenure Expiry/ Lease Type
AUSTRALIA					
Brisbane	100 Wickham Street	19.0[13]	13,030	Freehold	Suburban Office
	108 Wickham Street	19.0[13]	11,913	Freehold	Suburban Office
	1-7 Wayne Goss Drive	19.0[13]	17,907	Freehold	Logistics
	62 Sandstone Place	19.0[13]	9,260	Freehold	Logistics
	62 Stradbroke Street	19.0[13]	24,555	Freehold	Logistics
	77 Logistics Place	19.0[13]	14,296	Freehold	Logistics
	82 Noosa Street	19.0[13]	38,000	Freehold	Logistics
	92 Sandstone Place	19.0[13]	13,738	Freehold	Logistics
	95 Gilmore Road	19.0[13]	41,318	Freehold	Logistics
	99 Radius Drive	19.0[13]	14,592	Freehold	Logistics
	Cargo Business Park	19.0[13]	8,216	Freehold	Logistics
Melbourne	1314 Ferntree Gully Drive	19.0[13]	16,134	Freehold	Logistics
	14 - 28 Ordish Road	19.0[13]	28,189	Freehold	Logistics
	162 Australis Drive	19.0[13]	23,263	Freehold	Logistics
	169 - 177 Australis Drive	19.0[13]	31,048	Freehold	Logistics
	2 - 16 Aylesbury Drive	19.0[13]	17,513	Freehold	Logistics
	254 Wellington Road	19.0[A,13]	17,507	Freehold	Suburban Office
	31 Permas Way	19.0[13]	44,540	Freehold	Logistics
	35 - 61 South Park Drive	19.0[13]	32,167	Freehold	Logistics
	52 Fox Drive	19.0[13]	18,041	Freehold	Logistics
	676 - 698 Kororoit Creek Road	19.0[13]	44,036	Freehold	Logistics
	700 - 718 Kororoit Creek Road	19.0[13]	28,020	Freehold	Logistics
	81 - 89 Drake Boulevard	19.0[13]	14,099	Freehold	Logistics
	9 Andretti Court	19.0[13]	24,140	Freehold	Logistics
Perth	35 Baile Road	19.0[13]	20,895	Freehold	Logistics
Sydney	1 - 15 Kellet Close	19.0[13]	23,205	Freehold	Logistics
	1 Distribution Place	19.0[13]	13,554	Freehold	Logistics
	16 Kangaroo Avenue	19.0[13]	19,918	Freehold	Logistics
	197 - 201 Coward Street	19.0[13]	22,534	Freehold	Suburban Office
	1A & 1B Raffles Glade	19.0[13]	21,694	Freehold	Logistics
	484 - 490 Great Western Highway	19.0[13]	7,287	Freehold	Logistics
	494 - 500 Great Western Highway	19.0[13]	12,775	Freehold	Logistics
	5 Eucalyptus Place	19.0[13]	10,732	Freehold	Logistics
	6 - 20 Clunies Ross Street	19.0[13]	38,579	Freehold	Logistics
	7 Grevillea Street	19.0[13]	51,708	Freehold	Logistics
	94 Lenore Drive	19.0[13]	21,143	Freehold	Logistics
Australia Total			**809,546**		
CHINA					
Beijing	Build-to-Suit Project at Beijing Economic Technological Development Area	99.7	26,345	Leasehold	2053 Industrial/Logistics
Dalian	Dalian Ascendas IT Park	50.0[A]	346,420	Leasehold	2055 Business Park
Guangzhou	Ascendas OneHub GKC	76.0[A]	406,508	Leasehold	2062 Business Park 2082 Residential
	China-Singapore Guangzhou Knowledge City	50.0[A]	579,029	Leasehold	2063 Urban Development

PROPERTY PORTFOLIO

BUSINESS PARK, INDUSTRIAL & LOGISTICS, URBAN DEVELOPMENT

City	Property	Effective Stake (%)	GFA (Sqm)	Tenure (Years)	Tenure Expiry/ Lease Type
CHINA					
Hangzhou	Singapore-Hangzhou Science & Technology Park (Phase 1 & 2)	80.0	232,072	Leasehold	2060 Business Park
	Singapore-Hangzhou Science & Technology Park (Phase 3)	70.0[A]	183,530	Leasehold	2069 Business Park
Ningbo	Innov Park	100.0[B]	77,501	Leasehold	2069 Business Park
Shanghai	Ascendas i-Link	100.0	31,685	Leasehold	2056 Business Park
Suzhou	Ascendas iHub Suzhou	100.0	170,797	Leasehold	2058 Business Park
	Ascendas-Xinsu Portfolio	23.0	373,334	Leasehold	2057 Business Park/ Industrial
Xi'an	Ascendas Innovation Hub	18.4	40,547	Leasehold	2051 Business Park
	Ascendas Innovation Tower	23.0	118,495	Leasehold	2064 Business Park
China Total			**2,586,263**		
INDIA					
Bangalore	International Tech Park Bangalore (ITPB)	19.5[14]	418,355	Freehold	IT Park
Chennai	Aarush Logistics Park, Chennai (Oragadam)	40.6[A,15]	560,348	Freehold	Logistics Park
	CyberVale (CV)	21.0[14,16]	78,923	Leasehold	2105 IT Park
	International Tech Park Chennai (ITPC)	18.7[14]	183,741	Freehold	IT Park
	International Tech Park Chennai, Radial Road	100.0[B,17]	231,642	Freehold	IT park
	Vinplex Logistics Park, Chennai	50.9[A,15]	481,593	Freehold	Logistics Park
Hyderabad	aVance Hyderabad	21.0[14,18]	139,272	Freehold	IT Park
	CyberPearl (CP)	21.0[14]	39,831	Freehold	IT Park
	International Tech Park Hyderabad (ITPH)	21.0[14]	137,556	Freehold	IT Park
Mumbai (Panvel)	Arshiya Warehouses	21.0[14,19]	77,318	Freehold	Logistics Park
National Capital Region	International Tech Park Gurgaon (SEZ 1)	30.0[17,20]	681,372	Freehold	IT park
	International Tech Park Gurgaon (SEZ 2)	100.0[B,15]	96,275	Freehold	IT park
	Topline Logistics Park	51.0[B,15]	204,535	Freehold	Logistics Park
Pune	aVance Pune	21.0[14,21]	139,700	Freehold	IT Park
	International Tech Park Pune, Hinjawadi	78.5[17,22]	212,947	Leasehold	2103 IT park
	International Tech Park Pune, Kharadi	30.0[A,B,17,23]	236,131	Freehold	IT park
	Power of One Logistics Park	51.0[B,37]	116,958	Leasehold	2114 Logistics Park
India Total			**4,036,497**		

City	Property	Effective Stake (%)	GFA (Sqm)	Tenure (Years)	Tenure Expiry/ Lease Type
SINGAPORE					
Singapore	1 Changi Business Park Avenue 1	19.0[13,24]	11,556	60	2061 Business Park
	1 Changi South Lane	19.0[13]	25,768	60	2058 Logistics
	1 Jalan Kilang	19.0[13]	7,158	99	2061 Industrial
	1, 3 & 5 Changi Business Park Crescent	19.0[13,24]	74,660	60	2067 Business Park
	10 Toh Guan Road	19.0[13,24]	52,147	60	2055 Industrial
	11 Changi North Way	19.0[13,24]	10,107	60	2063 Logistics
	11 Woodlands Terrace	19.0[13,24]	2,919	60	2056 Industrial
	12 Woodlands Loop	19.0[13,24]	19,887	60	2056 Industrial
	12, 14 & 16 Science Park Drive	19.0[13]	78,871	99	2081 Business Park
	138 Depot Road	19.0[13,24]	29,626	60	2064 Industrial
	15 Changi North Way	19.0[13,24]	31,961	60	2066 Logistics
	18 Woodlands Loop	19.0[13,24]	18,422	60	2057 Industrial
	19 & 21 Pandan Avenue	19.0[13,25]	87,842	45	2049 Logistics
	2 Changi South Lane	19.0[13,24]	26,300	60	2057 Industrial
	2 Senoko South Road	19.0[13,24]	23,457	60	2056 Industrial
	20 Tuas Avenue 1	19.0[13,26]	44,449	58	2056 Logistics
	20 Tuas Avenue 6	19.0[13,24]	5,085	60	2050 Logistics
	202 Kallang Bahru	19.0[13,27]	20,465	60	2041 Industrial
	21 Changi South Avenue 2	19.0[13,24]	13,120	60	2054 Logistics
	21 Jalan Buroh	19.0[13,24]	48,139	58	2055 Logistics
	21 Science Park Road	100.0		99	2092 Business Park
	247 Alexandra Road	19.0[13]	13,699	99	2051 Industrial
	25 Changi South Street 1	19.0[13,24,28]	13,998	60	2057 Industrial
	25 Ubi Road 4	19.0[A,13,24]	-	60	2056 Industrial
	27 Ubi Road 4	19.0[A,13,24]	-	60	2055 Industrial
	3 Tai Seng Drive	19.0[13]	14,929	60	2049 Industrial
	30 Tampines Industrial Avenue 3	19.0[13,24]	9,593	60	2063 Industrial

PROPERTY PORTFOLIO

BUSINESS PARK, INDUSTRIAL & LOGISTICS, URBAN DEVELOPMENT

City	Property	Effective Stake (%)	GFA (Sqm)	Tenure (Years)	Tenure Expiry/ Lease Type
SINGAPORE					
	31 International Business Park	19.0[13,24]	61,720	60	2054 Business Park
	31 Joo Koon Circle	19.0[13,24]	17,638	60	2055 Industrial
	31 Ubi Road 1	19.0[13,24]	17,709	60	2050 Industrial
	35 Tampines Street 92	19.0[13,24]	8,931	60	2052 Industrial
	37A Tampines Street 92	19.0[13,24]	12,011	60	2054 Industrial
	38A Kim Chuan Road	19.0[13]	33,745	99	2091 Industrial
	4 Changi South Lane	19.0[13,24]	18,794	60	2057 Logistics
	40 Penjuru Lane	19.0[13,29]	160,938	48	2049 Logistics
	5 Science Park Drive	100.0	25,655	99	2081 Business Park
	5 Tai Seng Drive	19.0[13]	12,930	60	2049 Industrial
	5 Toh Guan Road East	19.0[13,24]	29,740	60	2049 Logistics
	52 Serangoon North Avenue 4	19.0[13,24]	14,767	60	2055 Industrial
	53 Serangoon North Avenue 4	19.0[13,24]	10,589	60	2055 Industrial
	71 Alps Avenue	19.0[13,24]	12,756	60	2068 Logistics
	71 Science Park Drive	100.0		99	2081 Business Park
	80 Bendemeer Road	19.0[13]	43,435	59	2068 Industrial
	9 Woodlands Terrace	19.0[13,24]	2,774	60	2054 Industrial
	9 Changi South Street 3	19.0[13,24]	28,648	60	2055 Logistics
	9 Tai Seng Drive	100.0	20,322	60	2055 Data Center
	90 Alps Avenue	19.0[13,24]	26,277	60	2070 Logistics
	Acer Building	19.0[13,24]	29,185	60	2056 Business Park
	AkzoNobel House	19.0[13,24]	19,225	60	2061 Business Park
	Ang Mo Kio Land Leases	100.0			Industrial
	Aperia	19.0[13]	86,696	60	2072 Integrated Development
	Ascent	100.0	51,564	99	2081 Business Park
	CGG Veritas Hub	19.0[13,24]	9,782	60	2066 Industrial
	Chadwick/Curie/Cavendish	100.0	24,392	99	2081 Business Park

City	Property	Effective Stake (%)	GFA (Sqm)	Tenure (Years)	Tenure Expiry/ Lease Type
SINGAPORE					
	Changi Logistics Centre	19.0[13,24]	51,742	60	2050 Logistics
	Cintech I	19.0[13]	14,943	99	2068 Business Park
	Cintech II	19.0[13]	13,552	99	2068 Business Park
	Cintech III & IV	19.0[13]	25,622	99	2068 Business Park
	Corporation Place	19.0[13]	76,185	60	2050 Industrial
	Courts Megastore	19.0[13]	28,410	30	2035 Integrated Development
	DBS Asia Hub	19.0[13,24]	45,857	60	2067 Business Park
	FM Global Centre	19.0[13]	11,613	99	2092 Business Park
	FoodAxis @ Senoko	19.0[13,24]	43,362	60	2044 Industrial
	Galaxis	75.0	68,939	60	2072 Business Park
	Giant Hypermart	19.0[13]	42,194	30	2035 Integrated Development
	Grab Headquarters	19.0[A,13]	42,310	30	2049 Business Park
	Hamilton Sundstrand Building	19.0[13,24]	17,737	60	2065 Industrial
	Hansapoint@CBP	19.0[13,24]	19,448	60	2066 Business Park
	Honeywell Building	19.0[13,24]	18,123	60	2058 Business Park
	Hoya Building	19.0[13]	6,505	30	2033 Industrial
	ICON@IBP	100.0	41,956	60	2061 Business Park
	Infineon Building	19.0[13,30]	27,278	47	2050 Industrial
	Infinite Studios	70.0	24,078	60	2071 Business Park
	iQuest@IBP	19.0[13,24]	12,143	60	2055 Business Park
	KA Centre	19.0[13]	19,638	99	2058 Industrial
	KA Place	19.0[13]	10,163	99	2058 Industrial
	Kim Chuan Telecommunications Complex	19.0[13]	35,456	99	2091 Industrial
	Logis Hub @ Clementi	19.0[13,24]	26,505	60	2053 Logistics
	LogisTech	19.0[13]	37,554	60	2056 Logistics
	Neuros & Immunos	19.0[13,24]	36,931	60	2065 Business Park

PROPERTY PORTFOLIO
BUSINESS PARK, INDUSTRIAL & LOGISTICS, URBAN DEVELOPMENT

City	Property	Effective Stake (%)	GFA (Sqm)	Tenure (Years)	Tenure Expiry/ Lease Type
SINGAPORE					
	Nexus @one-north	19.0[13]	25,511	60	2071 Business Park
	Nordic European Centre	19.0[13,24]	28,378	60	2057 Business Park
	Nucleos	19.0[13]	46,174	60	2071 Business Park
	ONE@Changi City	19.0[13]	71,158	60	2069 Business Park
	OSIM Headquarters	19.0[13]	17,683	60	2057 Industrial
	Pacific Tech Centre	19.0[13]	25,718	99	2061 Industrial
	Pioneer Hub	19.0[13]	91,048	30	2036 Logistics
	Pratt & Whitney Singapore Component Repair	100.0	14,948	58	2070 Industrial
	Rochester Commons	100.0[A]	36,827	60	2078 Commercial
	Schneider Electric Building	19.0[13]	18,970	60	2055 Industrial
	Science Park I Land Leases	100.0			Business Park
	Science Park II Land Leases	100.0			Business Park
	Siemens Centre	19.0[13,24]	36,529	60	2061 Industrial
	Tampines Biz-Hub	19.0[13,24]	18,086	60	2049 Industrial
	Techlink	19.0[13]	49,837	60	2053 Industrial
	Techplace I	19.0[13]	81,981	65	2052 Industrial
	Techplace II	19.0[13]	115,162	65	2052 Industrial
	Techpoint	19.0[13]	56,107	65	2052 Industrial
	Techquest	19.0[13]	9,079	60	2055 Business Park
	Techview	19.0[13]	50,985	60	2056 Industrial
	Telepark	19.0[13]	40,555	99	2091 Industrial
	Teletech Park	100.0	23,977	60	2061 Business Park
	Thales Building (I & II)	19.0[13,31]	7,772	42	2047 Industrial
	The Alpha	19.0[13]	28,533	60	2062 Business Park
	The Aries, Sparkle & Gemini	19.0[13]	49,851	60	2062 Business Park
	The Capricorn	19.0[13]	28,602	60	2062 Business Park
	The Galen	19.0[13]	30,685	66	2079 Business Park
	The Kendall	19.0[13]	20,190	64	2079 Business Park

City	Property	Effective Stake (%)	GFA (Sqm)	Tenure (Years)	Tenure Expiry/ Lease Type
SINGAPORE					
	The Rutherford & Oasis	19.0[13]	27,217	60	2068 Business Park
	TÜV SÜD PSB Building	19.0[13]	32,013	96	2080 Business Park
	Ubi Biz-Hub	19.0[13,24]	12,978	60	2056 Industrial
	Wisma Gulab	19.0[13,32]	15,557	Freehold	Industrial
	Xilin Districentre Building A&B	19.0[13,24]	24,113	60	2054 Logistics
	Xilin Districentre Building C	19.0[13,24]	18,708	60	2054 Logistics
	Xilin Districentre Building D	19.0[13,24]	18,619	60	2055 Logistics
Singapore Total			**3,436,176**		
UNITED KINGDOM					
East England	Market Garden Road	19.0[13]	13,016	Freehold	Logistics
East Midlands	Common Road	19.0[13]	47,298	Freehold	Logistics
	Units 1-5, Export Drive	19.0[13]	2,785	Freehold	Logistics
North West England	8 Leacroft Road	19.0[13]	8,432	Freehold	Logistics
	Astmoor Road	19.0[13]	45,043	Freehold	Logistics
	Hawleys Lane	19.0[13,33]	35,104	965	2962 Logistics
	Leacroft Road	19.0[13]	8,388	Freehold	Logistics
	Transpennine 200	19.0[13]	8,522	Freehold	Logistics
South East England	Howard House	19.0[13,34]	20,611	999	3004 Logistics
	Lodge Road	19.0[13]	12,025	Freehold	Logistics
	Units 1-2, Tower Lane	19.0[13]	7,803	Freehold	Logistics
West Midlands	1 Sun Street	19.0[13]	24,929	Freehold	Logistics
	Eastern Avenue	19.0[13]	15,994	Freehold	Logistics
	The Triangle	19.0[13]	28,917	Freehold	Logistics
	Unit 1, Wellesbourne Distribution Park	19.0[13]	21,243	Freehold	Logistics
	Unit 103, Stonebridge Cross Business Park	19.0[13]	1,233	Freehold	Logistics
	Unit 13, Wellesbourne Distribution Park	19.0[13]	5,618	Freehold	Logistics
	Unit 14, Wellesbourne Distribution Park	19.0[13]	9,887	Freehold	Logistics
	Unit 16, Wellesbourne Distribution Park	19.0[13]	1,598	Freehold	Logistics
	Unit 17, Wellesbourne Distribution Park	19.0[13]	971	Freehold	Logistics
	Unit 18, Wellesbourne Distribution Park	19.0[13]	875	Freehold	Logistics
	Unit 19, Wellesbourne Distribution Park	19.0[13]	835	Freehold	Logistics
	Unit 2, Wellesbourne Distribution Park	19.0[13]	12,282	Freehold	Logistics
	Unit 20, Wellesbourne Distribution Park	19.0[13]	3,157	Freehold	Logistics
	Unit 21, Wellesbourne Distribution Park	19.0[13]	3,064	Freehold	Logistics
	Unit 3, Wellesbourne Distribution Park	19.0[13]	19,551	Freehold	Logistics
	Unit 302, Stonebridge Cross Business Park	19.0[13]	21,590	Freehold	Logistics
	Unit 4, Wellesbourne Distribution Park	19.0[13]	4,774	Freehold	Logistics
	Unit 401, Stonebridge Cross Business Park	19.0[13]	6,265	Freehold	Logistics
	Unit 402, Stonebridge Cross Business Park	19.0[13]	5,037	Freehold	Logistics
	Unit 404, Stonebridge Cross Business Park	19.0[13]	5,045	Freehold	Logistics
	Unit 5, Wellesbourne Distribution Park	19.0[13]	6,146	Freehold	Logistics
	Unit 8, Wellesbourne Distribution Park	19.0[13]	8,759	Freehold	Logistics
	Vernon Road	19.0[13]	25,701	Freehold	Logistics

PROPERTY PORTFOLIO

BUSINESS PARK, INDUSTRIAL & LOGISTICS, URBAN DEVELOPMENT

City	Property	Effective Stake (%)	GFA (Sqm)	Tenure (Years)	Tenure Expiry/ Lease Type
UNITED KINGDOM					
Yorkshire and the Humber	12 Park Farm Road	19.0[13]	23,454	Freehold	Logistics
	Lowfields Way	19.0[13]	11,549	Freehold	Logistics
	Unit 3, Brookfields Way	19.0[13]	18,341	Freehold	Logistics
	Units 1a, 1b, 2 & 3, Upwell Street	19.0[13]	14,065	Freehold	Logistics
United Kingdom Total			**509,907**		
UNITED STATES OF AMERICA					
Portland	8300 Creekside	19.0[13]	5,011	Freehold	Business Park
	8305 Creekside	19.0[13]	2,443	Freehold	Business Park
	8405 Nimbus	19.0[13]	5,084	Freehold	Business Park
	8500 Creekside	19.0[13]	5,923	Freehold	Business Park
	8700-8770 Nimbus	19.0[13]	3,430	Freehold	Business Park
	9205 Gemini	19.0[13]	3,784	Freehold	Business Park
	9405 Gemini	19.0[13]	4,201	Freehold	Business Park
	Creekside 5	19.0[13]	4,557	Freehold	Business Park
	Creekside 6	19.0[13]	7,262	Freehold	Business Park
	Greenbrier Court	19.0[13]	6,529	Freehold	Business Park
	Parkside	19.0[13]	15,231	Freehold	Business Park
	Ridgeview	19.0[13]	8,747	Freehold	Business Park
	The Atrium	19.0[13]	16,473	Freehold	Business Park
	The Commons	19.0[13]	6,570	Freehold	Business Park
	Waterside	19.0[13]	11,261	Freehold	Business Park
Raleigh	5200 East & West Paramount Parkway	19.0[13]	29,500	Freehold	Business Park
	Perimeter Four	19.0[13]	18,331	Freehold	Business Park
	Perimeter One	19.0[13]	19,599	Freehold	Business Park
	Perimeter Three	19.0[13]	23,179	Freehold	Business Park
	Perimeter Two	19.0[13]	19,484	Freehold	Business Park
San Diego	10020 Pacific Mesa Boulevard	19.0[13]	29,225	Freehold	Business Park
	15051 Avenue of Science	19.0[13]	6,426	Freehold	Business Park
	15073 Avenue of Science	19.0[13]	4,455	Freehold	Business Park
	15231, 15253 & 15333 Avenue of Science	19.0[13]	16,127	Freehold	Business Park
	15378 Avenue of Science	19.0[13]	6,409	Freehold	Business Park
	15435 & 15445 Innovation Drive	19.0[13]	8,986	Freehold	Business Park
	5005 & 5010 Wateridge	19.0[13]	16,009	Freehold	Business Park
	6055 Lusk Boulevard	19.0[13]	8,823	Freehold	Business Park
United States of America Total			**313,059**		
VIETNAM					
Ho Chi Minh City	OneHub Saigon	60.0[A]	360,288	Leasehold	2064
Vietnam Total			**360,288**		
Grand Total			**12,051,736**		

PROPERTY PORTFOLIO

COMMERCIAL

City	Property	Effective Stake (%)	NLA (sqm)	Tenure (Years)	Tenure Expiry
CHINA					
Shanghai	Ascendas Innovation Place	55.0	23,979	Leasehold	2044
	Ascendas Plaza	55.0	42,084	Leasehold	2051
	Innov Center	51.1[35]	80,328	Leasehold	2059
	Innov Center Phase II	100.0[B,35]	37,765	Leasehold	2058
	Pufa Tower	25.6[35]	41,773	Leasehold	2045
Shenzhen	One iPark	73.0	22,507	Leasehold	2056
China Total			**248,436**		
GERMANY					
Frankfurt	Gallileo	33.0[3,4]	40,522	Freehold	–
	Main Airport Center	33.0[3,4]	60,244	Freehold	–
Germany Total			**100,766**		
JAPAN					
Tokyo	Kokugikan Front	100.0	6,007	Freehold	–
	Shinjuku Front Tower	20.0	57,980	Freehold	–
Yokohama	Sun Hamada	100.0	8,374	Freehold	–
	Yokohama Blue Avenue	100.0	34,677	Freehold	–
Japan Total			**107,038**		
SINGAPORE					
Singapore	21 Collyer Quay	29.4[3]	18,624	999	2849
	79 Robinson Road (former CPF building)	65.0[A]	48,206	99	2067
	Asia Square Tower 2	29.4[3]	72,224	99	2107
	CapitaGreen	29.4[3]	65,130	99	2073
	Capital Tower	29.4[3]	68,256	99	2094
	One George Street	14.7[3]	41,419	99	2102
	Six Battery Road	29.4[3]	45,925	999	2825
Singapore Total			**359,784**		
SOUTH KOREA					
Seoul	Citibank Center	6.0	10,855	Freehold	–
	ICON Yeoksam	99.1	10,162	Freehold	–
	Janggyo Project	98.8[A,35]	18,426	Freehold	–
	Jongro Place	39.5	23,062	Freehold	–
South Korea Total			**62,505**		
Grand Total			**878,529**		

PROPERTY PORTFOLIO
RESIDENTIAL

City/ District	Property/Phase	Effective Stake (%)	GFA (sqm)	Total No. of Units	Tenure (Years)	Tenure Expiry/ Lease Type	% of Completion	Expected Date of Completion
CHINA								
Beijing								
Changping	Vermont Hills							
	Phase 1	100.0	3,581	–	40	2044 Commercial		
			51,249	88	70	2074 Residential		
	Phase 2		49,291	88	70	2074 Residential		
	Phase 3		48,581	87	70	2074 Residential		
	Phase 4	A	74,596	196	70	2074 Residential	40%	2021
	Phase 7		1,931	–	40	2044 Commercial		
	Phase 5 to 7	B	213,269	463	70	2074 Residential		
Chengdu								
Hi-Tech	Century Park - East Site	60.0[A]	13,132	–	40	2050 Commercial	75%	2021
			221,514	1,881	70	2080 Residential		
	Century Park - West Site							
	Phase 1 & 2	60.0	11,326	–	40	2050 Commercial		
	Phase 2		56,436	588	70	2080 Residential		
	Phase 3		3,327	–	40	2050 Commercial		
			80,049	828	70	2080 Residential		
Longquanyi	Parc Botanica							
	Phase 1	56.0	10,127	–	40	2052 Commercial		
	Phase 2		10,602	–	40	2052 Commercial		
			178,050	1,752	70	2082 Residential		
Qingyang	The Loft	100.0	1,206	–	40	2047 Commercial		
Chongqing								
Liangjiang	Spring							
	Phase 1	100.0	95,732	–	40	2051 Commercial		
	Phase 2		28,932	203	50	2061 Residential		
	Phase 3	A	67,751	–	40	2051 Commercial	10%	2024
			265,720	1,844	50	2061 Residential		

City/ District	Property/Phase	Effective Stake (%)	GFA (sqm)	Total No. of Units	Tenure (Years)	Tenure Expiry/ Lease Type	% of Completion	Expected Date of Completion
CHINA								
Guangzhou								
Liwan	La Riva							
	Phase 1A	80.0[A]	95,532	922	70	2085 Residential	87%	2020
Nansha	Vista Garden	100.0	22,102	–	40	2052 Commercial		
Panyu	Città di Mare							
	Phase 1	45.0	5,600	–	40	2035 Commercial		
			148,676	1,067	70	2065 Residential		
	Phase 2 (f.k.a LFIE (PYD))	79.9[A]	3,044	–	40	2035 Commercial	12%	2025
			539,273	4,878	70	2065 Residential		
Zengcheng	Chromatic Garden (f.k.a Residential site at Zengcheng)	100.0[A]	138,592	1,298	70	2088 Residential	17%	2022
Kunshan								
Huaqiao	The Metropolis							
	Phase 1	100.0	166,232	1,542	70	2074 Residential		
	Phase 2A		72,431	709	70	2074 Residential		
	Phase 3		2,240	–	40	2044 Commercial		
			120,195	1,111	70	2074 Residential		
	Phase 4	[A]	51,041	460	70	2074 Residential	75%	2020
	Phase 6A		1,002	–	40	2044 Commercial		
	Phase 6B	[A]	69,050	–	40	2044 Commercial	2%	2022
Shanghai								
Huangpu	The Paragon	99.0	3,270	–	70	2072 Commercial		
	The Paragon T5	99.0	10,780	31	70	2072 Residential		
Jing'an	Jing'an One	70.0[A]	3,023	–	40	2044 Commercial	80%	2020
			27,222	138	70	2074 Residential		
Pudong	New Horizon							
	Phase 2	95.0	14,540	–	40	2053 Commercial		

PROPERTY PORTFOLIO
RESIDENTIAL

City/ District	Property/Phase	Effective Stake (%)	GFA (sqm)	Total No. of Units	Tenure (Years)	Tenure Expiry/ Lease Type	% of Completion	Expected Date of Completion
CHINA								
Shenyang								
Yuhong	Lake Botanica							
	Phase 4	60.0	137,762	1,472	50	2057 Residential		
	Phase 2 to 4		7,974	–	40	2047 Commercial		
	Phase 5 to 8	B	46,811	–	40	2047 Commercial		
			509,766	6,354	50	2057 Residential		
Wuhan								
Caidian	The Lakeside							
	Phase 1	100.0	3,680	–	40	2050 Commercial		
	Phase 2	A	126,322	1,206	70	2080 Residential	98%	2020
Xi'an								
Baqiao	La Botanica							
	Phase 1A - 2R1, 6 - 2R2, 7 - 2R4, 2R5C&3AC	38.0	21,096	–	70	2076 Commercial		
	Phase 8 - 3R2		10,090	–	70	2077 Commercial		
			185,371	1,703	70	2077 Residential		
	Phase 9 - 2R5	A	13,410	–	70	2076 Commercial	95%	2020
			302,875	3,010	70	2076 Residential		
	Phase 10 - 4M1 - 1		41,592	–	70	2078 Commercial		
	Phase 11 - 3R4	A	7,612	–	70	2078 Commercial	53%	2021
			127,298	1,009	70	2078 Residential		
	Phase 4 - 4R1		9,415	–	70	2078 Commercial		
	Phase 10 - 4M1 - 2, 18 - 4R2, 16 - 3R5, 17 - 3R1	B	120,268	–	70	2078 Commercial		
			399,891	3,475	70	2078 Residential		
	Phase 12 - 2R3	A	2,396	–	70	2076 Commercial	40%	2021
			75,370	694	70	2076 Residential		
	Phase 15 - 1R1	A	2,926	–	70	2078 Commercial	2%	2023
			343,328	2,987	70	2078 Residential		
China Total			**5,475,500**					

City/ District	Property/Phase	Effective Stake (%)	GFA (sqm)	Total No. of Units	Tenure (Years)	Tenure Expiry/ Lease Type	% of Completion	Expected Date of Completion
MALAYSIA								
Kuala Lumpur								
Kuala Lumpur	Park Regent	50.0[A]	136,053	505	Freehold	–	0.3%	2023
Kuchai Lama	GenKL	50.0[A]	60,233	332	Freehold	–		
Malaysia Total			**196,286**					
SINGAPORE								
Singapore								
Marine Parade Road	Marine Blue	100.0	9,986	124	Freehold	–		
Orchard Road	The Orchard Residences	50.0	39,611	175	99	2105		
Pearl Bank	One Pearl Bank	100.0[A]	56,999	774	99	2118		2023
Yio Chu Kang Road	Site at Yio Chu Kang Road	100.0[B,36]	19,330	52	Freehold			
Singapore Total			**125,926**					
VIETNAM								
Hanoi								
Ha Dong	Mulberry Lane	70.0	235,631	1478	Freehold*	-		
	Seasons Avenue	35.0	196,787	1300	Freehold*	-		
Ho Chi Minh City								
District 2	Residential Site in District 2	100.0[B]	70,990	169	Freehold*	-		
	Vista Verde Phase L	50.0[B]	35,557	88	Freehold*	-		
District 4	De La Sol (f.k.a Summer II)	100.0[A]	97,553	870	Freehold*	-	17%	2022
Vietnam Total			**636,518**					
Grand Total			**6,434,230**					

PROPERTY PORTFOLIO

Notes

General: Valuation of investment properties is on 100% basis. Valuation excludes strata/ trading portions in the properties. For China integrated developments and malls, Gross Floor Area(GFA) excludes carpark area.

Status

A Under Development
B Future Development

1 CapitaLand's effective stake increased from 62.5% to 100% subsequent to the completion of ASB acquisition on 28 June 2019.
2 Held through CapitaLand Malaysia Mall Trust.
3 Held through CapitaLand Commercial Trust.
4 Includes other stake not held through the REIT/Trust.
5 Held through CapitaLand Mall Trust.
6 Funan information relates to the Retail and Office components.
7 Held through CapitaLand Retail China Trust.
8 CL's effective stake changed to 27.4% subsequent to the divestment of these malls to CapitaLand Retail China Trust.
9 CapitaLand announced the divestment of the asset. The transaction is expected to be completed by 2020.
10 Area refers to Net Lettable Area.
11 Held through Ascott Residence Trust.
12 Ascott Residence Trust announced the divestment of the asset. The transaction is expected to be completed by second half 2020.
13 Held through Ascendas Real Estate Investment Trust.
14 Held through Ascendas India Trust. All measurements of floor area disclosed are of the Super Built-up Area (SBA).
15 GFA indicated for site refers to land area.
16 99-year lease commencing 12 January 2006, renewable for a further terms of 99 years as provided in the lease deed.
17 Stipulated GFA are estimated.
18 aVance Hyderabad is considered a freehold property by the Trustee-Manager on the basis that it is on a 33-year lease which is renewable for further 33-year leases at the Trust's option at nominal lease rentals.
19 Arshiya warehouses are considered freehold property by the Trustee-Manager on the basis that they are on a 30-year lease which is renewable for further 30-year leases at the Trust's option at nominal lease rentals.
20 GFA includes constructed and future development.
21 aVance Pune is considered a freehold property by the Trustee-Manager on the basis that it is on a 99-year lease which is renewable for further 99-year leases at the Trust's option at nominal lease rentals.
22 GFA includes constructed and under development.
23 GFA includes under development and future development.
24 Includes an option for the Trust to renew the land lease for a further term of 30 years upon expiry.
25 Includes an option for the Trust to renew the land lease for a further term of 15 years upon expiry.
26 Includes an option for the Trust to renew the land lease for a further term of 28 years upon expiry.
27 202 Kallang Bahru was divested on 4 February 2020.
28 25 Changi South Street 1 was divested on 6 March 2020.
29 Includes an option for the Trust to renew the land lease for a further term of 24.4 years upon expiry.
30 Includes an option for the Trust to renew the land lease for a further term of 17 years upon expiry.
31 Includes an option for the Trust to renew the land lease for a further term of 12 years upon expiry.
32 Wisma Gulab was divested on 23 January 2020.
33 Leasehold for a term of 965 years from 27 November 1997 to 22 November 2962.
34 Leasehold for a term of 999 years from 29 November 2005 to 28 November 3004.
35 The floor area of Innov Center, Innov Center Phase II, Pufa Tower and Janggyo Project are stated using GFA.
36 Area indicated for site at Yio Chu Kang Road refers to land area.
37 Includes an option to renew the land lease for a further term of 95 years upon expiry.

* For Vietnam residential properties, a 50-year leasehold period is applicable to foreigners.
** As at 31 December 2019, CapitaLand is in the process of obtaining the land titles.

FINANCIAL STATEMENTS

DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of the Company, together with the audited financial statements for the financial year ended 31 December 2019.

In our opinion:

(a) the financial statements set out on pages 160 to 305 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019 and the financial performance, changes in equity of the Group and of the Company, and the cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50, Singapore Financial Reporting Standards (International) and International Financial Reporting Standards (IFRS); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

DIRECTORS

The directors in office at the date of this statement are as follows:

Ng Kee Choe	
Miguel Ko	(Appointed on 6 August 2019)
Lee Chee Koon	(Appointed on 1 January 2019)
Tan Sri Amirsham Bin A Aziz	
Stephen Lee Ching Yen	
Dr Philip Nalliah Pillai	
Kee Teck Koon	
Chaly Mah Chee Kheong	
Anthony Lim Weng Kin	
Gabriel Lim Meng Liang	
Goh Swee Chen	

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

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

		Holdings in the name of the director, spouse and/or infant children	
		At beginning of the year/ date of appointment	At end of the year
The Company			
Ordinary shares			
Ng Kee Choe		346,578	410,636
Lee Chee Koon		468,076	714,371
Tan Sri Amirsham Bin A Aziz		108,764	128,297
Stephen Lee Ching Yen		72,587	87,969
Dr Philip Nalliah Pillai		53,130	67,556
Kee Teck Koon		47,659	64,297
Chaly Mah Chee Kheong		63,387	80,178
Anthony Lim Weng Kin		6,630	20,526
Goh Swee Chen		8,388	20,217
Contingent award of Performance shares[1] to be delivered after 2018			
Lee Chee Koon	(206,456 shares)	0 to 412,912[3]	–[¶]

¶ During the year, 80,517 shares were released.

Contingent award of Performance shares[1] to be delivered after 2019			
Lee Chee Koon	(197,653 shares)	0 to 395,306[3]	0 to 395,306[3]
Contingent award of Performance shares[1] to be delivered after 2020			
Lee Chee Koon	(142,437 shares)	0 to 284,874[3]	0 to 284,874[3]
Contingent award of Performance shares[1] to be delivered after 2021			
Lee Chee Koon	(320,143 shares)	–	0 to 640,286[3]
Unvested Restricted shares[2] to be delivered after 2016			
Lee Chee Koon		41,018[5,6]	–*

* During the year, 46,635 shares were released.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

		Holdings in the name of the director, spouse and/or infant children	
		At beginning of the year/ date of appointment	At end of the year
The Company (continued)			
Unvested Restricted shares[2] to be delivered after 2017			
Lee Chee Koon		95,851[5,7]	47,926[5,6]
Unvested Restricted shares[2] to be delivered after 2018			
Lee Chee Koon		0 to 213,655[4,5]	142,437[5,7]
Contingent award of Restricted shares[2] to be delivered after 2019			
Lee Chee Koon	(512,229 shares)	–	0 to 768,343[4,5]
Related Corporations			
Ascendas Pte Ltd^			
S$100 million 2.965% Fixed Rate Notes due 2021			
Kee Teck Koon		–	S$250,000
Fullerton India Credit Company Limited^			
S$150 million 3.70% Senior Secured Notes due 2023			
Kee Teck Koon		–	S$250,000
Mapletree Treasury Services Limited^			
S$300 million 3.4% Notes due 2026			
Miguel Ko		S$500,000	S$500,000
Olam International Limited^			
US$500 million 5.35% Perpetual Capital Securities			
Kee Teck Koon		–	US$200,000
A$150 million 4.875% Fixed Rate Notes due 2020			
Miguel Ko		A$200,000	A$200,000
SIA Engineering Company Limited^			
Ordinary Shares			
Kee Teck Koon		–	5,000

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

	Holdings in the name of the director, spouse and/or infant children	
	At beginning of the year/ date of appointment	At end of the year
Related Corporations (continued)		
Singapore Airlines Limited^		
Ordinary Shares		
Stephen Lee Ching Yen	–	9,400
Goh Swee Chen	–	1,300
S$200 million 3.145% Fixed Rate Notes due 2021		
Miguel Ko	S$250,000	S$250,000
S$600 million 3.16% Fixed Rate Notes due 2023		
Ng Kee Choe	–	S$250,000
Miguel Ko	S$500,000	S$500,000
Kee Teck Koon	–	S$750,000
S$750 million 3.03% Bond due 2024		
Miguel Ko	S$250,000	S$250,000
S$700 million 3.035% Fixed Rate Notes due 2025		
Miguel Ko	S$250,000	S$250,000
Kee Teck Koon	–	S$250,000
Singapore Technologies Engineering Ltd^		
Ordinary Shares		
Miguel Ko	70,500	70,500
Singapore Telecommunications Limited^		
Ordinary Shares		
Ng Kee Choe	–	1,907
Miguel Ko	34,000	34,000
Stephen Lee Ching Yen	–	380
Dr Philip Nalliah Pillai	–	3,040
Kee Teck Koon	–	490
Anthony Lim Weng Kin	–	940
Goh Swee Chen	–	5,000

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

	Holdings in the name of the director, spouse and/or infant children	
	At beginning of the year/ date of appointment	At end of the year
Related Corporations (continued)		
SP Power Assets Limited^		
US$700 million 3.25% Fixed Rate Notes due 2025		
Ng Kee Choe	–	US$200,000
StarHub Ltd^		
Ordinary Shares		
Miguel Ko	66,600	66,600
S$220 million 3.08% Fixed Rate Notes due 2022		
Miguel Ko	S$250,000	S$250,000
Surbana Jurong Private Limited^		
S$350 million 4.11% Notes due 2025		
Lee Chee Koon	–	S$500,000
The Ascott Capital Pte Ltd		
S$300 million 3.78% Fixed Rate Notes due 2019		
Kee Teck Koon	S$250,000	–

Footnotes:

1 Performance shares are shares under awards pursuant to the CapitaLand Performance Share Plan 2010.
2 Restricted shares are shares under awards pursuant to the CapitaLand Restricted Share Plan 2010.
3 The final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 200% of the baseline award.
4 The final number of shares to be released will depend on the achievement of pre-determined targets at the end of a one-year performance period and the release will be over a vesting period of three years. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 150% of the baseline award.
5 An additional number of shares of a total value equal to the value of the accumulated dividends which are declared during each of the vesting periods and deemed forgone due to the vesting mechanism of the CapitaLand Restricted Share Plan 2010, will also be released on the final vesting.
6 Being the unvested one-third of the award.
7 Being the unvested two-thirds of the award.
^ This entity became a related corporation of the Company on 28 June 2019 upon the completion of the acquisition by the Company and its nominated subsidiary of the issued shares of Ascendas Pte Ltd and Singbridge Pte. Ltd..

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures or options of the Company or of related corporations either at the beginning of the financial year (or date of appointment, if later) or at the end of the financial year.

There was no change in any of the above-mentioned directors' interests in the Company between the end of the financial year and 21 January 2020.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as disclosed under the Directors' Interests in Shares or Debentures and Share Plans sections of this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE PLANS – PERFORMANCE SHARE PLAN 2010 AND RESTRICTED SHARE PLAN 2010

The Executive Resource and Compensation Committee (ERCC) of the Company has been designated as the Committee responsible for the administration of the Share Plans. The ERCC members at the date of this statement are Mr Ng Kee Choe (Chairman), Mr Miguel Ko, Mr Stephen Lee Ching Yen and Ms Goh Swee Chen.

The CapitaLand Performance Share Plan 2010 (PSP 2010) and CapitaLand Restricted Share Plan 2010 (RSP 2010) were approved by the members of the Company at the Extraordinary General Meeting held on 16 April 2010. The duration of each share plan is 10 years commencing on 16 April 2010.

The ERCC has instituted a set of share ownership guidelines for members of senior management who receive shares under the PSP 2010 and the RSP 2010. Under these guidelines, members of senior management are required to retain a portion of the total number of CapitaLand shares received under the PSP 2010 and the RSP 2010, which varies according to their respective job grades and base salaries.

The total number of new shares which may be allotted, issued and/or delivered pursuant to awards granted under the PSP 2010 and the RSP 2010 on any date, when aggregated with existing shares (including treasury shares and cash equivalents) delivered and/or to be delivered, pursuant to the PSP 2010, the RSP 2010 and all shares, options or awards granted under any other share schemes of the Company then in force, shall not exceed 8% of the total number of issued shares (excluding treasury shares) from time to time.

Details of awards granted under each Share Plan are provided in the following sections.

(a) Awards under the CapitaLand Performance Share Plan 2010

Under the PSP 2010, the awards granted are conditional on performance targets set based on medium-term corporate objectives. Awards represent the right of a participant to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, upon the Company achieving prescribed performance target(s).

SHARE PLANS – PERFORMANCE SHARE PLAN 2010 AND RESTRICTED SHARE PLAN 2010 (continued)

(a) Awards under the CapitaLand Performance Share Plan 2010 (continued)

The ERCC grants an initial number of shares (baseline award) which are conditional on targets set for a performance period, currently prescribed to be a three-year performance period. A specified number of shares will only be released by the ERCC to the recipients at the end of the qualifying performance period, provided the threshold targets are achieved. The final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, more shares than the baseline award could be released.

For grants made in 2016 to 2019, the performance conditions and number of shares to be released subject to the achievement of performance targets are as follows:

Performance conditions	Final number of shares to be released
1. Group's absolute total shareholder return measured as a multiple of cost of equity	0% to 200% of baseline award
2. Group's relative total shareholder return ranking against a peer group of selected companies	
3. Group's return on equity to be achieved in 2018 for the grant made in 2016; average of Group's return on equity to be achieved in 2018 and 2019 for the grant made in 2017; average of Group's return on equity to be achieved in 2018 to 2020 for the grant made in 2018; average of Group's return on equity to be achieved in 2019 to 2021 for the grant made in 2019	

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

	Balance as at 1 January 2019		<—— Movements during the year ——> Granted	Released	Lapsed/ Cancelled	Balance as at 31 December 2019	
Year of award	No. of holders	No. of shares	No. of shares	No. of shares	No. of shares	No. of holders	No. of shares
2016	57	3,273,780	–	(1,269,929)	(2,003,851)	–	–
2017	58	3,463,834	–	–	(162,095)	57	3,301,739
2018	63	2,765,393	–	–	(321,606)	60	2,443,787
2019	–	–	3,462,325	–	(48,021)	84	3,414,304
		9,503,007	3,462,325	(1,269,929)	(2,535,573)		9,159,830

SHARE PLANS – PERFORMANCE SHARE PLAN 2010 AND RESTRICTED SHARE PLAN 2010 (continued)

(b) Awards under the CapitaLand Restricted Share Plan 2010

Under the RSP 2010, awards granted to eligible participants vest only after the satisfactory completion of time-based service conditions or where the award is performance-related, after a further period of service beyond the performance target completion date (performance-based restricted awards). In addition, the RSP 2010 also enables grants of fully paid shares to be made to non-executive directors as part of their remuneration in respect of their office as such in lieu of cash.

The ERCC grants an initial number of shares (baseline award) which are conditional on targets set for a performance period, currently prescribed to be a one-year performance period. A specified number of shares will only be released by the ERCC to the recipients at the end of the qualifying performance period, provided the threshold targets are achieved. The final number of shares to be released will depend on the achievement of pre-determined targets at the end of a one-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be released. Once the final number of shares has been determined, it will be released over a vesting period of three years. Recipients can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost.

For grants made in 2016 to 2019, the performance conditions and number of shares to be released subject to the achievement of performance targets are as follows:

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

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

	Balance as at 1 January 2019		<—— Movements during the year ——> Granted	Released+	Lapsed/ Cancelled	Balance as at 31 December 2019	
Year of award	No. of holders	No. of shares	No. of shares	No. of shares	No. of shares	No. of holders	No. of shares
2016	1,203	3,881,157	517,999	(4,306,756)	(92,400)	–	–
2017	1,371	9,273,497	–	(4,509,530)	(532,345)	1,179	4,231,622
2018	1,510	9,816,496	4,794,865	(4,805,301)	(863,474)	1,351	8,942,586
2019	–	–	15,431,425#	(172,553)	(307,126)	2,238	14,951,746
		22,971,150	20,744,289	(13,794,140)	(1,795,345)		28,125,954

\+ The number of shares released during the year was 13,794,140, of which 2,648,242 were cash-settled.
\# Comprised RSP to employees 15,258,872 and to non-executive directors 172,553.

SHARE PLANS – PERFORMANCE SHARE PLAN 2010 AND RESTRICTED SHARE PLAN 2010 (continued)

(b) Awards under the CapitaLand Restricted Share Plan 2010 (continued)

As at 31 December 2019, the number of shares in awards granted under the RSP 2010 was as follows:

	Equity-settled	Cash-settled	Total
Final number of shares has not been determined (baseline award)#	12,244,197	2,707,549	14,951,746
Final number of shares determined but not released	10,513,311	2,660,897	13,174,208
	22,757,508	5,368,446	28,125,954

\# The final number of shares released could range from 0% to 150% of the baseline award.

AUDIT COMMITTEE

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

The Audit Committee shall discharge its duties in accordance with the Companies Act (Chapter 50) and the Listing Manual of the SGX-ST. The Audit Committee shall also be guided by the Code of Corporate Governance (2 May 2012) and the Guidebook for Audit Committee in Singapore (Second Edition), and any such codes or regulations as may be applicable from time to time.

The principal responsibility of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities. Areas of review by the Audit Committee include:

- the reliability and integrity of the financial statements;
- the impact of new, revised or proposed changes in accounting standards and policies or regulatory requirements on the financial statements;
- the compliance with laws and regulations, particularly those of the Act and the Listing Manual of the SGX-ST;
- the appropriateness of quarterly and full year announcements and reports;
- in conjunction with the assessment by the Risk Committee, assesses the adequacy and effectiveness of the internal control (including financial, operational, compliance and information technology controls) and risk management systems established by management to manage risks;
- the adequacy and effectiveness of internal and external audits;
- the appointment and re-appointment of external auditors and the level of auditors' remuneration;
- the nature and extent of non-audit services and their impact on independence and objectivity of the external auditors;
- interested person transactions;
- the findings of internal investigation, if any;
- the processes put in place to manage any material conflicts of interest within the Group; and
- all conflicts of interest matters referred to it.

AUDIT COMMITTEE (continued)

The Audit Committee also reviews the policy and arrangements by which employees of the Company and any other persons may, in confidence, report suspected fraud or irregularity or suspected infringement of any laws or regulations or rules or, raise concerns about possible improprieties in matters of financial reporting or other matters, with a view to ensuring that arrangements are in place for such concerns to be raised and independently investigated and for appropriate follow-up action to be taken. Where the Audit Committee becomes aware of any improprieties, the Audit Committee shall discuss such matter with the external auditors and, at an appropriate time, report the matter to the Board. Where appropriate, the Audit Committee shall also commission internal investigations into such matters. Pursuant to this, the Audit Committee has introduced a whistle blowing policy where employees or any person may raise improprieties to the Audit Committee Chairman in good faith, with the confidence that employees or any person making such reports will be treated fairly and be protected from reprisal.

The Audit Committee met 6 times in 2019. Specific functions performed during the year included reviewing the scope of work and strategies of both the internal and external auditors, and the results arising therefrom, including their evaluation of the system of internal controls. The Audit Committee also reviewed the assistance given by the Company's officers to the auditors. The financial statements of the Group and the Company were reviewed by the Audit Committee prior to the submission to the Board of Directors of the Company for adoption. The Audit Committee also met with the internal and external auditors, without the presence of management, to discuss any issues of concern with them.

The Audit Committee has, in accordance with Chapter 9 of the Listing Manual of the SGX-ST, reviewed the requirements for approval and disclosure of interested person transactions, reviewed the procedures set by the Group and the Company to identify and report and where necessary, seek approval for interested person transactions and, with the assistance of the internal auditors, reviewed interested person transactions.

The Audit Committee also undertook half yearly reviews of all non-audit services provided by KPMG LLP and its member firms and was satisfied that they did not affect their independence as external auditors of the Company.

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

DIRECTORS' STATEMENT

AUDITORS

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

On behalf of the Board of Directors

Ng Kee Choe
Director

Lee Chee Koon
Director

Singapore
3 March 2020

INDEPENDENT AUDITORS' REPORT

To the Members of CapitaLand Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of CapitaLand Limited (the Company) and its subsidiaries (the Group), which comprise the balance sheets of the Group and the Company as at 31 December 2019, the income statements, statements of comprehensive income and statements of changes in equity of the Group and the Company and the statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 160 to 305.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet, income statement, statement of comprehensive income and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act), Singapore Financial Reporting Standards (International) (SFRS(I)) and International Financial Reporting Standards (IFRS) so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2019 and the financial performance and changes in equity of the Group and the Company, and the cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties
(Refer to Note 5 and 35 to the financial statements)

Risk:

The Group owns a portfolio of investment properties comprising commercial properties, shopping malls, serviced residences and integrated development projects, located primarily in Singapore, China and Europe. Investment properties represent the single largest category of assets on the balance sheet, at $48.7 billion as at 31 December 2019 (2018: $39.4 billion).

These investment properties are stated at their fair values based on independent external valuations.

The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied and a small change in the assumptions can have a significant impact to the valuation.

Our response:

We assessed the Group's processes for the selection of the external valuers, the determination of the scope of work of the valuers, and the review and acceptance of the valuations reported by the external valuers.

We evaluated the qualifications and competence of the external valuers. We also read the terms of engagement of the valuers with the Group to determine whether there were any matters that might have affected their objectivity or limited the scope of their work.

We considered the valuation methodologies used against those applied by other valuers for similar property types. We also considered other alternative valuation methods. We tested the integrity of inputs of the projected cash flows used in the valuations to supporting leases and other documents. We challenged the key assumptions used in the valuations, which included capitalisation, discount and terminal yield rates by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuers.

We also considered the adequacy of the disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates. This includes the relationships between the key unobservable inputs and fair values, in conveying the uncertainties.

Our findings:

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

Accounting for the acquisition of Ascendas Pte Ltd and Singbridge Pte. Ltd.
(Refer to Note 33 to the financial statements)

Risk:

The Group completed its acquisition of Ascendas Pte Ltd and Singbridge Pte. Ltd. (collectively, referred to as "ASB") during the year. This represents a significant transaction for the Group and the acquisition was accounted for as a business combination.

The accounting for the acquisition requires the purchase price to be allocated to the fair value of the identifiable assets (including intangible assets) acquired and liabilities assumed (purchase price allocation or "PPA"). A significant portion of the purchase price was allocated to the underlying ASB property portfolio based on external valuation reports and certificates. The Group also engaged an external valuation specialist to determine the fair value of certain management contracts.

There is judgement and inherent uncertainty involved in the determination of whether the acquisition is a business combination or asset acquisition, as well as the identification and valuation of the assets acquired and liabilities assumed.

Our response:

We reviewed the sale and purchase agreements and other related documents to understand the terms of ASB acquisition. Together with our valuation specialist, we discussed with management the PPA to understand their basis of identifying and valuing the identified assets and liabilities.

We considered the objectivity, independence and competency of external specialists, and the scope of their engagement. We also considered the valuation methodologies used against generally accepted market practices for similar property or asset types.

For the valuation of the property portfolio, we inspected the valuation reports and certificates and assessed the reasonableness of the key assumptions used against market trends and data.

With respect to the valuation of intangible asset relating to management contracts, we involved our valuation specialist and held discussions with the external specialists engaged by the Group to understand their valuation approaches and key assumptions used. We assessed the reasonableness of key assumptions used by comparing them to historical results, market data and industry forecasts.

We also considered the adequacy of disclosures in respect of the ASB acquisition in the financial statements.

Our findings:

The judgments exercised by the Group in the accounting for the ASB acquisition as a business combination, as well as the PPA assessment were appropriately supported by available information.

The external specialists are members of recognised professional bodies and have considered their own independence in carrying out their work.

The valuation methodologies used by the external specialists are in line with generally accepted market practices and management's key assumptions and estimates applied in the valuations of the property portfolio and intangible asset are within a reasonable range.

We also found the disclosures of the acquisition to be adequate.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I) and IFRS, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Lee Sze Yeng.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
3 March 2020

BALANCE SHEETS

As at 31 December 2019

	Note	The Group 31 Dec 2019 $'000	The Group 31 Dec 2018 $'000	The Company 31 Dec 2019 $'000	The Company 31 Dec 2018 $'000
Non-current assets					
Property, plant and equipment	3	1,268,517	752,655	47,128	3,042
Intangible assets	4	988,081	634,715	436	405
Investment properties	5	48,731,897	39,445,960	–	–
Subsidiaries	6	–	–	15,511,154	12,060,311
Associates	7	8,080,868	6,207,264	–	–
Joint ventures	8	4,915,307	3,972,354	–	–
Deferred tax assets	9	353,816	285,490	423	423
Other non-current assets	10(a)	1,382,447	902,847	–	–
		65,720,933	52,201,285	15,559,141	12,064,181
Current assets					
Development properties for sale and stocks	11	7,725,059	5,128,551	–	–
Contract assets	27(b)	–	24,805	–	–
Trade and other receivables	12	2,301,597	1,944,064	889,759	1,166,485
Other current assets	10(b)	45,611	28,737	–	–
Assets held for sale	15	385,111	260,276	–	–
Cash and cash equivalents	16	6,167,606	5,059,839	18,098	15,156
		16,624,984	12,446,272	907,857	1,181,641
Less: current liabilities					
Trade and other payables	17	5,047,568	3,841,906	112,429	261,531
Contract liabilities	27(b)	1,501,306	908,487	–	–
Short term borrowings	19	2,501,026	1,729,472	10,453	–
Current portion of debt securities	20	1,449,027	1,463,984	646,236	571,750
Current tax payable		1,900,452	1,451,474	3,998	3,526
Liabilities held for sale	15	27,797	–	–	–
		12,427,176	9,395,323	773,116	836,807
Net current assets		4,197,808	3,050,949	134,741	344,834
Less: non-current liabilities					
Long term borrowings	19	17,008,518	11,274,259	34,777	–
Debt securities	20	10,452,492	9,166,230	1,170,531	1,479,690
Deferred tax liabilities	9	1,462,440	961,013	1,572	3,329
Other non-current liabilities	21	712,416	543,793	1,282,605	614,132
		29,635,866	21,945,295	2,489,485	2,097,151
Net assets		40,282,875	33,306,939	13,204,397	10,311,864
Representing:					
Share capital	23	9,327,422	6,309,496	9,327,422	6,309,496
Revenue reserve		15,074,009	13,460,921	4,103,135	4,257,059
Other reserves	24	(1,041,961)	(817,705)	(226,160)	(254,691)
Equity attributable to owners of the Company		23,359,470	18,952,712	13,204,397	10,311,864
Perpetual securities	25	897,047	397,127	–	–
Non-controlling interests	6	16,026,358	13,957,100	–	–
Total equity		40,282,875	33,306,939	13,204,397	10,311,864

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

INCOME STATEMENTS

Year ended 31 December 2019

	Note	The Group 2019 $'000	The Group 2018 $'000	The Company 2019 $'000	The Company 2018 $'000
Revenue	27	6,234,764	5,602,423	517,113	532,405
Cost of sales		(3,234,962)	(2,912,981)	–	–
Gross profit		2,999,802	2,689,442	517,113	532,405
Other operating income	28(a)	1,772,158	990,028	66,288	87,309
Administrative expenses		(608,740)	(450,692)	(161,480)	(103,771)
Other operating expenses		(84,385)	(43,187)	(13,526)	(16,903)
Profit from operations		4,078,835	3,185,591	408,395	499,040
Finance costs	28(d)	(839,141)	(636,495)	(79,344)	(76,800)
Share of results (net of tax) of:					
– associates		643,824	625,021	–	–
– joint ventures		344,951	334,386	–	–
		988,775	959,407	–	–
Profit before tax	28	4,228,469	3,508,503	329,051	422,240
Tax expense	29	(814,828)	(658,691)	1,254	1,865
Profit for the year		3,413,641	2,849,812	330,305	424,105
Attributable to:					
Owners of the Company		2,135,894	1,762,493	330,305	424,105
Non-controlling interests		1,277,747	1,087,319	–	–
Profit for the year		3,413,641	2,849,812	330,305	424,105
Basic earnings per share (cents)	30	46.4	42.1		
Diluted earnings per share (cents)	30	43.8	39.0		

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

STATEMENTS OF COMPREHENSIVE INCOME

Year ended 31 December 2019

	Note	The Group 2019 $'000	The Group 2018 $'000	The Company 2019 $'000	The Company 2018 $'000
Profit for the year		3,413,641	2,849,812	330,305	424,105
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations		(206,259)	(237,739)	–	–
Effective portion of change in fair value of cash flow hedges		(70,176)	17,832	–	–
Share of other comprehensive income of associates and joint ventures		(161,143)	(327,533)	–	–
Item that will not be reclassified subsequently to profit or loss					
Change in fair value of equity investments at fair value through other comprehensive income		144,372	(4,047)	–	–
Revaluation of a property, plant and equipment		6,161	–	–	–
Total other comprehensive income for the year, net of tax	26	(287,045)	(551,487)	–	–
Total comprehensive income for the year		3,126,596	2,298,325	330,305	424,105
Attributable to:					
Owners of the Company		1,952,983	1,302,156	330,305	424,105
Non-controlling interests		1,173,613	996,169	–	–
Total comprehensive income for the year		3,126,596	2,298,325	330,305	424,105

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

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2019

	Note	Attributable to owners of the Company				Perpetual Securities $'000	Non-controlling interests $'000	Total equity $'000
		Share capital $'000	Revenue reserve $'000	Other reserves $'000	Total $'000			
The Group								
At 1 January 2019		6,309,496	13,460,921	(817,705)	18,952,712	397,127	13,957,100	33,306,939
Adoption of SFRS(I) 16	41	–	(22,597)	–	(22,597)	–	1,572	(21,025)
As adjusted at 1 January 2019		6,309,496	13,438,324	(817,705)	18,930,115	397,127	13,958,672	33,285,914
Total comprehensive income								
Profit for the year		–	2,135,894	–	2,135,894	–	1,277,747	3,413,641
Other comprehensive income								
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations		–	–	(131,519)	(131,519)	–	(74,740)	(206,259)
Change in fair value of equity investment at fair value through other comprehensive income		–	–	136,147	136,147	–	8,225	144,372
Revaluation of a property, plant and equipment		–	–	6,161	6,161	–	–	6,161
Effective portion of change in fair value of cash flow hedges		–	–	(34,884)	(34,884)	–	(35,292)	(70,176)
Share of other comprehensive income of associates and joint ventures		–	–	(158,816)	(158,816)	–	(2,327)	(161,143)
Total other comprehensive income, net of tax		–	–	(182,911)	(182,911)	–	(104,134)	(287,045)
Total comprehensive income		–	2,135,894	(182,911)	1,952,983	–	1,173,613	3,126,596
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Issue of treasury shares		–	–	596	596	–	–	596
Issue of new shares		3,017,926	–	–	3,017,926	–	–	3,017,926
Contributions from non-controlling interests (net)		–	–	–	–	–	606,048	606,048
Redemption of convertible bonds		–	18,483	(18,483)	–	–	–	–
Dividends paid/payable		–	(501,007)	–	(501,007)	–	(836,465)	(1,337,472)
Reclassification of equity compensation reserve		–	1,245	(1,245)	–	–	–	–
Issue of perpetual securities (net)		–	–	–	–	645,579	–	645,579
Redemption of perpetual securities		–	–	–	–	(150,000)	–	(150,000)
Distribution attributable to perpetual securities		–	(12,628)	–	(12,628)	23,541	(10,913)	–
Distribution paid to perpetual securities		–	–	–	–	(19,200)	–	(19,200)
Share-based payments		–	–	52,028	52,028	–	1,499	53,527
Total contributions by and distributions to owners		3,017,926	(493,907)	32,896	2,556,915	499,920	(239,831)	2,817,004
Changes in ownership interests in subsidiaries with a change in control		–	23,830	(21,740)	2,090	–	1,149,656	1,151,746
Changes in ownership interests in subsidiaries with no change in control		–	(96,510)	9,420	(87,090)	–	(32,422)	(119,512)
Share of reserves of associates and joint ventures		–	(36,043)	40,141	4,098	–	–	4,098
Transfer of reserves upon divestment of an associates		–	119,928	(119,928)	–	–	–	–
Others		–	(17,507)	17,866	359	–	16,670	17,029
Total changes in ownership interests in subsidiaries and other capital transactions		–	(6,302)	(74,241)	(80,543)	–	1,133,904	1,053,361
Total transactions with owners		3,017,926	(500,209)	(41,345)	2,476,372	499,920	894,073	3,870,365
At 31 December 2019		9,327,422	15,074,009	(1,041,961)	23,359,470	897,047	16,026,358	40,282,875

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

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2019

	Attributable to owners of the Company						
	Share capital $'000	Revenue reserve $'000	Other reserves $'000	Total $'000	Perpetual Securities $'000	Non-controlling interests $'000	Total equity $'000
The Group							
At 1 January 2018	6,309,496	12,178,999	(75,605)	18,412,890	397,127	13,307,807	32,117,824
Total comprehensive income							
Profit for the year	–	1,762,493	–	1,762,493	–	1,087,319	2,849,812
Other comprehensive income							
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	–	–	(125,062)	(125,062)	–	(112,677)	(237,739)
Change in fair value of equity investment at fair value through other comprehensive income	–	–	780	780	–	(4,827)	(4,047)
Effective portion of change in fair value of cash flow hedges	–	–	(10,176)	(10,176)	–	28,008	17,832
Share of other comprehensive income of associates and joint ventures	–	–	(325,879)	(325,879)	–	(1,654)	(327,533)
Total other comprehensive income, net of tax	–	–	(460,337)	(460,337)	–	(91,150)	(551,487)
Total comprehensive income	–	1,762,493	(460,337)	1,302,156	–	996,169	2,298,325
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Issue of treasury shares	–	–	559	559	–	–	559
Purchase of treasury shares	–	–	(341,825)	(341,825)	–	–	(341,825)
Contributions from non-controlling interests (net)	–	–	–	–	–	506,404	506,404
Redemption of convertible bonds	–	24,433	(24,433)	–	–	–	–
Dividends paid/payable	–	(504,087)	–	(504,087)	–	(730,159)	(1,234,246)
Reclassification of equity compensation reserve	–	4,034	(4,034)	–	–	–	–
Distribution attributable to perpetual securities	–	(8,586)	–	(8,586)	19,200	(10,614)	–
Distribution paid to perpetual securities	–	–	–	–	(19,200)	–	(19,200)
Share-based payments	–	–	41,937	41,937	–	2,510	44,447
Total contributions by and distributions to owners	–	(484,206)	(327,796)	(812,002)	–	(231,859)	(1,043,861)
Changes in ownership interests in subsidiaries with a change in control	–	–	–	–	–	(104,652)	(104,652)
Changes in ownership interests in subsidiaries with no change in control	–	5,486	218	5,704	–	(1,825)	3,879
Share of reserves of associates and joint ventures	–	(18,468)	37,487	19,019	–	–	19,019
Others	–	16,617	8,328	24,945	–	(8,540)	16,405
Total changes in ownership interests in subsidiaries and other capital transactions	–	3,635	46,033	49,668	–	(115,017)	(65,349)
Total transactions with owners	–	(480,571)	(281,763)	(762,334)	–	(346,876)	(1,109,210)
At 31 December 2018	6,309,496	13,460,921	(817,705)	18,952,712	397,127	13,957,100	33,306,939

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

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2019

	Attributable to owners of the Company					
	Share capital $'000	Revenue reserve $'000	Reserve for own shares $'000	Capital reserves $'000	Equity compensation reserve $'000	Total equity $'000
The Company						
At 1 January 2019	6,309,496	4,257,059	(385,078)	111,282	19,105	10,311,864
Total comprehensive income						
Profit for the year	–	330,305	–	–	–	330,305
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of new shares	3,017,926	–	–	–	–	3,017,926
Issue of treasury shares	–	–	42,853	–	(14,422)	28,431
Dividends paid	–	(501,007)	–	–	–	(501,007)
Share-based payments	–	–	–	–	16,878	16,878
Reclassification of equity compensation reserve	–	(1,705)	–	–	1,705	–
Redemption of convertible bonds	–	18,483	–	(18,483)	–	–
Total transactions with owners	3,017,926	(484,229)	42,853	(18,483)	4,161	2,562,228
At 31 December 2019	9,327,422	4,103,135	(342,225)	92,799	23,266	13,204,397
At 1 January 2018	6,309,496	4,310,421	(78,514)	135,715	19,973	10,697,091
Total comprehensive income						
Profit for the year	–	424,105	–	–	–	424,105
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Purchase of treasury shares	–	–	(341,825)	–	–	(341,825)
Issue of treasury shares	–	–	35,261	–	(8,904)	26,357
Dividends paid	–	(504,087)	–	–	–	(504,087)
Share-based payments	–	–	–	–	10,223	10,223
Reclassification of equity compensation reserve	–	2,187	–	–	(2,187)	–
Redemption of convertible bonds	–	24,433	–	(24,433)	–	–
Total transactions with owners	–	(477,467)	(306,564)	(24,433)	(868)	(809,332)
At 31 December 2018	6,309,496	4,257,059	(385,078)	111,282	19,105	10,311,864

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2019

	2019 $'000	2018 $'000
Cash flows from operating activities		
Profit after tax	3,413,641	2,849,812
Adjustments for:		
Allowance for/(Write-back of):		
– impairment loss on receivables	10,477	10,001
– foreseeable losses	(3,499)	(43,462)
- impairment on interests in associates and joint ventures	18,251	12,454
- impairment of intangible assets	5,263	–
- impairment on property, plant and equipment	8,682	–
Amortisation of intangible assets	18,461	11,165
Depreciation of property, plant and equipment and right-of-use assets	118,418	63,338
Finance costs	839,141	636,495
Loss on disposal and write off of property, plant and equipment	1,682	749
Gain on disposal of investment properties	(124,744)	(120,743)
Interest income	(98,323)	(88,006)
Net change in fair value of investment properties and assets held for sale	(1,163,944)	(677,018)
Net change in fair value of financial instruments	(11,412)	1,646
Net gain from change of ownership interests in subsidiaries, associates and joint ventures	(218,520)	(49,307)
Share of results of associates and joint ventures	(988,775)	(959,407)
Share-based expenses	66,734	50,421
Tax expense	814,828	658,691
	(707,280)	(492,983)
Operating profit before working capital changes	2,706,361	2,356,829
Changes in working capital:		
Trade and other receivables	(144,263)	(489,363)
Development properties for sale	338,357	346,320
Contract assets	24,805	(273,262)
Trade and other payables	52,154	(202,755)
Contract liabilities	(199,094)	(787,809)
Restricted bank deposits	(61,034)	(6,870)
	10,925	(1,413,739)
Cash generated from operations	2,717,286	943,090
Taxation paid	(471,314)	(389,696)
Net cash generated from operating activities	2,245,972	553,394

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2019

	Note	2019 $'000	2018 $'000
Cash flows from investing activities			
Acquisition/Development expenditure of investment properties		(1,009,955)	(1,655,625)
Acquisition of subsidiaries, net of cash acquired	32(b)	(2,543,698)	(1,494,442)
Deposits placed for acquisition of investment properties		–	(65,045)
Deposits received for disposal of investment property/subsidiaries		86,850	5,000
Disposal of subsidiaries, net of cash disposed of	32(d)	1,537,188	106,816
Dividends received from associates and joint ventures		291,405	540,662
Interest income received		90,143	83,687
Investment in other financial assets		(18,241)	(51,025)
Return of investments from associates and joint ventures		101,269	261,301
Proceeds from disposal of investment properties		782,982	760,662
Proceeds from disposal of assets held for sale		386,300	253,936
Proceeds from disposal of property, plant and equipment		6,831	1,092
Purchase of intangible assets and property, plant and equipment		(81,465)	(89,348)
Settlement of hedging instruments		1,284	4,403
Restricted bank deposit for acquisition of a subsidiary		10,590	(17,678)
Net cash used in investing activities		(358,517)	(1,355,604)
Cash flows from financing activities			
Repayment of shareholder loans from non-controlling interests		(7,792)	(49,776)
Contributions from non-controlling interests		593,708	498,378
Dividends paid to non-controlling interests		(825,182)	(724,396)
Distributions to perpetual securities holders		(19,200)	(19,200)
Dividends paid to shareholders		(501,007)	(504,087)
Interest expense paid		(890,764)	(731,691)
(Payments for acquisition)/Proceeds from disposal of ownership interests in subsidiaries with no change in control		(118,370)	9,497
Proceeds from bank borrowings		9,529,542	8,605,165
Proceeds from issuance of debt securities		1,551,841	1,660,672
Proceeds from issue of perpetual securities by subsidiaries		645,579	–
Redemption of perpetual securities by a subsidiary		(150,000)	–
Purchase of treasury shares		–	(341,825)
Repayments of lease liabilities		(63,256)	(2,931)
Repayments of bank borrowings		(9,302,399)	(7,325,266)
Repayments of debt securities and convertible bonds		(1,208,925)	(1,284,031)
Bank deposits withdrawn as pledge for bank facilities		(771)	(7,615)
Net cash used in financing activities		(766,996)	(217,106)
Net increase/(decrease) in cash and cash equivalents		1,120,459	(1,019,316)
Cash and cash equivalents at beginning of the year		5,004,755	6,079,505
Effect of exchange rate changes on cash balances held in foreign currencies		(41,880)	(59,779)
Changes in cash and cash equivalents reclassified to assets held for sale		(21,936)	4,345
Cash and cash equivalents at end of the year	16	6,061,398	5,004,755

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

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 3 March 2020.

1 DOMICILE AND ACTIVITIES

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

Following the issuance of the Company's shares amounting to $3,107.9 million to CLA Real Estate Holdings Pte Ltd in respect of the acquisition of all the issued and paid-up ordinary shares of Ascendas Pte Ltd and Singbridge Pte. Ltd. on 28 June 2019 (note 33), the Company's immediate and ultimate holding companies are CLA Real Estate Holdings Pte Ltd and Temasek Holdings (Private) Limited respectively, both companies incorporated in the Republic of Singapore.

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

The principal activities of the significant subsidiaries are those relating to investment holding, real estate development, investment in real estate financial products and real estate assets, investment advisory and management services as well as management of real estate assets.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (SFRS(I)) and International Financial Reporting Standards (IFRS). SFRS(I) are issued by the Accounting Standards Council and comprise standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB). All references to SFRS(I) and IFRS are subsequently referred to as SFRS(I) in these financial statements unless otherwise stated.

This is the first set of the Group's annual financial statements in which SFRS(I) 16 *Leases* has been applied. The related changes to significant accounting policies are described in note 2.14 and note 41.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

These financial statements are presented in Singapore Dollars, which is the Company's functional currency. All financial information presented in Singapore Dollars have been rounded to the nearest thousand, unless otherwise stated.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

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.

Information about critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 2.6, Note 3(a)	–	classification of investment properties
Note 6	–	consolidation; whether the Group has control over an investee
Note 9	–	recognition of deferred tax assets
Note 2.15	–	revenue recognition: whether revenue from sale of residential units is recognised over time or at point in time
Note 2.2(a), Note 33	–	accounting for acquisitions as business combinations or asset acquisitions

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 4	–	measurement of recoverable amounts of goodwill
Note 5, Note 35	–	determination of fair value of investment properties
Note 11	–	estimation of the progress of completion of the projects' attributable profits for development properties for sale and allowance for foreseeable losses
Note 33	–	determination of fair value of assets, liabilities and contingent liabilities acquired in business combinations
Note 35	–	determination of fair value of financial instruments

The accounting policies set out below have been applied consistently by the Group entities to all periods presented in these financial statements, except as explained in note 2.14 and note 41, which address changes in accounting policies.

2.2 Basis of consolidation

(a) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

Goodwill arising from business combinations are measured as described in note 2.5(a).

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Basis of consolidation (continued)

(a) Business combinations (continued)

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in the profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I). If the business combination is achieved in stages, the Group's previously held equity interest in the acquiree is re-measured to fair value at each acquisition date and any changes are taken to the profit or loss.

Business combinations and property acquisitions

Where a property is acquired, via corporate acquisitions or otherwise, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business.

The Group accounts for an acquisition as business combination where an integrated set of activities is acquired in addition to the property. More specifically, consideration is made of the extent to which strategic management function and significant processes are acquired.

When acquisition of an asset or a group of assets does not constitute a business combination, it is treated as property acquisition. In such cases, the individual identifiable assets acquired and liabilities assumed are recognised. The acquisition cost shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of acquisition. Such a transaction does not give rise to goodwill.

(b) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Basis of consolidation (continued)

(b) Subsidiaries (continued)

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as transactions with owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognised in the profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(c) Associates and joint ventures

Associates are those entities in which the Group has significant influence, but not control, over their financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. Joint ventures are entities over whose activities the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Associates and joint ventures are accounted for using the equity method (collectively referred to as "equity-accounted investees") and are recognised initially at cost. The cost of the investments includes transaction costs. The Group's investments in equity-accounted investees include goodwill identified on acquisition, net of any accumulated impairment losses. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies of the equity-accounted investees with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operation or has made payments on behalf of the investee.

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 2.11. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(d) Joint operations

A joint operation is an arrangement in which the Group has joint control whereby the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement. The Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Basis of consolidation (continued)

(e) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(f) Accounting for subsidiaries, associates and joint ventures by the Company

Investments in subsidiaries, associates and joint ventures are stated in the Company's balance sheet at cost less accumulated impairment losses.

2.3 Foreign currencies

Foreign currency transactions

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the functional currency).

Transactions in foreign currencies are translated to the respective functional currencies of the Group's entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting date are translated to the functional currency at the exchange rate prevailing at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising from translation are recognised in the profit or loss, except for differences arising from the translation of monetary items that in substance form part of the Group's net investment in a foreign operation, financial assets fair value through other comprehensive income and financial liabilities designated as hedges of net investment in a foreign operation (note 2.8) or qualifying cash flow hedges to the extent such hedges are effective, which are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisitions, are translated to Singapore Dollars at exchange rates prevailing at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore Dollars at exchange rates prevailing at the dates of the transactions. Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rates at the reporting date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Foreign currencies (continued)

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is not a wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is transferred to the profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or a joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is transferred to the profit or loss.

Net investment in a foreign operation

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in other comprehensive income and are presented in the translation reserve in equity.

2.4 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Certain of the Group's property, plant and equipment acquired through interests in subsidiaries, are accounted for as acquisition of assets (note 2.2(a)).

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset if it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group and its cost can be measured reliably. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use. Freehold land has unlimited useful life and therefore is not depreciated. Depreciation on property, plant and equipment is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment as follows:

Leasehold land and buildings (excluding serviced residence properties)	Lease period ranging from 25 years to 50 years
Plant, machinery and improvements	1 to 10 years
Motor vehicles	5 years
Furniture, fittings and equipment	1 to 10 years

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Property, plant and equipment (continued)

For serviced residence properties where the residual value at the end of the intended holding period is lower than the carrying amount, the difference in value is depreciated over the Group's intended holding period. The intended holding period (the period from the date of commencement of serviced residence operations to the date of expected strategic divestment of the properties) ranges from three to five years. No depreciation is recognised where the residual value is higher than the carrying amount.

Assets under construction are stated at cost and are not depreciated. Expenditure relating to assets under construction (including borrowing costs) are capitalised when incurred. Depreciation will commence when the development is completed and ready to use.

The assets' residual values, useful lives and depreciation methods are reviewed at each reporting date, and adjusted if appropriate.

2.5 Intangible assets

(a) Goodwill

For business combinations, the Group measures goodwill as at acquisition date based on the fair value of the consideration transferred (including the fair value of any pre-existing equity interest in the acquiree) and the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the amount is negative, a gain on bargain purchase is recognised in the profit or loss. Goodwill is subsequently measured at cost less accumulated impairment losses.

Goodwill arising from the acquisition of subsidiaries is included in intangible assets. Goodwill arising from the acquisition of associates and joint ventures is presented together with interests in associates and joint ventures.

Goodwill is tested annually for impairment as described in note 2.11.

(b) Other intangible assets

Other intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. These are amortised in the profit or loss on a straight-line basis over their estimated useful lives of one to 10 years, from the date on which the assets are available for use.

Other intangible assets with indefinite useful lives are not amortised and are measured at cost less accumulated impairment losses.

2.6 Investment properties and investment properties under development

Investment properties are properties held either to earn rental or for capital appreciation or both. Investment properties under development are properties being constructed or developed for future use as investment properties. Certain of the Group's investment properties acquired through interests in subsidiaries, are accounted for as acquisition of assets (note 2.2(a)).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Investment properties and investment properties under development (continued)

Investment properties and investment properties under development are initially recognised at cost, including transaction costs, and subsequently at fair value with any change therein recognised in the profit or loss. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. The fair value is determined based on internal valuation or independent professional valuation. Independent valuation is also carried out on occurrence of acquisition and on completion of construction of investment property.

When an investment property or investment property under development is disposed of, the resulting gain or loss recognised in the profit or loss is the difference between the net disposal proceed and the carrying amount of the property.

Transfers to, or from, investment properties are made where there is a change in intent and use, evidenced by:

- development with a view to sell, for a transfer from investment properties to development properties for sale;
- commencement of leasing activities for a transfer from development properties for sale to investment properties;
- commencement of owner-occupation, for a transfer from investment properties to property, plant and equipment; and
- end of owner-occupation, for a transfer from property, plant and equipment to investment properties.

2.7 Non-current assets and liabilities held for sale

Non-current assets and liabilities, that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the applicable SFRS(I). Thereafter, the assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment classified as held for sale are not amortised or depreciated. In addition, equity accounting of associates and joint ventures ceases once the investments are classified as held for sale.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Financial instruments

(a) Non-derivative financial assets

Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVTPL).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

At initial recognition

A financial asset is recognised if the Group becomes a party to the contractual provisions of the financial asset.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(i) Financial assets at amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method.

(ii) Financial assets at FVOCI

Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in OCI and accumulated in fair value reserve, except for the recognition of impairment, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other operating income and expenses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Financial instruments (continued)

(a) Non-derivative financial assets (continued)

At subsequent measurement *(continued)*

(ii) Financial assets at FVOCI *(continued)*

The Group has elected to recognise changes in fair value of equity securities not held for trading in OCI as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of equity investments classified as FVOCI are presented as "fair value gains/losses" in OCI. Dividends from equity investments are recognised in profit or loss as dividend income. On disposal of an equity investment, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in OCI relating to that asset.

(iii) Financial assets at FVTPL

Financial assets that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVTPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other operating income".

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents.

(c) Non-derivative financial liabilities

The Group initially recognises debt securities issued on the date that they are originated. Financial liabilities for contingent consideration payable in a business combination are recognised at the acquisition date. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

A financial liability is classified as fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognised in profit or loss.

The Group classifies non-derivative financial liabilities under the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method. Other financial liabilities comprise loans, borrowings, debt securities and trade and other payables.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Financial instruments (continued)

(d) Derecognition

Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial assets to another party without retaining control or transfers substantially all the risks and rewards of the assets. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

(e) Offsetting

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(f) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates each hedge as either: (a) fair value hedge; (b) cash flow hedge; or (c) net investment hedge.

On initial designation of the derivative as the hedging instrument, the Group formally documents the economic relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Financial instruments (continued)

(f) Derivative financial instruments and hedge accounting (continued)

Specific policies applicable from 1 January 2019 for hedges directly affected by interbank offer rates (IBOR) reform

A fundamental review and reform of major interest rate benchmarks is being undertaken globally. There is uncertainty as to the timing and the methods of transition for replacing existing benchmark interbank offered rates (IBORs) with alternative rates. In Singapore, the fundamental review and reform of the two key Singapore Dollar interest rate benchmarks that are widely referenced in financial contracts, namely Singapore interbank offered rates (SIBORs) and Singapore swap offer rates (SORs), and the transition from SOR to the Singapore Overnight Rate Average (SORA), is also ongoing.

The Group early adopted the principles of the amendments to SFRS(I) 9, SFRS(I) 1- 39 and SFRS (I) 7 issued in December 2019 in relation to the project on interest rate benchmark reform ("the amendments").

A hedging relationship is directly affected by the uncertainties arising from the IBOR reform with respect to the hedged risk and the timing and amount of the interest rate benchmark-based cash flows of the hedged item and hedge instruments. For the purpose of evaluating whether the hedging relationship is expected to be highly effective (i.e. prospective effectiveness assessment), the Group assumes that the benchmark interest rate on which the cash flows are based is not altered as a result of IBOR reform.

The Group will cease to apply the amendments to its effectiveness assessment of the hedging relationship at the earlier of, when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the hedged risk and the timing and the amount of the interest rate benchmark-based cash flows of the hedged item and hedging instrument; and when the hedging relationship is discontinued.

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

Where the hedged forecast transaction subsequently results in the recognition of a non-financial item, such as inventory, the amounts recognised as OCI is included in the initial cost of the non-financial item.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Financial instruments (continued)

(f) Derivative financial instruments and hedge accounting (continued)

Cash flow hedges *(continued)*

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

Fair value hedges

The firm commitment of contracts entered into with various customers denominated in foreign currencies are designated as the hedged item. The Group uses foreign currency forwards to hedge its exposure to foreign currency risk arising from these contracts. Under the Group's policy, the critical terms of the forward exchange contracts must align with the hedged items. The Group designates the spot component of forward contracts as the hedging instrument. The fair value changes on the hedged item resulting from currency risk are recognised in profit or loss. The fair value changes on the spot of the currency forwards designated as fair value hedges are recognised in profit or loss within the same line item as the fair value changes from the hedged item. The fair value changes on the ineffective portion of currency forwards are recognised in profit or loss and presented separately in "other operating income or expenses".

Net investment hedge

The Group designates certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss on disposal of the foreign operation.

Separable embedded derivatives

Changes in the fair value of separated embedded derivatives are recognised immediately in the profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Financial instruments (continued)

(f) Derivative financial instruments and hedge accounting (continued)

Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in the profit or loss.

(g) Convertible bonds

Convertible bonds that can be converted into share capital where the number of shares issued does not vary with changes in the fair value of the bonds are accounted for as compound financial instruments. The gross proceeds of the convertible bonds issued (including any directly attributable transaction costs) are allocated to the equity and liability components, with the equity component being assigned the residual amount after deducting the fair value of the liability component from the fair value of the compound financial instrument.

Subsequent to initial recognition, the liability component of convertible bonds is measured at amortised cost using the effective interest method. The equity component of convertible bonds is not re-measured. When the conversion option is exercised, the carrying amount of the liability and equity components will be transferred to the share capital. When the conversion option lapses, the carrying amount of the equity component will be transferred to revenue reserve.

When a convertible bond is being repurchased before its maturity date, the purchase consideration (including directly attributable costs, net of tax effects) is allocated to the liability and equity components of the convertible bond at the date of transaction. Any resulting gain or loss relating to the liability component is recognised in the profit or loss. In an exchange of convertible bond, the difference between the net proceeds of new convertible bond and the carrying value of the existing convertible bond (including its equity component) is recognised in the profit or loss.

(h) Perpetual securities

The perpetual securities do not have a maturity date and distribution payment is optional at the discretion of the Group. As the Group does not have a contractual obligation to repay the principal nor make any distributions, perpetual securities are classified as a separate class of equity.

Any distributions made are directly debited from total equity. Incremental costs directly attributable to the issue of the perpetual securities are deducted against the proceeds from the issue.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Financial instruments (continued)

(i) Financial guarantees

Financial guarantee contracts are classified as financial liabilities unless the Group has previously asserted explicitly that it regards such contracts as insurance contracts and accounted for them as such.

Financial guarantees classified as financial liabilities

Such financial guarantees are recognised initially at fair value and are classified as financial liabilities. Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the amount of loss allowance. When financial guarantees are terminated before their original expiry date, the carrying amount of the financial guarantees is transferred to the profit or loss.

Financial guarantees classified as insurance contracts

These financial guarantees are accounted for as insurance contracts. Provision is recognised based on the Group's estimates of the ultimate cost of settling all claims incurred but unpaid at the end of the reporting period.

The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

(j) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses (ECL) associated with its financial assets carried at amortised cost and FVOCI, contract assets and financial guarantee contracts. For trade receivables, lease receivables and contract assets, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group applies the general approach of 12-month ECL at initial recognition for all other financial assets and financial guarantee contracts.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares and options are recognised as a deduction from equity.

Where share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in reserve for own shares account. Where treasury shares are subsequently reissued, sold or cancelled, the consideration received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

2.10 Development properties for sale and stocks

Development properties are measured at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in selling the property. The write-down to net realisable value is presented as allowance for foreseeable losses.

The cost of development properties comprises specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure.

When the development properties for sale are being transferred to investment property, any difference between the fair value of the property and its previous carrying amount at the date of transfer is recognised in profit or loss.

2.11 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, development properties for sale and stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives, the recoverable amount is estimated at each reporting date, and as and when indicators of impairment are identified, an impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGU that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the CGU on a *pro-rata* basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Impairment of non-financial assets (continued)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate or a joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate or a joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate or a joint venture may be impaired.

2.12 Employee benefits

All short term employee benefits, including accumulated compensated absences, are measured on an undiscounted basis and are recognised in the period in which the employees render their services.

The Group's obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value.

A provision is recognised for the amount expected to be paid under cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Contributions to post-employment benefits under defined contribution plans are recognised as an expense in profit or loss in the period during which the related services are rendered by employees.

Share-based payments

For equity-settled share-based payment transactions, the fair value of the services received is recognised as an expense with a corresponding increase in equity over the vesting period during which the employees become unconditionally entitled to the equity instrument. The fair value of the services received is determined by reference to the fair value of the equity instrument granted at the grant date. At each reporting date, the number of equity instruments that are expected to be vested are estimated. The impact on the revision of original estimates is recognised as an expense and as a corresponding adjustment to equity over the remaining vesting period, unless the revision to original estimates is due to market conditions. No adjustment is made if the revision or actual outcome differs from the original estimate due to market conditions.

For cash-settled share-based payment transactions, the fair value of the goods or services received is recognised as an expense with a corresponding increase in liability. The fair value of the services received is determined by reference to the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Provision

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

A provision for onerous contract is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with the contract.

2.14 Leases

Policy applicable from 1 January 2019

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use assets and a lease liability at the lease commitment date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the leases liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use assets is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end if the lease term or the cost of the right-of-use assets reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including office equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Leases (continued)

Policy applicable from 1 January 2019 *(continued)*

(ii) As a lessor

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group leases out its investment property, including own property and right-of-use assets. The Group has classified these leases as operating leases.

The Group recognises lease payments received from investment property under operating leases as rental income on a straight-line basis over the lease term as part of "revenue". Rental income from sub-leased property is recognised as "other income".

Policy applicable before 1 January 2019

At inception, an arrangement that contains a lease is accounted for as such based on the terms and conditions even though the arrangement is not in the legal form of a lease.

When entities within the Group are lessees of a finance lease

Leased assets in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, property, plant and equipment acquired through finance leases are capitalised at the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Leased assets are depreciated over the shorter of the lease term and their useful lives. Lease payments are apportioned between finance expense and reduction of the lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest over the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

When entities within the Group are lessees of an operating lease

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease payments made. Contingent rentals are charged to the profit or loss in the accounting period in which they are incurred.

When entities within the Group are lessors of an operating lease

Assets subject to operating leases are included in either property, plant and equipment (note 2.4) or investment properties (note 2.6).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Revenue recognition

Rental income

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised as an integral part of the total rental income to be received. Contingent rentals are recognised as income in the accounting period in which they are earned.

Development properties for sale

The Group develops and sells residential projects to customers through fixed-price contracts. Revenue is recognised when the control over the residential project has been transferred to the customer. At contract inception, the Group assesses whether the Group transfers control of the residential project over time or at a point in time by determining if (a) its performance does not create an asset with an alternative use to the Group; and (b) the Group has an enforceable right to payment for performance completed to date.

The residential projects have no alternative use for the Group due to contractual restriction, and the Group has enforceable rights to payment arising from the contractual terms. For these contracts, revenue is recognised over time by reference to the Group's progress towards completing the construction of the residential project. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

For certain contracts where the Group does not have enforceable right to payment, revenue is recognised only when the completed residential project is delivered to the customers and the customers have accepted it in accordance with the sales contract.

Under certain payment schemes, the time when payments are made by the buyer and the transfer of control of the property to the buyer do not coincide and where the difference between the timing of receipt of the payments and the satisfaction of a performance obligation is 12 months or more, the entity adjusts the transaction price with its customer and recognises a financing component. In adjusting for the financing component, the entity uses a discount rate that would reflect that of a separate financing transaction between the entity and its customer at contract inception. A finance income or finance expense will be recognised depending on the arrangement. The Group has elected to apply the practical expedient not to adjust the transaction price for the existence of significant financing component when the period between the transfer of control of good or service to a customer and the payment date is 12 months or less.

Revenue is measured at the transaction price agreed under the contract. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The customer is invoiced on a payment schedule and are typically triggered upon achievement of specified construction milestones. If the value of the goods transferred by the Group exceed the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Revenue recognition (continued)

For costs incurred in fulfilling the contract, Group will capitalise these as contract costs assets only if (a) these cost relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these cost generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue over time. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

Financial advisory and management fee

Financial advisory and management fee is recognised as and when the service is rendered.

Dividends

Dividend income is recognised on the date that the Group's right to receive payment is established.

Interest income

Interest income is recognised as it accrues, using the effective interest rate method.

2.16 Finance costs

Borrowing costs are recognised in the profit or loss using the effective interest rate method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

2.17 Tax

Income tax expense comprises current and deferred tax expense, as well as land appreciation tax in China. Income tax expense is recognised in the profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Tax (continued)

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Land appreciation tax in China relates to the gains arising from the transfer of land use right and the buildings that are constructed on the land. Land appreciation tax is levied from 30% to 60% on gain on sale of landed properties with reference to the percentage of appreciated value over the deductible expenditure.

2.18 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to owners of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise issued convertible bonds and share plans granted to employees.

2.19 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the CapitaLand Management Council that makes strategic resource allocation decisions. The Council comprises the Group Chief Executive Officer (CEO), all Presidents and/or CEOs of business units and key management officers of the Corporate Office.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss is re-presented as if operation had been discontinued from the start of the comparative year.

3 PROPERTY, PLANT AND EQUIPMENT

	The Group		The Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Property, plant and equipment owned	1,058,980	752,655	2,892	3,042
Right-of-use assets classified within property, plant and equipment	209,537	–	44,236	–
	1,268,517	752,655	47,128	3,042

Property, plant and equipment owned

	Serviced residence properties $'000	Land and buildings $'000	Plant, machinery and improvements $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Assets under construction $'000	Total $'000
The Group							
Cost							
At 1 January 2019	280,136	322,485	53,147	12,240	477,374	21,322	1,166,704
Translation differences	380	(11,248)	(2,934)	(390)	(8,103)	(478)	(22,773)
Additions	–	2,439	4,658	549	39,050	20,421	67,117
Acquisition of subsidiaries	–	545,805	46,525	183	34,853	9,034	636,400
Disposal of subsidiaries	–	(4,692)	(5,041)	(86)	(10,553)	–	(20,372)
Disposals/Written off	–	–	(4,756)	(55)	(21,720)	(698)	(27,229)
Reclassification to other categories of assets	(286,677)	153	(1,172)	(31)	(12,846)	(4,006)	(304,579)
Reclassifications	–	1,833	5,245	–	12,115	(19,193)	–
Revaluation surplus	6,161	–	–	–	–	–	6,161
At 31 December 2019	–	856,775	95,672	12,410	510,170	26,402	1,501,429

3 PROPERTY, PLANT AND EQUIPMENT (continued)

Property, plant and equipment owned *(continued)*

	Note	Serviced residence properties $'000	Land and buildings $'000	Plant, machinery and improvements $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Assets under construction $'000	Total $'000
The Group								
Accumulated depreciation and impairment loss								
At 1 January 2019		4,685	44,982	37,531	10,533	316,318	–	414,049
Translation differences		6	(1,719)	(1,932)	(349)	(5,048)	–	(9,042)
Depreciation for the year	28(c)(ii)	–	15,890	10,690	806	52,839	–	80,225
Disposal of subsidiaries		–	(279)	(3,434)	(73)	(5,533)	–	(9,319)
Disposals/Written off		–	–	(3,600)	(166)	(20,220)	–	(23,986)
Reclassification to other categories of assets		(4,691)	–	(1,314)	(31)	(12,124)	–	(18,160)
Impairment		–	8,123	162	–	375	22	8,682
Reclassifications		–	–	7	–	(7)	–	–
At 31 December 2019		–	66,997	38,110	10,720	326,600	22	442,449
Carrying amounts								
At 1 January 2019		275,451	277,503	15,616	1,707	161,056	21,322	752,655
At 31 December 2019		–	789,778	57,562	1,690	183,570	26,380	1,058,980

	Serviced residence properties $'000	Land and buildings $'000	Plant, machinery and improvements $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Assets under construction $'000	Total $'000
The Group							
Cost							
At 1 January 2018	339,411	322,666	52,420	12,353	473,290	26,296	1,226,436
Translation differences	(6,780)	(4,572)	(4,554)	(239)	(2,676)	(116)	(18,937)
Additions	1,582	1,173	8,354	512	29,213	25,228	66,062
Acquisition of subsidiaries	–	–	905	49	639	–	1,593
Disposal of subsidiaries	–	–	–	–	(490)	–	(490)
Disposals/Written off	(453)	–	(2,496)	(448)	(17,951)	(191)	(21,539)
Reclassification to other categories of assets	(53,624)	(598)	(4,330)	–	(4,122)	(23,747)	(86,421)
Reclassifications	–	3,816	2,848	13	(529)	(6,148)	–
At 31 December 2018	280,136	322,485	53,147	12,240	477,374	21,322	1,166,704

3 PROPERTY, PLANT AND EQUIPMENT (continued)

Property, plant and equipment owned (continued)

	Note	Serviced residence properties $'000	Land and buildings $'000	Plant, machinery and improvements $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Assets under construction $'000	Total $'000
The Group								
Accumulated depreciation and impairment loss								
At 1 January 2018		5,672	37,894	33,732	10,405	298,712	–	386,415
Translation differences		(69)	(92)	(789)	(250)	(6,756)	–	(7,956)
Depreciation for the year	28(c)(ii)	1,281	7,711	7,427	822	46,097	–	63,338
Disposal of subsidiaries		–	–	–	–	(397)	–	(397)
Disposals/Written off		(28)	–	(2,831)	(444)	(17,040)	–	(20,343)
Reclassification to other categories of assets		(2,171)	(531)	(1)	–	(4,305)	–	(7,008)
Reclassifications		–	–	(7)	–	7	–	–
At 31 December 2018		4,685	44,982	37,531	10,533	316,318	–	414,049
Carrying amounts								
At 1 January 2018		333,739	284,772	18,688	1,948	174,578	26,296	840,021
At 31 December 2018		275,451	277,503	15,616	1,707	161,056	21,322	752,655

(a) The classification of lodging properties as property, plant and equipment or investment properties is based on the level of ancillary services, length of stay, amongst other factors. During the year, the Group evaluated and reclassified a serviced residence property in United Kingdom to investment properties based on the fair value obtained from independent professional valuation and a gain of $6.2 million was recognised in equity.

(b) As at 31 December 2019, certain property, plant and equipment with carrying value totalling approximately $23.9 million (2018: $158.6 million) were mortgaged to banks to secure credit facilities for the Group (note 19).

3 PROPERTY, PLANT AND EQUIPMENT (continued)

Property, plant and equipment owned *(continued)*

(c) For serviced residence properties where the residual value at the end of the intended holding period is lower than the carrying amount, the difference in value is depreciated over the Group's intended holding period. No depreciation is recognised where the residual value is higher than the carrying amount.

Residual values of serviced residence properties at the end of the intended holding period are determined based on annual independent professional valuations using discounted cashflow method. Residual value is the estimated amount that the Group would obtain from the disposal of a property if the property is already of the age and in the condition expected at the date when the Group has the intention to dispose that property. The key assumptions used to determine the residual values of serviced residence properties include market corroborated capitalisation rate, terminal yield rate, discount rate and revenue per available unit (RevPau). In relying on valuation reports, management is satisfied that the valuation methods and estimates are reflective of current market conditions.

Hotel properties are measured at cost less accumulated depreciation and accumulated impairment losses. During the financial year ended 31 December 2019, an impairment loss of $6.2 million was recognised for hotel properties as the net carrying value of the assets exceed the recoverable amount. Recoverable amount was determined based on the independent professional valuation using discounted cashflow method and fair value measurement is categorised as Level 3 on the fair value hierarchy.

Details of valuation techniques and significant unobservable inputs are set out in the table below.

Type	Valuation method	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
2019: Hotel properties in Australia (2018: Serviced residence property in United Kingdom)	Discounted cashflow approach	– Discount rate: 2019: 7.8% to 8.5% (2018: 6.5%) – Terminal yield rate: 6.0% to 6.8% (2018: 4.5%) – RevPau: $113 to $220 (2018: $314) – Occupancy rate: 2019: 80.0% to 92.0% (2018: 81.0%)	The estimated fair value varies inversely against the discount rate and terminal yield rate and increases with higher RevPau and higher occupancy rates.

3 PROPERTY, PLANT AND EQUIPMENT (continued)

***Property, plant and equipment owned** (continued)*

	Note	Renovations and improvements $'000	Furniture, fittings and equipment $'000	Motor vehicles $'000	Assets under construction $'000	Total $'000
The Company						
Cost						
At 1 January 2019		2,049	9,582	2	–	11,633
Additions		–	164	422	–	586
Disposals/Written off		–	(426)	–	–	(426)
At 31 December 2019		2,049	9,320	424	–	11,793
Accumulated depreciation and impairment loss						
At 1 January 2019		1,981	6,608	2	–	8,591
Depreciation for the year	28(c)(ii)	43	396	84	–	523
Disposals/Written off		–	(213)	–	–	(213)
At 31 December 2019		2,024	6,791	86	–	8,901
Carrying amounts						
At 1 January 2019		68	2,974	–	–	3,042
At 31 December 2019		25	2,529	338	–	2,892
Cost						
At 1 January 2018		2,358	22,731	354	14,499	39,942
Additions		36	336	–	–	372
Disposals/Written off	(a)	(345)	(13,485)	(352)	(14,499)	(28,681)
At 31 December 2018		2,049	9,582	2	–	11,633
Accumulated depreciation and impairment loss						
At 1 January 2018		2,204	18,340	354	–	20,898
Depreciation for the year	28(c)(ii)	115	833	–	–	948
Disposals/Written off		(338)	(12,565)	(352)	–	(13,255)
At 31 December 2018		1,981	6,608	2	–	8,591
Carrying amounts						
At 1 January 2018		154	4,391	–	14,499	19,044
At 31 December 2018		68	2,974	–	–	3,042

(a) In 2018, the Company disposed IT equipment and software under development at their carrying amount to a subsidiary.

3 PROPERTY, PLANT AND EQUIPMENT (continued)

Right-of-use assets classified within property, plant and equipment

	Note	Buildings $'000	Plant and machinery $'000	Motor vehicles $'000	Total $'000
The Group					
Cost					
Adoption of SFRS(I) 16 at 1 January 2019		169,862	96	1,066	171,024
Translation differences		(245)	–	–	(245)
Additions		64,198	20	243	64,461
Acquisition of subsidiaries	32(b)	76,380	–	–	76,380
Disposal of subsidiaries		–	(33)	–	(33)
Written off		(2,216)	(23)	(813)	(3,052)
At 31 December 2019		307,979	60	496	308,535
Accumulated depreciation					
Adoption of SFRS(I) 16 at 1 January 2019		62,830	–	–	62,830
Translation differences		(1,864)	–	–	(1,864)
Depreciation for the year	28(c)(ii)	38,007	52	134	38,193
Disposal of subsidiaries		–	(3)	–	(3)
Written off		(158)	–	–	(158)
At 31 December 2019		98,815	49	134	98,998
Carrying amounts					
At 31 December 2019		209,164	11	362	209,537

	Note	Buildings $'000	Furniture fittings and equipment $'000	Total $'000
The Company				
Cost				
Adoption of SFRS(I) 16 at 1 January 2019 and 31 December 2019		55,216	30	55,246
Accumulated depreciation				
At 1 January 2019		–	–	–
Depreciation for the year	28(c)(ii)	10,980	30	11,010
At 31 December 2019		10,980	30	11,010
Carrying amounts				
At 31 December 2019		44,236	–	44,236

4 INTANGIBLE ASSETS

	Note	Goodwill $'000	Management contracts $'000	Others^ $'000	Total $'000
The Group					
Cost					
At 1 January 2019		612,756	–	173,379	786,135
Additions		–	–	10,682	10,682
Acquisition of subsidiaries	32(b)	49,565	314,495	–	364,060
Disposal of subsidiaries		(13,715)	–	(3,626)	(17,341)
Written off		–	–	(17,207)	(17,207)
Reclassification from other categories of assets		–	–	4,464	4,464
Translation differences		(602)	(1,286)	(445)	(2,333)
At 31 December 2019		648,004	313,209	167,247	1,128,460
Accumulated amortisation and impairment loss					
At 1 January 2019		78,132	–	73,288	151,420
Amortisation for the year	28(c)(ii)	–	–	18,461	18,461
Impairment for the year	28(c)(iii)	–	–	5,263	5,263
Disposal of subsidiaries		(13,715)	–	(3,577)	(17,292)
Written off		–	–	(17,150)	(17,150)
Reclassification from other categories of assets		–	–	110	110
Translation differences		(269)	–	(164)	(433)
At 31 December 2019		64,148	–	76,231	140,379
Carrying amounts					
At 1 January 2019		534,624	–	100,091	634,715
At 31 December 2019		583,856	313,209	91,016	988,081
Cost					
At 1 January 2018		598,131	–	105,942	704,073
Additions		–	–	25,394	25,394
Acquisition of subsidiaries	32(b)	19,086	–	27,756	46,842
Disposals/Written off		(4,385)	–	(441)	(4,826)
Reclassification from other categories of assets		–	–	14,611	14,611
Translation differences		(76)	–	117	41
At 31 December 2018		612,756	–	173,379	786,135
Accumulated amortisation and impairment loss					
At 1 January 2018		78,542	–	62,236	140,778
Amortisation for the year	28(c)(ii)	–	–	11,165	11,165
Acquisition of subsidiaries		–	–	84	84
Disposals/Written off		–	–	(72)	(72)
Reclassification from other categories of assets		–	–	13	13
Translation differences		(410)	–	(138)	(548)
At 31 December 2018		78,132	–	73,288	151,420
Carrying amounts					
At 1 January 2018		519,589	–	43,706	563,295
At 31 December 2018		534,624	–	100,091	634,715

^ Others comprise trademarks, software and licences and club memberships.

4 INTANGIBLE ASSETS (continued)

	Note	Software $'000	Club memberships $'000	Total $'000
The Company				
Cost				
At 1 January 2019		365	147	512
Additions		144	–	144
At 31 December 2019		509	147	656
Accumulated amortisation				
At 1 January 2019		107	–	107
Amortisation for the year	28(c)(ii)	113	–	113
At 31 December 2019		220	–	220
Carrying amounts				
At 1 January 2019		258	147	405
At 31 December 2019		289	147	436
Cost				
At 1 January 2018		43,648	147	43,795
Additions		13	–	13
Disposals	(a)	(43,296)	–	(43,296)
At 31 December 2018		365	147	512
Accumulated amortisation				
At 1 January 2018		23,480	–	23,480
Amortisation for the year	28(c)(ii)	72	–	72
Disposals		(23,445)	–	(23,445)
At 31 December 2018		107	–	107
Carrying amounts				
At 1 January 2018		20,168	147	20,315
At 31 December 2018		258	147	405

(a) In 2018, the Company disposed software at their carrying amount to a subsidiary.

4 INTANGIBLE ASSETS (continued)

(a) Impairment test for goodwill

The key assumptions used in the estimation of the recoverable amount are set below:

	<—— Key assumptions ——>					
	Terminal growth rates		Discount rates		Carrying value	
	2019	2018	2019	2018	2019	2018
	%	%	%	%	$'000	$'000
The Ascott Limited (Ascott)	2.6	1.4	6.2	5.5	416,706	416,706
A serviced residence in London	2.0	2.0	5.8	6.5	14,923	14,906
Synergy Global Housing	2.0	4.0	10.0	8.6	27,296	27,493
TAUZIA Hotel Management (TAUZIA)	3.0	6.0	14.0	14.3	19,036	19,189
CapitaLand Mall Trust					56,330	56,330
ASB	1.0	–	5.9	–	49,565	–
At 31 December					583,856	534,624

Ascott, a serviced residence in London, Synergy Global Housing and TAUZIA

The recoverable amounts of the CGUs are determined based on value in use calculations. The value in use calculation is a discounted cash flow model using cash flow projections based on the most recent forecasts approved by management covering three to five years. Cash flows beyond these periods are extrapolated using the estimated terminal growth rates stated in the table above. The discount rates applied are the weighted average cost of capital from the relevant business segments. The key assumptions are those relating to expected changes in average rental and occupancy rates and direct costs. The terminal growth rates used for each CGU are within management's expectation of the long term average growth rates of the respective industry and countries in which the CGUs operate.

CapitaLand Mall Trust

The recoverable amount of the CGU is determined based on the higher of its value in use and its quoted market price. As at 31 December 2019, the recoverable amount based on quoted market price is higher than its carrying amount.

ASB

As disclosed in note 33, goodwill of $49.6 million is recorded on the acquisition of ASB arising from excess purchase consideration paid over the fair value of its identifiable net assets and attributed to the fund management business acquired (CGU). The recoverable amount of the CGU is determined based on value in use calculations. The value in use calculation is a discounted cash flow model using cash flow projections based on the most recent forecasts approved by management covering three years. Cash flows beyond these periods are extrapolated using the estimated terminal growth rate of 1.0%. The discount rate of 5.9% is applied using the weighted average cost of capital from the relevant business segment. Management has assessed that the recoverable amount to be higher than its carrying amount.

4 INTANGIBLE ASSETS (continued)

(b) Management contracts

These relate to the management contracts entered into between subsidiary companies and Ascendas Real Estate Investment Trust and Ascendas India Trust. These contracts are deemed to have indefinite useful lives and are measured at cost less accumulated impairment losses.

The recoverable amount of the CGU is determined based on value in use calculations. Cash flow projections used in these calculations are based on financial forecasts covering a 10-year period. The 10-year forecast is reviewed, updated and approved by management on an annual basis. Cash flows beyond the 10-year period are extrapolated using the discount rates of 12.5% to 15.1% and growth rates of 1.0% to 3.0%. The Group has assessed and determined that no impairment in the value of management contracts has arisen.

5 INVESTMENT PROPERTIES

	Note	The Group 2019 $'000	The Group 2018 $'000
At 1 January		39,445,960	36,479,434
Recognition of right-of-use asset on initial application of SFRS(I) 16	41	436,175	–
Adjusted balance at 1 January 2019		39,882,135	36,479,434
Acquisition of subsidiaries	32(b)	9,115,132	1,409,988
Disposal of subsidiaries	32(d)	(1,618,548)	(78,650)
Additions		1,334,680	2,093,188
Disposals		(669,478)	(648,262)
Reclassification to assets held for sale		(274,550)	(254,080)
Reclassifications from/(to) development properties for sale		(63,815)	19,775
Reclassification from property, plant and equipment		279,978	58,619
Changes in fair value		966,340	677,018
Translation differences		(219,977)	(311,070)
At 31 December		48,731,897	39,445,960

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

5 INVESTMENT PROPERTIES (continued)

The valuers have considered valuation techniques including the direct comparison method, capitalisation approach, discounted cash flows and residual method in arriving at the open market value as at the balance sheet date. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. In the residual method of valuation, the total gross development costs and developer's profit are deducted from the gross development value to arrive at the residual value of land. The gross development value is the estimated value of the property assuming satisfactory completion of the development as at the date of valuation. Details of valuation methods and key assumptions used to estimate the fair values of investment properties are set out in note 35.

(b) The Group's investment properties which are classified under Level 3 are analysed as below:

	Shopping malls $'000	Commercial $'000	Integrated developments $'000	Lodging $'000	Business park, industrial & logistics $'000	Total $'000
The Group						
31 December 2019						
Singapore	9,640,844	3,865,804	9,349,937	1,077,567	2,315,973	26,250,125
China (includes Hong Kong)	4,899,888	1,004,869	3,354,678	992,783	586,186	10,838,404
Others*	2,198,003	2,045,196	362,286	6,735,615	302,268	11,643,368
	16,738,735	6,915,869	13,066,901	8,805,965	3,204,427	48,731,897
31 December 2018						
Singapore	9,673,000	3,141,300	8,968,000	739,195	–	22,521,495
China (includes Hong Kong)	4,292,108	575,652	1,529,794	1,389,301	–	7,786,855
Others*	2,148,940	1,493,352	312,547	5,182,771	–	9,137,610
	16,114,048	5,210,304	10,810,341	7,311,267	–	39,445,960

* Others include countries in Asia (excluding Singapore, China and Hong Kong), Europe, United States of America and Australia.

(c) As at 31 December 2019, investment properties valued at $3,351.5 million (2018: $2,123.1 million) were under development.

(d) As at 31 December 2019, certain investment properties with carrying value of approximately $18,040.9 million (2018: $12,793.4 million) were mortgaged to banks to secure credit facilities (notes 19 and 20) and under finance lease arrangements for the Group.

(e) During the financial year ended 31 December 2019, interest capitalised as cost of investment properties amounted to approximately $46.3 million (2018: $36.4 million) (note 28(d)).

5 INVESTMENT PROPERTIES (continued)

(f) Investment properties of the Group are held mainly for use by tenants under operating leases. Minimum lease payments receivable under non-cancellable operating leases of investment properties and not recognised in the financial statements are as follows:

	The Group	
	2019 $'000	2018 $'000
Lease rentals receivable:		
Not later than 1 year	2,036,821	1,744,784
Between 1 and 5 years	3,610,953	2,738,364
After 5 years	1,719,609	1,159,125
	7,367,383	5,642,273

(g) Contingent rents, representing income based on sales turnover achieved by tenants, amounted to $91.1 million for the year (2018: $84.0 million).

(h) The right-of-use of the land and buildings are classified as investment properties and has carrying amount of $461.4 million as at 31 December 2019.

6 SUBSIDIARIES

			The Company	
		Note	2019 $'000	2018 $'000
(a)	Unquoted shares, at cost		11,126,510	6,393,908
	Less:			
	Allowance for impairment loss		(151,127)	(151,105)
			10,975,383	6,242,803
	Add:			
	Amounts due from subsidiaries, at amortised cost:			
	Loan accounts (unsecured)			
	– interest bearing		1,176,000	1,499,250
	– interest free		3,443,450	4,401,860
	Less:			
	Allowance for impairment loss on receivables	34	(83,679)	(83,602)
			4,535,771	5,817,508
			15,511,154	12,060,311

During the year, the Group acquired all the issued and paid-up ordinary shares of Ascendas Pte Ltd and Singbridge Pte. Ltd., respectively, for a total consideration of $6,035.9 million. More information on the acquisition is set out in note 33.

(i) Loans due from subsidiaries are unsecured and not expected to be repaid within the next twelve months.

(ii) As at 31 December 2019, the effective interest rates for amounts due from subsidiaries ranged from 1.95% to 2.95% (2018: 1.85% to 2.80%) per annum.

6 SUBSIDIARIES (continued)

(iii) Movements in allowance for impairment loss were as follows:

	Note	The Company 2019 $'000	2018 $'000
At 1 January		(151,105)	(169,118)
Allowance during the year		(23)	(9)
Reversal of allowance during the year	28(a)	1	18,022
At 31 December		(151,127)	(151,105)

(iv) The Company's exposure to credit risk on the amounts due from subsidiaries is disclosed in note 34.

(b) The significant subsidiaries directly and indirectly held by the Company, which are incorporated and conducting business in the Republic of Singapore, are as set out below:

Name of Company	Effective interest 2019 %	2018 %
CapitaLand China Holdings Pte Ltd[1]	100	100
CapitaLand VN Limited	100	100
CapitaLand China Investments Limited	100	100
CapitaLand Singapore (R&R) Limited (formerly known as CapitaLand Singapore Limited)	100	100
CapitaLand Treasury Limited	100	100
CapitaLand Mall Asia Limited	100[2]	100[2]
CapitaLand Business Services Pte Ltd	100	100
The Ascott Limited	100	100
CapitaLand Financial Limited	100	100
CapitaLand International Pte Ltd	100	100
Ascendas Pte Ltd	100	–

All the above subsidiaries are audited by KPMG LLP Singapore.

1 Indirectly held through CapitaLand China Investments Limited.
2 Includes 15.2% (2018: 15.2%) interest indirectly held through CapitaLand Business Services Pte Ltd.

6 SUBSIDIARIES (continued)

(c) Determining whether the Group has control over the REITs it manages requires management judgement. In exercising its judgement, management considers the proportion of its ownership interest and voting rights, the REIT managers' decision making authority over the REITs as well as the Group's overall exposure to variable returns, both from the REIT managers' remuneration and their interests in the REITs.

The Group assesses that it controls CapitaLand Commercial Trust (CCT), CapitaLand Malaysia Mall Trust (CMMT), Ascott Residence Trust (ART), CapitaLand Mall Trust (CMT) and CapitaLand Retail China Trust (CRCT) (collectively referred to as REITs), although the Group owns less than half of the ownership interest and voting power of the REITs.

The activities of the REITs are managed by the Group's wholly-owned subsidiaries, namely CapitaLand Commercial Trust Management Limited, CapitaLand Malaysia Mall REIT Management Sdn Bhd, Ascott Residence Trust Management Limited, CapitaLand Mall Trust Management Limited and CapitaLand Retail China Trust Management Limited (collectively referred to as REIT Managers). REIT Managers have decision-making authority over the REITs, subject to oversight by the trustee of the respective REITs. The Group's overall exposure to variable returns, both from the REIT Managers' remuneration and the interests in the REITs, is significant and any decisions made by the REIT Managers affect the Group's overall exposure.

On 3 July 2019, ART and Ascendas Hospitality Trust (A-HTRUST) jointly announced a proposed combination to be effected by way of a trust scheme of arrangement with ART acquiring all the A-HTRUST stapled units for consideration of $1,235.4 million, comprising of $61.8 million in cash and $902.8 million new Ascott Reit-BT stapled units issued at a price of $1.30. The proposed combination was completed on 31 December 2019 and the Group's stake in ART was diluted from 44.7% to 40.1%.

(d) The following subsidiaries of the Group have material non-controlling interests (NCI):

Name of Company	Principal place of business	Effective interest held by NCI 2019 %	Effective interest held by NCI 2018 %
Ascott Residence Trust[1]	Asia Pacific, Europe and United States of America	59.9	55.3
CapitaLand Commercial Trust[2]	Singapore	70.6	69.9
CapitaLand Mall Trust[3]	Singapore	71.5	71.6

All the above subsidiaries are audited by KPMG LLP Singapore.

1 Indirectly held through The Ascott Limited.
2 Indirectly held through CapitaLand Singapore (R&R) Limited.
3 Indirectly held through CapitaLand Mall Asia Limited.

6 SUBSIDIARIES (continued)

(d) The following table summarises the financial information of each of the Group's subsidiaries with material NCI, based on their respective consolidated financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The information is before inter-company eliminations with other entities in the Group.

	ART Group $'000	CCT Group $'000	CMT Group $'000	Other subsidiaries with individually immaterial NCI $'000	Total $'000
31 December 2019					
Revenue	514,956	412,348	784,433		
Profit after tax	216,322	435,886	696,930		
Other comprehensive income	(33,612)	(19,208)	20,852		
Total comprehensive income	182,710	416,678	717,782		
Attributable to NCI:					
– Profit	119,610	306,539	498,514	353,084	1,277,747
– Total comprehensive income	100,888	294,300	513,429	264,996	1,173,613
Current assets	594,859	267,529	228,589		
Non-current assets	6,827,926	9,923,222	11,503,070		
Current liabilities	(565,413)	(140,869)	(494,770)		
Non-current liabilities	(2,515,064)	(2,835,477)	(3,469,650)		
Net assets	4,342,308	7,214,405	7,767,239		
Net assets attributable to NCI	2,794,227	5,160,551	5,555,906	2,515,674	16,026,358
Cash flows from:					
– Operating activities	228,995	306,773	511,514		
– Investing activities	258,663	(248,538)	(58,185)		
– Financing activities[1]	(439,777)	(27,681)	(599,634)		
Net increase/(decrease) in cash and cash equivalents	47,881	30,554	(146,305)		

1 Includes dividends paid to NCI	(91,612)	(249,926)	(274,901)

6 SUBSIDIARIES (continued)

	ART Group $'000	CCT Group $'000	CMT Group $'000	Other subsidiaries with individually immaterial NCI $'000	Total $'000
31 December 2018					
Revenue	514,273	393,259	695,089		
Profit after tax	151,841	522,858	676,745		
Other comprehensive income	(38,523)	25,010	(7,347)		
Total comprehensive income	113,318	547,868	669,398		
Attributable to NCI:					
– Profit	85,837	367,781	484,211	149,490	1,087,319
– Total comprehensive income	64,168	384,486	480,213	67,302	996,169
Current assets	500,094	265,014	376,021		
Non-current assets	4,809,037	9,425,493	11,125,649		
Current liabilities	(218,191)	(224,769)	(827,700)		
Non-current liabilities	(1,960,031)	(2,557,859)	(3,244,670)		
Net assets	3,130,909	6,907,879	7,429,300		
Net assets attributable to NCI	1,948,489	4,839,295	5,315,665	1,853,651	13,957,100
Cash flows from:					
– Operating activities	226,667	282,034	455,912		
– Investing activities	(672)	58,667	(234,978)		
– Financing activities[1]	(253,865)	(288,369)	(395,176)		
Net (decrease)/increase in cash and cash equivalents	(27,870)	52,332	(174,242)		
1 Includes dividends paid to NCI	(86,291)	(212,327)	(325,965)		

(e) ART, CCT, CMT and CRCT are regulated by the Monetary Authority of Singapore and are supervised by the Singapore Exchange Securities Trading Limited for compliance with the Singapore Listing Rules. Under the regulatory framework, transactions with the REITs are either subject to review by the REITs' trustees or significant transaction must be approved by a majority of votes by the remaining holders of units in the REITs at a meeting of unitholders.

7 ASSOCIATES

		The Group 2019 $'000	2018 $'000
(a)	Investment in associates	7,909,078	5,875,990
	Less:		
	Allowance for impairment	(4,504)	(12,463)
		7,904,574	5,863,527
	Add:		
	Amounts due from associates, at amortised cost:		
	Loan accounts		
	– interest bearing	–	161,749
	– interest free	176,294	181,988
		176,294	343,737
		8,080,868	6,207,264

(i) Movements in allowance for impairment loss were as follows:

	Note	The Group 2019 $'000	2018 $'000
At 1 January		(12,463)	(9)
Allowance during the year	28(c)(iii)	–	(12,454)
Reversal during the year	28(a)	7,571	–
Disposal during the year		10	–
Translation differences		378	–
At 31 December		(4,504)	(12,463)

(ii) Loans due from associates are unsecured and not expected to be repaid within the next twelve months.

(iii) As at 31 December 2018, the effective interest rate for the interest-bearing loan to an associate was 1.50% per annum.

(iv) Loan accounts include an amount of approximately $93.8 million (2018: $322.2 million), the repayment of which is subordinated to that of the external borrowings of certain associates.

7 ASSOCIATES (continued)

		Note	The Group 2019 $'000	The Group 2018 $'000
(b)	Amounts due from associates:			
	Current accounts (unsecured)			
	– interest free (trade)		40,007	23,423
	– interest free (non-trade)		107,237	14,296
	– interest bearing (non-trade)		51,649	–
			198,893	37,719
	Less:			
	Allowance for impairment loss on receivables	34	(105)	(102)
	Presented in trade and other receivables	12	198,788	37,617
	Non-current loans (unsecured)			
	– interest free		–	9
	– interest bearing		227,753	157,333
	Presented in other non-current assets	10	227,753	157,342

(i) The effective interest rates for amounts due from associates ranged from 1.50% to 5.15% (2018: 1.50% to 5.15%) per annum.

(ii) The Group and the Company's exposure to credit and currency risks, and impairment losses for trade and other receivables, are disclosed in note 34.

		Note	The Group 2019 $'000	The Group 2018 $'000
(c)	Amounts due to associates:			
	Current accounts (mainly non-trade and unsecured)			
	– interest free		(562,140)	(480,238)
	– interest bearing		(5,217)	–
	Presented in trade and other payables	17	(567,357)	(480,238)

(i) The effective interest rates for amounts due to associate is 8.00% per annum.

7 ASSOCIATES (continued)

(d) The following are the material associates of the Group:

Name of Company	Nature of relationship with the Group	Principal place of business	Effective interest 2019 %	Effective interest 2018 %
Raffles City China Income Ventures Limited [1,3,4] (RCCIV)	Private equity fund which invests in five Raffles City integrated developments in China	China	55.0	55.0
CapitaLand Mall China Funds[1, 4, 5]	Private equity funds which invest in shopping malls in China	China	30.0 to 50.0	30.0 to 50.0
Ascendas Real Estate Investment Trust (A-REIT)[2]	Singapore-based REIT which invests in industrial properties and business park in Singapore, Australia, United States of America and United Kingdom	Singapore	19.0	–

1 Audited by KPMG LLP Singapore.
2 Audited by Ernst & Young LLP Singapore.
3 Indirectly held through CapitaLand Mall Asia Limited and CapitaLand China Holdings Pte Ltd.
4 Considered to be an associate as key decisions are made by an independent board which the Group does not have majority control.
5 CapitaLand Mall China Funds comprised four private property funds investing in China held indirectly through the Group's subsidiary, CapitaLand Mall Asia Limited, namely, CapitaLand Mall China Income Fund I, CapitaLand Mall China Income Fund II, CapitaLand Mall China Income Fund III and CapitaLand Mall China Development Fund III.

During the year, management assessed the extent of its control over A-REIT, taking into consideration the Manager of A-REIT which is a wholly-owned subsidiary of the Group, its effective stake and the returns (both marginal and absolute returns) operated from its investment in and management of A-REIT. Management concluded that the Group does not have sufficient interest to control A-REIT and therefore accounts for its investment in A-REIT as an associate.

The following summarises the financial information of the Group's material associates based on their respective consolidated financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The table also includes summarised aggregate financial information for the Group's interest in other individually immaterial associates, based on the amounts reported in the Group's consolidated financial statements.

7 ASSOCIATES (continued)

(d) The following are the material associates of the Group (continued):

	RCCIV Group $'000	A-REIT $'000	CapitaLand Mall China Funds $'000	Other individually immaterial associates $'000	Total $'000
31 December 2019					
Revenue[1]	559,391	469,383	452,584		
Profit after tax	256,006	250,111	390,048		
Other comprehensive income	(62,011)	(18,139)	(41,000)		
Total comprehensive income	193,995	231,972	349,048		
Attributable to:					
– NCI	61,633	–	8,120		
– Associate's shareholders	132,362	231,972	340,928		
	193,995	231,972	349,048		
[1] Includes:					
– revenue from contract with customers for sale of residential, commercial strata and urban development	137,985	–	916		
– rental and related income from investment properties	421,009	418,937	449,143		
Current assets	1,289,023	251,272	381,830		
Non-current assets	6,213,967	13,612,863	6,443,963		
Current liabilities	(354,763)	(978,966)	(479,082)		
Non-current liabilities	(2,985,249)	(4,773,931)	(2,354,193)		
Net assets	4,162,978	8,111,238	3,992,518		
Attributable to:					
– NCI	827,616	–	206,088		
– Associate's shareholders	3,335,362	8,111,238	3,786,430		
Carrying amount of interest in associate at beginning of the year	1,823,559	–	1,835,643		
Acquisition during the year	–	1,771,446	–		
Group's share of:					
– Profit	103,693	47,621	168,126	324,384	643,824
– Other comprehensive income	(30,849)	–	(18,377)	(90,054)	(142,338)
– Total comprehensive income	72,844	47,621	149,749	234,330	501,486
Dividends received during the year	(48,672)	(47,585)	(142,793)		
Capital contribution/(returned) during the year	–	254,500	(176,502)		
Translation and other adjustments	(13,282)	(3,058)	(1,116)		
Carrying amount of interest in associate at end of the year	1,834,449	2,022,924	1,664,981	2,382,220	7,904,574
Fair value of effective ownership interest (if listed)^	N/A	2,043,040	N/A		

^ Based on the quoted market price at 31 December 2019.

7 ASSOCIATES (continued)

(d) The following are the material associates of the Group (continued):

	RCCIV Group $'000	CapitaLand Mall China Funds $'000	Other individually immaterial associates $'000	Total $'000
31 December 2018				
Revenue[1]	509,542	556,374		
Profit after tax	587,642	593,639		
Other comprehensive income	(251,687)	(226,242)		
Total comprehensive income	335,955	367,397		
Attributable to:				
– NCI	136,128	7,880		
– Associate's shareholders	199,827	359,517		
[1] Includes:				
– revenue from contract with customers for sale of residential and commercial strata	111,637	8,704		
– rental and related income from investment properties	397,491	544,662		
Current assets	1,531,215	701,900		
Non-current assets	6,087,252	6,767,612		
Current liabilities	(542,158)	(665,648)		
Non-current liabilities	(2,938,144)	(2,418,570)		
Net assets	4,138,165	4,385,294		
Attributable to:				
– NCI	822,603	197,405		
– Associate's shareholders	3,315,562	4,187,889		
Carrying amount of interest in associate at beginning of the year	1,673,393	2,197,275		
Group's share of:				
– Profit	224,658	249,851	150,512	625,021
– Other comprehensive income	(108,812)	(98,821)	(35,743)	(243,376)
– Total comprehensive income	115,846	151,030	114,769	381,645
Dividends received during the year	–	(240,829)		
Capital returned during the year	–	(326,727)		
Translation and other adjustments	34,320	54,894		
Carrying amount of interest in associate at end of the year	1,823,559	1,835,643	2,204,325	5,863,527

(e) As at 31 December 2019, the Group's share of the contingent liabilities of the associates is $26.9 million (2018: $1,411.7 million).

(f) The Group carried out impairment assessment for an investment in an associate where the carrying value of the listed investment of $541.5 million exceeded the market value of the shares held by the Group. The Group took into account the value of the underlying investment properties held by the associate which was based on independent valuation conducted by professional valuers and the financial performance of the associate and concluded that there was no impairment on the investment.

8 JOINT VENTURES

		Note	The Group 2019 $'000	The Group 2018 $'000
(a)	Investment in joint ventures		4,208,174	3,327,567
	Less:			
	Allowance for impairment loss		(36,189)	(11,866)
			4,171,985	3,315,701
	Add:			
	Amounts due from joint ventures, at amortised cost:			
	Loan accounts			
	– interest free		726,634	646,716
	– interest bearing		31,827	23,715
	Less:			
	Allowance for impairment loss on receivables	34	(15,139)	(13,778)
			743,322	656,653
			4,915,307	3,972,354

(i) Loans due from joint ventures are unsecured and not expected to be repaid within the next twelve months.

(ii) Movements in allowance for impairment loss were as follows:

	Note	The Group 2019 $'000	The Group 2018 $'000
At 1 January		(11,866)	(11,935)
Allowance during the year	28(c)(iii)	(25,822)	–
Allowance utilised during the year		–	69
Disposals during the year		1,244	–
Translation differences		255	–
At 31 December		(36,189)	(11,866)

(iii) As at 31 December 2019, the effective interest rates for the interest-bearing loans to joint ventures ranged from 3.00% to 6.50% (2018: 3.00% to 6.50%) per annum.

(iv) Loan accounts include an amount of approximately $511.3 million (2018: $535.3 million), the repayment of which is subordinated to that of the external borrowings of certain joint ventures.

8 JOINT VENTURES (continued)

		Note	The Group 2019 $'000	The Group 2018 $'000
(b)	Amounts due from joint ventures:			
	Current accounts (unsecured)			
	– interest free (trade)		37,396	29,558
	– interest free (non-trade)		141,072	17,288
	– interest bearing (mainly non-trade)		21,173	31,744
			199,641	78,590
	Less:			
	Allowance for impairment loss on receivables	34	(20,814)	(14,938)
	Presented in trade and other receivables	12	178,827	63,652
	Non-current loans (unsecured)			
	– interest free		5,618	598
	– interest bearing		373,865	176,112
	Presented in other non-current assets	10	379,483	176,710

(i) The effective interest rates for amounts due from joint ventures ranged from 1.38% to 4.00% (2018: 1.00% to 3.80%) per annum.

(ii) The Group and the Company's exposure to credit and currency risks, and impairment losses for trade and other receivables, are disclosed in note 34.

		Note	The Group 2019 $'000	The Group 2018 $'000
(c)	Amounts due to joint ventures:			
	Current accounts (unsecured)			
	– interest free (mainly non-trade)		(76,054)	(13,783)
	– interest bearing (non-trade)		(339,740)	(265,079)
	Presented in trade and other payables	17	(415,794)	(278,862)

(i) The effective interest rates for amounts due to joint ventures ranged from 4.35% to 5.22% (2018: 2.85% to 4.35%) per annum.

8 JOINT VENTURES (continued)

(d) The following are the material joint ventures of the Group:

Name of Company	Nature of relationship with the Group	Principal place of business	Effective interest 2019 %	Effective interest 2018 %
Orchard Turn Holding Pte Ltd[2] (OTH)	Owner of an integrated development in Singapore	Singapore	50.0	50.0
CTM Property Trust[3,4] (CTM)	Special purpose trust which invests in a Raffles City integrated development in China	China	–[1]	62.5
CapitaLand Shanghai Malls[2,4,5]	Owner of two integrated developments in China	China	65.0 to 73.0	65.0 to 73.0
Sino-Singapore Guangzhou Knowledge City Investment and Development Co., Ltd. (GKC)	Owner of urban development projects in China	China	50.0	–

All the above joint ventures are audited by KPMG LLP Singapore, except for CapitaLand Shanghai Malls, which are audited by other member firms of KPMG International.

1 In 2019, CTM became a subsidiary of the group and ceased to be a joint venture following the Group's acquisition of ASB.
2 Indirectly held through CapitaLand Mall Asia Limited.
3 Indirectly held through CapitaLand Mall Asia Limited and CapitaLand China Holdings Pte Ltd.
4 Considered to be a joint venture as the Group had joint control over the relevant activities of the trust with the joint venture partners.
5 CapitaLand Shanghai Malls comprised two joint ventures held through the Group's subsidiary, CapitaLand Mall Asia Limited, namely, Ever Bliss International Limited and Full Grace Enterprises Limited.

The following summarises the financial information of each of the Group's material joint ventures based on their respective consolidated financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The table also includes summarised financial information for the Group's interest in immaterial joint ventures, based on the amounts reported in the Group's consolidated financial statements.

8 JOINT VENTURES (continued)

	OTH Group $'000	GKC $'000	CapitaLand Shanghai Malls $'000	Other individually immaterial joint ventures $'000	Total $'000
31 December 2019					
Revenue[1]	261,236	22,500	177,591		
Profit[2] after tax	166,103	164,000	134,320		
Other comprehensive income	179	(14)	(25,278)		
Total comprehensive income	166,282	163,986	109,042		
[1] Includes:					
– revenue from contract with customers for sale of residential, commercial strata and urban development	–	22,500	354		
– rental and related income from investment properties	261,236	–	176,328		
[2] Includes:					
– depreciation and amortisation	(2,645)	–	(500)		
– interest income	1,910	13,820	8,365		
– interest expense	(50,390)	–	(50,719)		
– tax expense	(8,158)	(9,125)	(60,159)		
Current assets[3]	136,158	959,393	492,202		
Non-current assets	3,385,534	1,258,513	3,016,191		
Current liabilities[4]	(100,021)	(504,203)	(156,776)		
Non-current liabilities[5]	(1,686,516)	(38,200)	(1,365,841)		
Net assets	1,735,155	1,675,503	1,985,776		
[3] Includes cash and cash equivalents	122,937	486,444	356,442		
[4] Includes current financial liabilities (excluding trade and other payables and provisions)	(17,531)	–	(19,394)		
[5] Includes non-current financial liabilities (excluding trade and other payables and provisions)	(1,685,981)	–	(1,111,092)		
Carrying amount of interest in joint venture at beginning of the year	844,437	–	552,322		
Acquisition during the year	–	774,210	–		
Group's share of:					
– Profit	83,052	82,012	65,146	114,741	344,951
– Other comprehensive income	89	(7)	(12,428)	(6,459)	(18,805)
– Total comprehensive income	83,141	82,005	52,718	108,282	326,146
Dividends received during the year	(60,000)	–	–		
Translation and other adjustments	–	(18,791)	(3,345)		
Carrying amount of interest in joint venture at end of the year	867,578	837,424	601,695	1,865,288	4,171,985

8 JOINT VENTURES (continued)

	OTH Group $'000	CTM Group $'000	CapitaLand Shanghai Malls $'000	Other individually immaterial joint ventures $'000	Total $'000
31 December 2018					
Revenue[1]	265,301	–	186,364		
Profit/(Loss)[2] after tax	138,352	(13,188)	264,644		
Other comprehensive income	(3,739)	(43,292)	(110,336)		
Total comprehensive income	134,613	(56,480)	154,308		
[1] Includes:					
– revenue from contract with customers for sale of residential and commercial strata	–	–	597		
– rental and related income from investment properties	265,301	–	185,110		
[2] Includes:					
– depreciation and amortisation	(2,518)	(78)	(639)		
– interest income	1,055	2,354	9,849		
– interest expense	(43,791)	–	(50,820)		
– tax expense	(24,324)	(1,509)	(97,305)		
Current assets[3]	122,327	1,959,848	492,594		
Non-current assets	3,345,947	1,491,602	3,129,738		
Current liabilities[4]	(76,252)	(996,965)	(76,287)		
Non-current liabilities[5]	(1,703,149)	(1,439,134)	(1,601,513)		
Net assets	1,688,873	1,015,351	1,944,532		
[3] Includes cash and cash equivalents	109,202	318,083	227,149		
[4] Includes current financial liabilities (excluding trade and other payables and provisions)	(17,536)	(98,710)	(13,807)		
[5] Includes non-current financial liabilities (excluding trade and other payables and provisions)	(1,702,634)	(1,432,379)	(1,122,213)		
Carrying amount of interest in joint venture at beginning of the year	832,130	667,657	468,503		
Additions during the year					
Group's share of:					
– Profit/(Loss)	69,176	(5,996)	124,083	147,123	334,386
– Other comprehensive income	(119)	(27,058)	(48,948)	(8,032)	(84,157)
– Total comprehensive income	69,057	(33,054)	75,135	139,091	250,229
Dividends received during the year	(56,750)	–	–		
Translation and other adjustments	–	(9)	8,684		
Carrying amount of interest in joint venture at end of the year	844,437	634,594	552,322	1,284,348	3,315,701

8 JOINT VENTURES (continued)

(e) As at 31 December 2019, the Group's share of the capital commitments of the joint ventures is $1,091.2 million (2018: $407.4 million).

9 DEFERRED TAX

The movements in the deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) were as follows:

	At 1/1/2019 $'000	Recognised in profit or loss $'000	Acquisition/ Disposal of subsidiaries $'000	Transferred to liabilities held for sale $'000	Translation differences $'000	At 31/12/2019 $'000
The Group						
Deferred tax liabilities						
Accelerated tax depreciation	7,782	(4,932)	17,723	–	(1,412)	19,161
Discounts on compound financial instruments	3,329	(1,757)	–	–	–	1,572
Accrued income and interest receivable	4,580	(26)	50	–	(193)	4,411
Profits recognised on percentage of completion and fair value adjustments on initial recognition of development properties for sale	231,748	(44,173)	141,026	–	(4,241)	324,360
Fair value adjustments arising from a business combination	29,887	(160)	59,468	–	(66)	89,129
Fair value changes of investment properties	537,703	175,034	142,675	(9,002)	(10,145)	836,265
Unremitted earnings	102,418	24,777	19,200	(126)	2,078	148,347
Others	43,566	(6,993)	3,197	–	(575)	39,195
Total	961,013	141,770	383,339	(9,128)	(14,554)	1,462,440
Deferred tax assets						
Unutilised tax losses	(2,402)	50	(5)	–	(6)	(2,363)
Provisions and expenses	(231,291)	(62,135)	(3,243)	–	5,022	(291,647)
Fair value adjustments on initial recognition of development properties for sale	(14,489)	–	–	–	–	(14,489)
Deferred income	(33)	(388)	(1,140)	–	(1)	(1,562)
Others	(37,275)	(2,338)	(4,200)	–	58	(43,755)
Total	(285,490)	(64,811)	(8,588)	–	5,073	(353,816)

9 DEFERRED TAX (continued)

	At 1/1/2018 $'000	Recognised in profit or loss $'000	Acquisition/ Disposal of subsidiaries $'000	Translation differences $'000	At 31/12/2018 $'000
The Group					
Deferred tax liabilities					
Accelerated tax depreciation	13,721	(3,568)	–	(2,371)	7,782
Discounts on compound financial instruments	6,143	(2,814)	–	–	3,329
Accrued income and interest receivable	4,687	(1)	–	(106)	4,580
Profits recognised on percentage of completion and fair value adjustments on initial recognition of development properties for sale	255,237	(15,165)	–	(8,324)	231,748
Fair value adjustments arising from a business combination	23,538	(224)	6,852	(279)	29,887
Fair value changes of investment properties	466,044	88,400	(2,874)	(13,867)	537,703
Unremitted earnings	94,298	6,304	1,816	–	102,418
Others	37,630	5,480	–	456	43,566
Total	901,298	78,412	5,794	(24,491)	961,013
Deferred tax assets					
Unutilised tax losses	(5,728)	3,331	(110)	105	(2,402)
Provisions and expenses	(169,149)	(69,688)	–	7,546	(231,291)
Fair value adjustments on initial recognition of development properties for sale	(14,489)	–	–	–	(14,489)
Deferred income	(36)	1	–	2	(33)
Others	(36,968)	(270)	–	(37)	(37,275)
Total	(226,370)	(66,626)	(110)	7,616	(285,490)

	At 1/1/2018 $'000	Recognised in profit or loss $'000	At 31/12/2018 $'000	Recognised in profit or loss $'000	At 31/12/2019 $'000
The Company					
Deferred tax liabilities					
Discounts on compound financial instruments	6,143	(2,814)	3,329	(1,757)	1,572
Deferred tax assets					
Provisions	(423)	–	(423)	–	(423)

9 DEFERRED TAX (continued)

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. The following amounts, determined after appropriate offsetting, are shown on the balance sheets:

	The Group		
	Gross Amount $'000	Offset $'000	Net Amount $'000
31 December 2019			
Deferred tax liabilities	1,462,440	–	1,462,440
Deferred tax assets	(353,816)	–	(353,816)
	1,108,624	–	1,108,624
31 December 2018			
Deferred tax liabilities	961,013	–	961,013
Deferred tax assets	(285,490)	–	(285,490)
	675,523	–	675,523

As at 31 December 2019, deferred tax liabilities amounting to $5.1 million (2018: $4.5 million) had not been recognised for taxes that would be payable on the undistributed earnings of certain subsidiaries as these earnings would not be distributed in the foreseeable future.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The Group has not recognised deferred tax assets in respect of the following:

	The Group	
	2019 $'000	2018 $'000
Deductible temporary differences	289,136	298,448
Tax losses	922,731	1,005,657
Unutilised capital allowances	6,347	6,912
	1,218,214	1,311,017

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the subsidiaries of the Group can utilise the benefits.

Temporary differences would expire in the following periods:

Expiry period	2019 $'000	2018 $'000
No expiry	597,777	689,205
Not later than 1 year	47,148	53,977
Between 1 and 5 years	473,251	479,728
After 5 years	100,038	88,107
	1,218,214	1,311,017

10 OTHER NON-CURRENT/CURRENT ASSETS

(a) Other non-current assets

	Note	The Group 2019 $'000	The Group 2018 $'000
Equity investments at FVTPL		378,671	296,858
Equity investments at FVOCI	(i)	280,826	111,977
Derivative financial instruments		95,783	92,408
Amounts due from:			
– associates	7(b)	227,753	157,342
– joint ventures	8(b)	379,483	176,710
Other receivables		18,659	2,017
Deposits	(ii)	1,272	65,535
		1,382,447	902,847

(i) As at 31 December 2019, equity investments at FVOCI included a change in fair value of $146.9 million. The increase was due to the listing of an associate held by the investee company during the year.

(ii) In 2018, the amount relates to deposits paid for land and development costs of new acquisitions.

(b) Other current assets

	Note	The Group 2019 $'000	The Group 2018 $'000
Derivative financial instruments		15,982	5,821
Contract costs	(i)	29,629	22,916
Total		45,611	28,737

(i) Contract costs relate to commission fees paid to property agents and legal fees for securing sale contracts which were capitalised during the year. The capitalised costs are amortised when the related revenue is recognised. During the year, $2.5 million (2018: $13.3 million) was amortised and there was no impairment loss in relation to the costs capitalised.

11 DEVELOPMENT PROPERTIES FOR SALE AND STOCKS

		The Group	
		2019 $'000	2018 $'000
(a)	Properties under development, units for which revenue is recognised over time		
	Land and land related cost	1,016,088	815,458
	Development costs	12,323	2,260
		1,028,411	817,718
	Allowance for foreseeable losses	(44,956)	(44,956)
		983,455	772,762
	Properties under development, units for which revenue is recognised at a point in time		
	Land and land related costs	3,194,164	2,270,562
	Development costs	1,791,660	1,349,701
		4,985,824	3,620,263
	Properties under development	5,969,279	4,393,025
(b)	Completed development properties, at cost	1,760,895	746,884
	Allowance for foreseeable losses	(6,159)	(12,130)
	Completed development properties	1,754,736	734,754
(c)	Consumable stocks	1,044	772
	Total development properties for sale and stocks	7,725,059	5,128,551

(d) The Group recognises revenue over time for residential projects under progressive payment scheme in Singapore. The progress towards completing the construction is measured in accordance with the accounting policy stated in note 2.15. Significant assumptions are required in determining the stage of completion and the Group evaluates them by relying on the work of specialists.

The Group makes allowance for foreseeable losses by applying its experience in estimating the net realisable values of completed units and properties under development. References were made to comparable properties, timing of sale launches, location of property, management's expected net selling prices and estimated development expenditure. Market conditions may, however, change which may affect the future selling prices of the remaining unsold units of the development properties and accordingly, the carrying value of development properties for sale may have to be written down in future periods.

(e) As at 31 December 2019, development properties for sale amounting to approximately $3,225.0 million (2018: $2,313.3 million) were mortgaged to banks to secure credit facilities of the Group (note 19).

11 DEVELOPMENT PROPERTIES FOR SALE AND STOCKS (continued)

(f) During the financial year, the following amounts were capitalised as cost of development properties for sale:

	Note	The Group 2019 $'000	The Group 2018 $'000
Staff costs	28(b)	19,069	14,614
Interest costs paid/payable	28(d)	41,126	28,127
Less:			
Interest income received/receivable from project fixed deposit accounts	28(a)	(987)	(238)
		59,208	42,503

(g) Movements in allowance for foreseeable losses in respect of development properties for sale were as follows:

	Note	The Group 2019 $'000	The Group 2018 $'000
At 1 January		(57,086)	(144,456)
Reversal during the year	28(c)(i)	3,499	43,462
Utilisation during the year		2,472	43,906
Translation differences		–	2
At 31 December		(51,115)	(57,086)

12 TRADE AND OTHER RECEIVABLES

	Note	The Group 2019 $'000	The Group 2018 $'000	The Company 2019 $'000	The Company 2018 $'000
Trade receivables	13	341,620	227,090	7	84
Deposits and other receivables	14	682,698	481,754	474	497
Amounts due from:					
– subsidiaries	18	–	–	889,090	1,165,484
– associates	7(b)	198,788	37,617	–	–
– joint ventures	8(b)	178,827	63,652	–	–
– investee (non-trade)	(b)	116,484	118,452	–	–
– non-controlling interests (non-trade)	(c)	142,755	145,934	–	–
		1,661,172	1,074,499	889,571	1,166,065
Prepayments	(d)	640,425	869,565	188	420
		2,301,597	1,944,064	889,759	1,166,485

(a) As at 31 December 2019, certain trade and other receivables amounting to approximately $3.3 million (2018: $2.9 million) were mortgaged to banks to secure credit facilities of the Group (note 19).

12 TRADE AND OTHER RECEIVABLES (continued)

(b) Amount due from an investee is unsecured, interest-bearing and effective interest rate for the interest-bearing loan to an investee is 8.00% (2018: 8.00%) per annum.

(c) Amounts due from non-controlling interests are unsecured, interest-free and repayable on demand.

(d) As at 31 December 2019, prepayments of $227.1 million (2018: $650.2 million) were made for the acquisition of shares and land, pending completion of transactions.

13 TRADE RECEIVABLES

	Note	The Group 2019 $'000	The Group 2018 $'000	The Company 2019 $'000	The Company 2018 $'000
Trade receivables		357,075	241,957	7	84
Less:					
Allowance for impairment loss on receivables	34	(15,455)	(14,867)	–	–
	12	341,620	227,090	7	84

The Group and the Company's exposure to credit and currency risks, and impairment losses for trade and other receivables, are disclosed in note 34.

14 DEPOSITS AND OTHER RECEIVABLES

	Note	The Group 2019 $'000	The Group 2018 $'000	The Company 2019 $'000	The Company 2018 $'000
Deposits		26,435	48,847	458	458
Other receivables		639,405	434,455	16	39
Less:					
Allowance for impairment loss on receivables	34	(15,074)	(15,392)	–	–
		624,331	419,063	16	39
Tax recoverable		31,932	13,844	–	–
	12	682,698	481,754	474	497

15 ASSETS/LIABILITIES HELD FOR SALE

	Note	The Group 2019 $'000	2018 $'000
Property, plant and equipment		2,035	6,196
Intangible assets		36	–
Investment properties	35(c)	336,719	254,080
Associates		22,831	–
Trade and other receivables		1,554	–
Cash and cash equivalents		21,936	–
Assets held for sale		385,111	260,276
Trade and other payables		7,929	–
Current tax payables		122	–
Deferred tax liabilities	9	9,128	–
Loans and borrowings		10,387	–
Other non-current liabilities		231	–
Liabilities held for sale		27,797	–

Details of assets and liabilities held are as follows:

2019

(a) On 1 February 2019, the Group announced that it has, through its subsidiary, entered into a co-operative framework agreement with unrelated party to divest the issued shares of Huaxin Saihan Huhhot Real Estate Co., Ltd, which holds CapitaMall Saihan. The sale is expected to be completed by the end of 2020. Accordingly, all assets and liabilities held by the entity were reclassified to asset held for sale and liabilities held for sale respectively as at 31 December 2019.

(b) On 21 November 2019, ART entered into a put and call option agreement with an unrelated third party for the sale of its partial interest of the gross floor area of the land, on which Somerset Liang Court Singapore is located, for a purchase consideration of approximately $163.3 million. The transaction was not completed as at 31 December 2019. Accordingly, the assets comprising mainly investment properties were reclassified to assets held for sale.

(c) On 18 December 2019, ART entered into two sale and purchase agreements to divest its wholly-owned subsidiaries, Suzhou Chong Rui Xin Shi Ji Real Estate Co., Ltd and Wuhan Citadines Property Development Co., Ltd. The divestments were expected to be completed within 12 months and accordingly, all the assets and liabilities of the entities were reclassified to assets held for sale and liabilities held for sale respectively.

15 ASSETS/LIABILITIES HELD FOR SALE (continued)

2018

(a) On 1 April 2019, Bugis Village will be returned to the State ("Lessor"). Accordingly, the investment property was reclassified to asset held for sale as at 31 December 2018. The fair value of Bugis Village was based on the agreed sum payable by the Lessor. The transaction was completed in 2019.

(b) An independent property consultant was engaged to conduct a marketing exercise for the divestment of Ascott Raffles Place Singapore ("ARPS") in 2018. Pursuant to the planned divestment of ARPS, the serviced residence property and property, plant and equipment relating to ARPS were reclassified to assets held for sale as at 31 December 2018. The service residence property, an investment property, was stated at fair value based on independent professional valuation at the year end. The divestment was completed in 2019.

(c) In 2018, the Group initiated marketing of a property unit at The Interlace, which was previously used as a showcase unit and as property, plant and equipment. Accordingly, the asset was reclassified to asset held for sale as at 31 December 2018 at carrying value. The divestment was completed in 2019.

16 CASH AND CASH EQUIVALENTS

		The Group		The Company	
	Note	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Fixed deposits		2,145,037	2,500,832	–	–
Cash at banks and in hand		4,022,569	2,559,007	18,098	15,156
Cash and cash equivalents		6,167,606	5,059,839	18,098	15,156
Restricted bank deposits	(a)	(106,208)	(55,084)		
Cash and cash equivalents in the statement of cash flows		6,061,398	5,004,755		

(a) These are deposit placed in escrow account for acquisition of a subsidiary and bank balances of certain subsidiaries pledged in relation to bankers' guarantees issued to the subsidiaries' contractors and banking facilities as well as bank balances required to be maintained as security for outstanding CapitaVoucher.

(b) As at 31 December 2019, the Group's cash and cash equivalents of $199.9 million (2018: $59.5 million) were held under project accounts and withdrawals from which are designated for payments for expenditure incurred on projects.

(c) The Group's cash and cash equivalents are denominated mainly in Singapore Dollars, Chinese Renminbi, Japanese Yen and US Dollars. As at 31 December 2019, the effective interest rates for cash and cash equivalents denominated in these currencies ranged from 0% to 2.83% (2018: 0% to 3.30%) per annum.

The cash and cash equivalents are placed with banks and financial institutions which meet the appropriate credit criteria.

17 TRADE AND OTHER PAYABLES

		The Group		The Company	
	Note	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Trade payables		282,154	221,493	903	2,161
Accruals	(a)	967,322	790,369	31,097	37,152
Accrued development expenditure		1,249,332	753,905	–	–
Other payables	(b)	1,152,654	905,280	980	1,359
Rental and other deposits		276,687	274,451	–	–
Derivative financial instruments		18,035	60,381	–	–
Liability for employee benefits	22	69,571	39,486	2,469	3,051
Amounts due to:					
– subsidiaries	18	–	–	76,980	217,808
– associates	7(c)	567,357	480,238	–	–
– joint ventures	8(c)	415,794	278,862	–	–
Non-controlling interests (unsecured):					
– interest free		27,746	13,004	–	–
– interest bearing	(c)	20,916	24,437	–	–
		5,047,568	3,841,906	112,429	261,531

(a) Accruals included accrued operating expenses $527.7 million (2018: $416.7 million), accrued interest payable $154.6 million (2018: $126.6 million) as well as accrued expenditure for tax and administrative expenses which are individually immaterial.

(b) Other payables included retention sums and amounts payable in connection with capital expenditure incurred.

(c) The effective interest rates for amounts due to non-controlling interests ranged from 4.00% to 6.38% (2018: 3.23% to 6.38%) per annum.

18 AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Note	The Company 2019 $'000	2018 $'000
(a) Current			
Amounts due from subsidiaries:			
– current accounts, mainly trade		68,952	126,471
– loans			
– interest free		97,002	53,033
– interest bearing		773,478	1,027,583
		870,480	1,080,616
Less:			
Allowance for impairment loss on receivables	34	(50,342)	(41,603)
		820,138	1,039,013
	12	889,090	1,165,484
Current			
Amounts due to subsidiaries:			
– loans, interest free		(63,215)	(217,326)
– current accounts, mainly trade		(13,765)	(482)
	17	(76,980)	(217,808)

All balances with subsidiaries are unsecured and repayable on demand. The interest-bearing loans due from a subsidiary bore effective interest rates ranging from 1.06% to 1.85% (2018: 1.42% to 2.95%) per annum.

The Company's exposure to credit risks for amounts due from subsidiaries are disclosed in note 34.

	Note	The Company 2019 $'000	2018 $'000
(b) Non-current			
Amounts due to subsidiaries:			
– interest bearing		(864,416)	–
– interest free		(402,500)	(605,408)
	21	(1,266,916)	(605,408)

All balances with subsidiaries are unsecured and not expected to be repaid within twelve months from 31 December 2019. The interest-bearing loan due to a subsidiary bore an effective interest rate of 3.05% per annum.

19 BORROWINGS

		The Group		The Company	
	Note	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Bank borrowings					
– secured		10,464,389	6,372,486	–	–
– unsecured		8,360,189	6,630,720	–	–
		18,824,578	13,003,206	–	–
Lease liabilities	(c)	684,966	525	45,230	–
		19,509,544	13,003,731	45,230	–
Repayable:					
Not later than 1 year		2,501,026	1,729,472	10,453	–
Between 1 and 5 years		14,128,079	9,642,440	34,777	–
After 5 years		2,880,439	1,631,819	–	–
After 1 year		17,008,518	11,274,259	34,777	–
		19,509,544	13,003,731	45,230	–

(a) The Group's borrowings are denominated mainly in Singapore Dollars, Chinese Renminbi, Japanese Yen, Euro and US Dollars. As at 31 December 2019, the effective interest rates for bank borrowings denominated in these currencies ranged from 0.30% to 4.95% (2018: 0.39% to 5.05%) per annum.

(b) Bank borrowings are secured by the following assets, details of which are disclosed in the respective notes to the financial statements:

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

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

(c) Lease liabilities relate to leases of property, plant and equipment (note 3) and investment properties (note 5).

19 BORROWINGS (continued)

(d) The reconciliation of liabilities arising from financing activities were as follows:

	Note	At 1/1/2019 $'000	Financing cashflows * $'000	Non-cash changes: Adoption of SFRS(I) 16 $'000	Non-cash changes: Acquisition of subsidiaries $'000	Non-cash changes: Disposal of subsidiaries@ $'000	Non-cash changes: Changes in fair value $'000	Non-cash changes: Amortisation of bond discount $'000	Non-cash changes: Foreign exchange movement $'000	Others $'000	At 31/12/2019 $'000
The Group											
Bank borrowings		13,003,206	227,143	–	5,750,625	(56,700)	–	–	(97,552)	(2,144)	18,824,578
Debt securities	20	10,630,214	375,891^	–	848,865	–	–	10,327	37,987	(1,765)	11,901,519
Lease liabilities	19	525	(63,256)	548,780	173,064	(51,873)	–	–	(9)	77,735	684,966
Derivative liabilities		128,929	(32,975)^	–	36,603	–	(2,054)	–	–	–	130,503
Derivative assets		(93,431)	–	–	(7,744)	–	(1,703)	–	–	–	(102,878)

	Note	At 1/1/2018 $'000	Financing cashflows * $'000	Non-cash changes: Acquisition of subsidiaries $'000	Non-cash changes: Disposal of subsidiaries@ $'000	Non-cash changes: Changes in fair value $'000	Non-cash changes: Amortisation of bond discount $'000	Non-cash changes: Foreign exchange movement $'000	Others $'000	At 31/12/2018 $'000
The Group										
Bank borrowings		11,493,622	1,279,899	348,066	(50,210)	–	–	(70,134)	1,963	13,003,206
Debt securities	20	10,229,836	376,641	–	–	–	16,531	5,207	1,999	10,630,214
Lease liabilities	19	3,480	(2,931)	–	–	–	–	(24)	–	525
Derivative liabilities		158,369	–	–	–	(29,440)	–	–	–	128,929
Derivative assets		(92,297)	–	–	–	(1,134)	–	–	–	(93,431)

* Cashflow from financing activities presented in the consolidated statement of cash flows include interest expense paid of $890.8 million (2018: $731.7 million) which are included under accruals, amount due to associates and joint ventures of note 17 – trade and other payables. There are no material non-cash changes associated with interest payables. Refer to note 33 for issue of shares for the acquisition of subsidiaries.

@ Includes borrowings of $10.4 million (2018: $20.0 million) under liabilities held for sale.

^ Cashflows from debt securities comprise $375.9 million relate to net proceeds from issuance of debt securities and settlement of derivative financial instruments used to hedge the debt securities amounted to $33.0 million.

20. DEBT SECURITIES

	The Group		The Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Convertible bonds	1,815,209	2,048,698	1,816,767	2,051,440
Notes and bonds	10,086,310	8,581,516	–	–
	11,901,519	10,630,214	1,816,767	2,051,440
Secured notes and bonds	258,088	234,305	–	–
Unsecured notes and bonds	11,643,431	10,395,909	1,816,767	2,051,440
	11,901,519	10,630,214	1,816,767	2,051,440
Repayable:				
Not later than 1 year	1,449,027	1,463,984	646,236	571,750
Between 1 and 5 years	6,080,972	4,847,399	526,000	837,404
After 5 years	4,371,520	4,318,831	644,531	642,286
After 1 year	10,452,492	9,166,230	1,170,531	1,479,690
	11,901,519	10,630,214	1,816,767	2,051,440

(a) The repayment schedule for convertible bonds was based on the final maturity dates.

(b) As at 31 December 2019, the effective interest rates for debt securities ranged from 0.37% to 4.25% (2018: 0.19% to 4.50%) per annum.

(c) Details of the outstanding convertible bonds as at 31 December 2019 are as follows:

(i) $326.8 million principal amount of convertible bonds of the Company due on 20 June 2022 with interest rate at 2.95% per annum. These bonds are convertible into new ordinary shares at the conversion price of $11.5218 per share on or after 20 June 2008 and may be redeemed at the option of the Company or at the option of the bondholders on specified dates.

(ii) $650.0 million principal amount of convertible bonds of the Company due on 19 June 2020 with interest rate at 1.85% per annum. These bonds are convertible into new ordinary shares at the conversion price of $4.9782 per share on or after 30 July 2013 and may be redeemed at the option of the Company or at the option of the bondholders on specified dates.

(iii) $199.3 million principal amounts of convertible bonds of the Company due on 17 October 2023 with interest rate at 1.95% per annum. These bonds are convertible into new ordinary shares at the conversion price of $4.1936 per share on or after 27 November 2013 and may be redeemed at the option of the Company or at the option of the bondholders on specified dates.

(iv) $650.0 million principal amount of convertible bonds of the Company due on 8 June 2025 with interest rate at 2.8% per annum. These bonds are convertible into new ordinary shares at the conversion price of $4.9697 per share on or after 19 July 2015 and may be redeemed at the option of the Company or at the option of the bondholders on specified dates.

20. DEBT SECURITIES (continued)

(d) During the year, the Company settled convertible bonds with an aggregate principal amount of $245.0 million (2018: $600.7 million) due on 20 June 2022 with interest rate of 2.95% (2018: 1.95%) per annum upon the redemption by bondholders.

(e) Notes and bonds

The Group's notes and bonds are mainly issued by the Company, CapitaLand Treasury Limited, Ascendas Pte Ltd, The Ascott Capital Limited, CapitaLand Mall Trust, Ascott Residence Trust, CapitaLand Commercial Trust, RCS Trust, CapitaLand Retail China Trust and CapitaLand Malaysia Mall Trust under their respective issuance programs. These notes and bonds were denominated mainly in Singapore Dollars, Malaysian Ringgit, Japanese Yen, Hong Kong Dollars, Euro and US Dollars. Saved for the secured notes and bonds below, the notes and bonds issued were unsecured.

As at 31 December 2019, the secured notes and bonds amounting to $258.1 million (2018: $234.3 million) were fully secured by deposits pledged and mortgages on the investment properties of the Group. Details on assets pledged are disclosed in the respective notes to the financial statements.

21 OTHER NON-CURRENT LIABILITIES

	Note	The Group 2019 $'000	The Group 2018 $'000	The Company 2019 $'000	The Company 2018 $'000
Amounts due to non-controlling interests (unsecured):					
– interest free		68,494	64,032	–	–
– interest bearing	(a)	35,957	44,233	–	–
Amounts due to subsidiaries	18	–	–	1,266,916	605,408
Liability for employee benefits	22	30,419	14,901	15,454	8,489
Derivative financial instruments		113,680	69,181	–	–
Security deposits and other non-current payables		456,471	346,300	235	235
Deferred income		7,395	5,146	–	–
		712,416	543,793	1,282,605	614,132

(a) As at 31 December 2019, the effective interest rates for the amounts due to non-controlling interests ranged from 2.50% to 4.55% (2018: 2.50% to 5.50%) per annum.

22 EMPLOYEE BENEFITS

	Note	The Group 2019 $'000	The Group 2018 $'000	The Company 2019 $'000	The Company 2018 $'000
Liability for short term accumulating compensated absences		20,800	12,543	1,195	1,068
Liability for staff incentive	(a)	64,700	30,782	16,728	10,472
Liability for cash-settled share-based payments		14,490	11,062	–	–
		99,990	54,387	17,923	11,540
Current	17	69,571	39,486	2,469	3,051
Non-current	21	30,419	14,901	15,454	8,489
		99,990	54,387	17,923	11,540

(a) Staff incentive

This relates to staff incentive which is based on the achievement of the Group's financial performance and payable over a period of time.

(b) Equity compensation benefits

Share Plans of the Company

The CapitaLand Performance Share Plan 2010 (PSP 2010) and CapitaLand Restricted Share Plan 2010 (RSP 2010) were approved by the members of the Company at the Extraordinary General Meeting held on 16 April 2010. The duration of each share plan is 10 years commencing on 16 April 2010.

The ERCC of the Company has instituted a set of share ownership guidelines for members of senior management who receive shares under the CapitaLand Restricted Share Plan and CapitaLand Performance Share Plan. Under these guidelines, members of senior management are required to retain a portion of the total number of CapitaLand shares received under the two aforementioned share-based plans, which will vary according to their respective job grade and salary.

22 EMPLOYEE BENEFITS (continued)

(b) Equity compensation benefits (continued)

Share Plans of the Company *(continued)*

The details of awards in the Company since commencement of the Share Plans were as follows:

	<———— Aggregate shares ————>			
	Granted No. of shares	Released No. of shares	Lapsed/ Cancelled No. of shares	Balance as of 31 December 2019 No. of shares
CapitaLand Performance Share Plan 2010	34,286,454	(2,449,051)	(22,677,573)	9,159,830
CapitaLand Restricted Share Plan 2010	112,288,027	(66,648,215)	(17,513,858)	28,125,954

The total number of new shares issued and/or to be issued pursuant to the 2010 Share Plans did not exceed 8% (2018: 8%) of the total number of shares (excluding treasury shares) in the capital of the Company.

CapitaLand Performance Share Plan 2010

This relates to compensation costs of the Company's PSP 2010 reflecting the benefits accruing to the employees over the service period to which the performance criteria relate.

Movements in the number of shares outstanding under PSP 2010 were summarised below:

	2019 ('000)	2018 ('000)
At 1 January	9,503	10,593
Granted	3,462	2,970
Released	(1,270)	(559)
Lapsed/Cancelled	(2,535)	(3,501)
At 31 December	9,160	9,503

The final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 200% of the baseline award.

Recipients can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost.

22 EMPLOYEE BENEFITS (continued)

(b) Equity compensation benefits (continued)

CapitaLand Performance Share Plan 2010 *(continued)*

The fair values of the shares are determined using Monte Carlo simulation method which projects future share price assuming log normal distribution based on Geometric Brownian Motion Theory at measurement date. The fair values and assumptions are set out below:

Year of award	2019	2018
Weighted average fair value of shares and assumptions		
Weighted average fair value at measurement date	$2.74	$2.65
Expected volatility of Company's share price based on 36 months closing share price prior to grant date	17.18%	19.62%
Average volatility of companies in the peer group based on 36 months prior to grant date	27.12%	28.63%
Share price at grant date	$3.45	$3.62
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	1.65%	1.94%
Expected dividend yield over the vesting period	3.54% to 4.14%	3.27% to 3.43%
Initial total shareholder return (TSR) performance based on historical TSR performance of the Company and each company in the peer group	13.46%	0.66%
Average correlation of Company's TSR with those companies in the peer group	50.11%	52.45%

CapitaLand Restricted Share Plan 2010 – Equity-settled/Cash-settled

This relates to compensation costs of the Company's RSP 2010 reflecting the benefits accruing to the employees over the service period to which the performance criteria relate.

Movements in the number of shares outstanding under the RSP 2010 were summarised below:

	2019 ('000)	2018 ('000)
At 1 January	22,971	22,432
Granted	20,744	16,677
Released[@]	(13,794)	(12,909)
Lapsed/Cancelled	(1,795)	(3,229)
At 31 December	28,126	22,971

[@] The number of shares released during the year was 13,794,140 (2018: 12,908,954) of which 2,648,242 (2018: 2,269,948) were cash-settled.

22 EMPLOYEE BENEFITS (continued)

(b) Equity compensation benefits (continued)

***CapitaLand Restricted Share Plan 2010 – Equity-settled/Cash-settled** (continued)*

As at 31 December 2019, the number of shares in awards granted under the RSP 2010 is as follows:

	2019			2018		
	Equity-settled ('000)	Cash-settled ('000)	Total ('000)	Equity-settled ('000)	Cash-settled ('000)	Total ('000)
Final number of shares has not been determined (baseline award) #	12,244	2,708	14,952	7,839	1,977	9,816
Final number of shares determined but not released	10,513	2,661	13,174	10,386	2,769	13,155
	22,757	5,369	28,126	18,225	4,746	22,971

The final number of shares released could range from 0% to 150% of the baseline award.

The final number of shares to be released will depend on the achievement of pre-determined targets at the end of a one-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 150% of the baseline award. The shares will vest over a period of three years. Recipient can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost. Additional number of shares of a total value equal to the value of the accumulated dividends which are declared during each of the vesting periods and deemed forgone due to the vesting mechanism of the RSP 2010, will also be released upon the final vesting.

Cash-settled awards of shares are measured at their current fair values at each balance sheet date.

The fair values of the shares granted to employees are determined using Discounted Cashflow method at the measurement date. The fair values and assumptions are set out below:

Year of award	2019	2018
Weighted average fair value of shares and assumptions		
Weighted average fair value at measurement date	$3.26	$3.40
Share price at grant date	$3.45	$3.62
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	1.64% to 1.72%	1.75% to 1.94%

The fair value of the shares awarded to non-executive directors for the payment of directors' fees in 2019 was $3.51 (2018: $3.59) which was the volume-weighted average price of a CapitaLand share on the SGX-ST over the 14 trading days from (and including) the ex-dividend date following the date of CapitaLand's Annual General Meeting.

22 EMPLOYEE BENEFITS (continued)

(b) Equity compensation benefits (continued)

Unit-based Plans of Subsidiaries

(a) Ascott Residence Trust Management Limited (ARTML)

The ARTML Performance Unit Plan 2016 and the ARTML Restricted Unit Plan 2016 (collectively referred to as the "ARTML Unit Plans") were approved by the Board of Directors of ARTML on 15 April 2016.

(b) CapitaLand Commercial Trust Management Limited (CCTML)

The CCTML Performance Unit Plan 2016 and the CCTML Restricted Unit Plan 2016 (collectively referred to as the "CCTML Unit Plans") were approved by the Board of Directors of CCTML on 14 April 2016.

(c) CapitaLand Mall Trust Management Limited (CMTML)

The CMTML Performance Unit Plan 2016 and the CMTML Restricted Unit Plan 2016 (collectively referred to as the "CMTML Unit Plans") were approved by the Board of Directors of CMTML on 15 April 2016.

(d) CapitaLand Retail China Trust Management Limited (CRCTML)

The CRCTML Performance Unit Plan 2016 and the CRCTML Restricted Unit Plan 2016 (collectively referred to as the "CRCTML Unit Plans") were approved by the Board of Directors of CRCTML on 13 April 2016.

The Boards of ARTML, CCTML, CMTML and CRCTML have instituted a set of unit ownership guidelines for senior management who receive units under the ARTML Unit Plans, CCTML Unit Plans, CMTML Unit Plans and CRCTML Unit Plans (collectively referred to as "Subsidiary Unit Plans") respectively. Under these guidelines, members of the senior management team are required to retain a portion of the total number of units received under the Subsidiary Unit Plans, which will vary according to their respective job grade and salary.

During the financial year ended 31 December 2019, the Group recognised share-based expenses in relation to the unit based plans of the Subsidiaries Unit Plans of $2,704,630 (2018: $2,064,880) in profit or loss.

Performance Unit Plan 2016 of ARTML, CCTML, CMTML and CRCTML

This relates to compensation costs of the Performance Unit Plans of ARTML, CCTML, CMTML and CRCTML that reflects the benefits accruing to the participants over the service period to which the performance criteria relate.

The final number of units to be released will depend on the achievement of pre-determined relative total unitholder return targets over a three-year performance period. No unit will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, up to a maximum of 200% of the baseline award could be released. Participants receive fully paid units at no cost upon vesting.

22 EMPLOYEE BENEFITS (continued)

(b) Equity compensation benefits (continued)

Restricted Unit Plan 2016 of ARTML, CCTML, CMTML and CRCTML

This relates to compensation costs of the Restricted Unit Plans for ARTML, CCTML, CMTML and CRCTML that reflects the benefits accruing to the participants over the service period to which the performance criteria relate.

The final number of units to be released will depend on the achievement of pre-determined distribution per unit and net property income or gross profit targets over a one-year performance period. No unit will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, up to a maximum of 150% of the baseline award could be released. The units will vest over three years. Participants receive fully paid units at no cost upon vesting. An additional number of units of a total value equal to the value of the accumulated distributions which are declared during each of the vesting periods and deemed forgone due to the vesting mechanism of the Restricted Unit Plans, will also be released upon the final vesting.

Units vested to participants will be delivered using existing units held by ARTML, CCTML, CMTML and CRCTML. No new units will be issued by the respective REITs to meet the obligations under the Subsidiary Unit Plans.

23 SHARE CAPITAL

Issued and fully paid, with no par value	Note	The Company 2019 No. of shares ('000)	2018 No. of shares ('000)
At 1 January and 31 December, including treasury shares		4,274,384	4,274,384
Add: Issue of new shares	(a)	862,264	–
Less: Treasury shares		(99,154)	(111,570)
At 31 December, excluding treasury shares		5,037,494	4,162,814

(a) During the year, the Company issued 862,264,714 shares at an issue price of $3.50 per share for the settlement of 50% consideration for the acquisition of ASB (note 33).

(b) The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares (excluding treasury shares) rank equally with regard to the Company's residual assets.

(c) At 31 December 2019, there is a maximum of 18,319,660 (2018: 19,006,014) shares under the PSP 2010 and 30,734,937 (2018: 23,599,024) shares under the RSP 2010, details of which are disclosed in note 22(b).

23 SHARE CAPITAL (continued)

(d) As at 31 December 2019, the convertible bonds issued by the Company which remained outstanding as follows:

Principal amount $ million	Final maturity date Year	Conversion price $	Convertible into new ordinary shares No. of shares
650.00	2020	4.9782	130,569,282
650.00	2025	4.9697	130,792,603
326.75	2022	11.5218	28,359,284
199.25	2023	4.1936	47,512,876

There has been no conversion of any of the above convertible bonds since the date of their respective issue.

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

	The Company	
	2019 No. of shares ('000)	2018 No. of shares ('000)
At 1 January	111,570	27,091
Purchase of treasury shares	–	95,677
Treasury shares transferred pursuant to employee share plans	(12,243)	(11,036)
Payment of directors' fees	(173)	(162)
At 31 December	99,154	111,570

Capital management

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

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

	The Group	
	2019 $'000	2018 $'000
Borrowings and debt securities	31,411,063	23,633,945
Cash and cash equivalents	(6,167,606)	(5,059,839)
Net debt	25,243,457	18,574,106
Total equity	40,282,875	33,306,939
Net debt-to-equity ratio	0.63	0.56

23 SHARE CAPITAL (continued)

Capital management (continued)

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

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

The Group's subsidiaries in The People's Republic of China (PRC) and India are subject to foreign exchange rules and regulations promulgated by the PRC and India government which may impact how the Group manages capital. In addition, nine of the Group's subsidiaries (2018: six) are required to maintain certain minimum base capital and financial resources, or shareholders' funds as they are holders of Capital Markets Services licenses registered with the Monetary Authority of Singapore or the Securities Commission Malaysia to conduct the regulated activity of Real Estate Investment Trust management. In addition, the consolidated REITs are subject to the aggregate leverage limit as defined in the Property Funds Appendix of the Code of Investment Scheme. These subsidiaries have complied with the applicable capital requirements throughout the year.

There were no changes in the Group's approach to capital management during the year.

24 OTHER RESERVES

	The Group		The Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Reserve for own shares	(342,226)	(385,078)	(342,225)	(385,078)
Capital reserve	295,073	401,141	92,799	111,282
Equity compensation reserve	77,870	69,345	23,266	19,105
Hedging reserve	(104,727)	(45,716)	–	–
Fair value reserve	138,489	2,311	–	–
Assets revaluation reserve	6,161	–	–	–
Foreign currency translation reserve	(1,112,601)	(859,708)	–	–
	(1,041,961)	(817,705)	(226,160)	(254,691)

Reserve for own shares comprises the purchase consideration for issued shares of the Company acquired and held as treasury shares.

The capital reserve comprises mainly the value of the options granted to bondholders to convert their convertible bonds into ordinary shares of the Company, reserves set aside by certain subsidiaries in compliance with the relevant regulations in the People's Republic of China and share of associates' and joint ventures' capital reserve.

The equity compensation reserve comprises the cumulative value of employee services received for shares under the share plans of the Company (note 22(b)).

24 OTHER RESERVES (continued)

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments related to hedge transactions that have not yet affected profit or loss.

The fair value reserve comprises the cumulative net change in the fair value of equity investments designated at FVOCI.

The assets revaluation reserve comprises the revaluation gain of a plant, property and equipment which was reclassified to investment properties.

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign entities, effective portion of the hedging instrument which is used to hedge against the Group's net investment in foreign currencies as well as from the translation of foreign currency loans used to hedge or form part of the Group's net investments in foreign entities. The Group's foreign currency translation reserve arises mainly from Chinese Renminbi, US Dollars, Vietnamese Dong and Malaysian Ringgit.

25 PERPETUAL SECURITIES

The Group's perpetual securities comprise perpetual securities and perpetual notes issued by its subsidiaries, Ascott Residence Trust (ART) and CapitaLand Treasury Limited (CTL) (collectively referred to as "Issuers"). The perpetual securities comprise:

Perpetual securities or notes	Issue date	Principal amount $
<u>ART</u>		
– Fixed rate perpetual securities with an initial distribution rate of 4.68% per annum	30 June 2015	250,000,000
– Fixed rate perpetual securities with an initial distribution rate of 3.88% per annum	4 September 2019	150,000,000
<u>Issued under CTL's $5,000,000,000 Euro Medium Term Note Programme:</u>		
– Fixed rate subordinated perpetual notes with an initial distribution rate of 3.65% per annum	17 October 2019	500,000,000

(a) On 4 September 2019, ART issued $150.0 million of fixed rate perpetual securities with an initial distribution rate of 3.88% per annum, with the first distribution rate reset falling on 4 September 2024 and subsequent resets occurring every five years thereafter. The proceeds were used to redeem the $150.0 million perpetual securities with its first call date on 27 October 2019.

The perpetual securities have no fixed redemption date and redemption is at the option of the ART in accordance with the terms of issue of the securities. The distribution will be payable semi-annually at the discretion of the ART and will be non-cumulative. These perpetual securities rank *pari passu* with the holders of preferred units (if any) and rank ahead of the stapled security holders of the ART, but junior to the claims of all other present and future creditors of the ART.

25 PERPETUAL SECURITIES (continued)

(b) On 17 October 2019, CTL issued $500.0 million of fixed rate subordinated perpetual notes guaranteed by the Company, with an initial distribution rate of 3.65% per annum with the first distribution rate reset falling on 17 October 2024 and subsequent resets occurring every five years thereafter.

The perpetual notes have no fixed redemption date and redemption is at the option of CTL in accordance to the terms and conditions of the perpetual notes. The distribution will be payable semi-annually at the discretion of CTL and will be cumulative. The perpetual notes will constitute direct, unconditional, unsecured and subordinated obligations of CTL and shall at all times rank *pari passu* and without any preference among themselves and with any parity obligations of CTL.

As the perpetual securities have no fixed maturity date and the payment of distributions is at the discretion of the Issuers, the Issuers are considered to have no contractual obligations to repay the principal or to pay any distributions, and the perpetual securities do not meet the definition for classification as a financial liability under SFRS(I) 1-32 *Financial Instruments: Disclosure and Presentation*, they are presented within equity, and distributions are treated as dividends.

26 OTHER COMPREHENSIVE INCOME

	2019			2018		
	Before tax $'000	Tax expense $'000	Net of tax $'000	Before tax $'000	Tax expense $'000	Net of tax $'000
The Group						
Exchange differences arising from translation of foreign operations and foreign currency loans, forming part of net investment in foreign operations	(285,143)	–	(285,143)	(252,117)	–	(252,117)
Recognition of foreign exchange differences on disposal or liquidation of foreign operations in profit or loss	78,884	–	78,884	14,378	–	14,378
Change in fair value of equity investments at fair value through other comprehensive income	144,372	–	144,372	(4,047)	–	(4,047)
Revaluation of a property, plant and equipment	6,161	–	6,161	–	–	–
Effective portion of change in fair value of cash flow hedges	(77,828)	–	(77,828)	17,823	–	17,823
Recognition of hedging reserve in profit or loss	7,652	–	7,652	9	–	9
Share of other comprehensive income of associates and joint ventures	(161,143)	–	(161,143)	(327,533)	–	(327,533)
	(287,045)	–	(287,045)	(551,487)	–	(551,487)

27 REVENUE

Revenue of the Group and of the Company is analysed as follows:

	The Group		The Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Revenue from contract with customers	2,400,456	2,390,362	70,319	85,956
Rental of investment properties:				
– Retail, commercial, business park, industrial and logistics rental and related income	2,415,989	2,084,342	–	–
– Lodging properties rental and related income	1,381,393	1,100,266	–	–
Others	36,926	27,453	–	–
Dividend income from subsidiaries	–	–	446,794	446,449
	6,234,764	5,602,423	517,113	532,405

(a) Disaggregation of revenue from contracts with customers:

2019	The Group Residential, commercial strata and urban development $'000	Fee income $'000	Total $'000	The Company Fee income $'000
Primary segment				
CL Singapore & International	179,206	41,223	220,429	–
CL China	1,838,947	118,436	1,957,383	–
CL India	–	10,114	10,114	–
CL Lodging	–	92,910	92,910	–
CL Financial	–	120,715	120,715	–
Corporate and others	–	(1,095)	(1,095)	70,319
	2,018,153	382,303	2,400,456	70,319
Secondary segment				
Singapore	128,458	88,084	216,542	70,319
China[1]	1,838,947	199,024	2,037,971	–
Other developed markets	–	22,709	22,709	–
Other emerging markets	50,748	72,486	123,234	–
	2,018,153	382,303	2,400,456	70,319

1 Includes Hong Kong

Timing of revenue recognition				
Product transferred at a point in time	1,889,695	–	1,889,695	–
Products and services transferred over time	128,458	382,303	510,761	70,319
	2,018,153	382,303	2,400,456	70,319

27 REVENUE (continued)

(a) Disaggregation of revenue from contracts with customers (continued):

2018	The Group Residential and commercial strata $'000	Fee income $'000	Total $'000	The Company Fee income $'000
Primary segment				
CL Singapore & International	505,534	20,839	526,373	–
CL China	1,611,419	111,690	1,723,109	–
CL Lodging	–	70,399	70,399	–
CL Financial	–	67,192	67,192	–
Corporate and others	–	3,289	3,289	85,956
	2,116,953	273,409	2,390,362	85,956
Secondary segment				
Singapore	450,882	25,750	476,632	85,956
China[1]	1,611,419	191,483	1,802,902	–
Other developed markets	–	8,339	8,339	–
Other emerging markets	54,652	47,837	102,489	–
	2,116,953	273,409	2,390,362	85,956

1 Includes Hong Kong

Timing of revenue recognition				
Product transferred at a point in time	1,666,071	–	1,666,071	–
Products and services transferred over time	450,882	273,409	724,291	85,956
	2,116,953	273,409	2,390,362	85,956

(b) The following table provides information about contract assets and contract liabilities for contracts with customers.

		The Group 2019 $'000	2018 $'000
Contract assets	(i)	–	24,805
Contract liabilities	(ii)	(1,501,306)	(908,487)
		(1,501,306)	(883,682)

(i) Contract assets

Contract assets relate primarily to the Group's right to consideration for work completed but not billed at the reporting date in respect of its property development business. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

The changes in contract assets are due to the differences between the agreed payment schedule and progress of the construction work.

27 REVENUE (continued)

(ii) Contract liabilities

Contract liabilities relate primarily to:

- advance consideration received from customers; and
- progress billings issued in excess of the Group's right to the consideration.

The contract liabilities are recognised as revenue when the Group fulfils its performance obligation under the contract with the customer. The significant changes in the contract liabilities during the year are as follows:

	Note	The Group 2019 $'000	The Group 2018 $'000
Revenue recognised that was included in contract liabilities at the beginning of the year		720,282	1,409,618
Increase due to cash received, excluding amounts recognised as revenue during the year		(529,753)	(858,218)
Acquisition of subsidiaries	32(b)	(808,041)	–

28 PROFIT BEFORE TAX

Profit before tax includes the following:

	Note	The Group 2019 $'000	The Group 2018 $'000	The Company 2019 $'000	The Company 2018 $'000
(a) Other operating income					
Interest income from:					
– deposits		77,133	68,603	164	217
– subsidiaries		–	–	51,492	66,956
– associates and joint ventures		18,222	7,950	–	–
– investee companies and others		3,955	11,691	–	–
– interest capitalised in development properties for sale	11(f)	(987)	(238)	–	–
Balance carried forward		98,323	88,006	51,656	67,173

28 PROFIT BEFORE TAX (continued)

	Note	The Group 2019 $'000	The Group 2018 $'000	The Company 2019 $'000	The Company 2018 $'000
(a) Other operating income (continued)					
Balance brought forward		98,323	88,006	51,656	67,173
Dividend income		8,726	9,340	–	–
Foreign exchange gain		–	–	145	17
Mark-to-market gain on					
– derivative instruments		1,475	–	–	–
– financial assets designated as fair value through profit or loss		9,937	–	–	–
Net fair value gains from investment properties and assets held for sale		1,163,944	677,018	–	–
Gain on disposal/redemption of available-for-sale financial assets		3	–	–	–
Gain on disposal of property, plant and equipment		677	189	7	108
Gain from change of ownership interests in subsidiaries, associates and joint ventures		218,520	49,307	–	–
Gain on disposal of investment properties		124,744	120,743	–	–
Service contract income		170	–	8,231	–
Reversal of allowance for impairment loss on receivables from:					
– subsidiaries		–	–	4,678	500
– others		162	–	–	–
Reversal of impairment of:					
– subsidiary	6(a)(iii)	–	–	1	18,022
– associates	7(a)(i)	7,571	–	–	–
Income from pre-termination of contracts		49,884	11,286	–	–
Forfeiture of security deposits		6,546	5,502	–	–
Others		81,476	28,637	1,570	1,489
		1,772,158	990,028	66,288	87,309

28 PROFIT BEFORE TAX (continued)

Profit before tax includes the following (continued):

	Note	The Group 2019 $'000	The Group 2018 $'000	The Company 2019 $'000	The Company 2018 $'000
(b) Staff costs					
Wages and salaries		669,371	562,136	56,348	53,026
Contributions to defined contribution plans		70,731	63,535	1,187	7,121
Share-based expenses:					
– equity-settled		56,016	44,137	16,877	10,223
– cash-settled		10,718	6,284	–	–
Increase/(Decrease) in liability for short-term accumulating compensated absences		1,595	402	129	(873)
Staff benefits, training/ development costs and others		87,340	72,253	5,551	6,145
		895,771	748,747	80,092	75,642
Less:					
Staff costs capitalised in development properties for sale	11(f)	(19,069)	(14,614)	–	–
		876,702	734,133	80,092	75,642
Recognised in:					
Cost of sales	(c)(i)	611,037	513,908	–	–
Administrative expenses	(c)(ii)	265,665	220,225	80,092	75,642
		876,702	734,133	80,092	75,642
(c)(i) Cost of sales include:					
Costs of development properties for sale		1,266,693	1,266,069	–	–
Reversal of foreseeable losses on development properties for sale	11(g)	(3,499)	(43,462)	–	–
Operating expenses of investment properties that generated rental income		977,569	917,091	–	–
Lease expenses (short-term lease)		247,372	–	–	–
Lease expenses (low value assets, excluding short-term leases of low value assets)		28	–	–	–
Lease expenses (variable lease payments not included in the measurement of lease liabilities)		10,020	–	–	–
Operating lease expenses		–	205,425	–	–
Staff costs	(b)	611,037	513,908	–	–

28 PROFIT BEFORE TAX (continued)

Profit before tax includes the following (continued):

	Note	The Group 2019 $'000	The Group 2018 $'000	The Company 2019 $'000	The Company 2018 $'000
(c)(ii) Administrative expenses include:					
Allowance for impairment loss on trade receivables		3,572	4,977	–	–
Amortisation of intangible assets	4	18,461	11,165	113	72
Auditors' remuneration:					
– auditors of the Company		5,529	4,127	359	877
– other auditors		6,750	5,006	–	–
Non-audit fees:					
– auditors of the Company		1,996	855	1,705	40
– other auditors		2,095	1,568	–	–
Depreciation of property, plant and equipment	3	80,225	63,338	523	948
Depreciation expenses of right-of-use assets	3	38,193	–	11,010	–
Lease expenses (short-term lease)		5,403	–	–	–
Lease expenses (low value assets, excluding short-term leases of low value assets)		374	–	–	–
Lease expenses (variable lease payments not included in the measurement of lease liabilities)		178	–	–	–
Operating lease expenses		–	12,666	–	5,195
Staff costs	(b)	265,665	220,225	80,092	75,642
(c)(iii) Other operating expenses include:					
Allowance for impairment loss on non-trade receivables		7,067	5,024	13,494	16,803
Foreign exchange loss		38,238	8,975	–	–
Impairment loss on amounts due from:					
– subsidiaries		–	–	24	9
– joint ventures	8(a)(ii)	25,822	–	–	–
– associates	7(a)(i)	–	12,454	–	–
Impairment and write off of property, plant and equipment		10,984	938	–	–
Impairment of intangible assets	4	5,263	–	–	–
Mark-to-market loss on financial asset designated as fair value through profit or loss		–	1,646	–	–

28 PROFIT BEFORE TAX (continued)

Profit before tax includes the following (continued):

	Note	The Group 2019 $'000	The Group 2018 $'000	The Company 2019 $'000	The Company 2018 $'000
(d) Finance costs					
Interest costs paid and payable:					
– on bank loans and overdrafts		495,248	302,961	–	–
– on debt securities		300,509	258,262	–	–
– to non-controlling interests		10,165	13,083	–	–
– related party		–	–	20,160	–
Convertible bonds:					
– interest expense		47,116	60,252	47,116	60,253
– amortisation of bond discount		10,327	16,531	10,327	16,531
Lease liabilities		22,369	–	1,713	–
Others		32,058	30,215	28	16
Interest on financial liabilities measured at amortised cost		917,792	681,304	79,344	76,800
Derivative financial instruments		8,765	19,731	–	–
Total borrowing costs		926,557	701,035	79,344	76,800
Less:					
Borrowing costs capitalised in:					
– investment properties	5(e)	(46,290)	(36,413)	–	–
– development properties for sale	11(f)	(41,126)	(28,127)	–	–
		(87,416)	(64,540)	–	–
		839,141	636,495	79,344	76,800

29 TAX EXPENSE

	The Group		The Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Current tax expense				
– Based on current year's results	469,148	354,508	503	949
– Over provision in respect of prior years	(42,938)	(6,476)	–	–
– Group relief	(23,967)	1,430	–	–
	402,243	349,462	503	949
Deferred tax expense				
– Origination and reversal of temporary differences	78,796	26,805	(1,757)	(2,814)
– Over provision in respect of prior years	(1,837)	(15,019)	–	–
	76,959	11,786	(1,757)	(2,814)
Land appreciation tax				
– Current year	302,432	253,303	–	–
– Over provision in respect of prior years	(1,600)	–	–	–
	300,832	253,303	–	–
Withholding tax				
– Current year	34,926	45,900	–	–
– Over provision in respect of prior years	(132)	(1,760)	–	–
	34,794	44,140	–	–
	814,828	658,691	(1,254)	(1,865)

29 TAX EXPENSE (continued)

Reconciliation of effective tax rate

	The Group	
	2019	**2018**
	$'000	**$'000**
Profit before tax	4,228,469	3,508,503
Less: Share of results of associates and joint ventures	(988,775)	(959,407)
Profit before share of results of associates and joint ventures and tax	3,239,694	2,549,096
Income tax using Singapore tax rate of 17% (2018: 17%)	550,748	433,346
Adjustments:		
Expenses not deductible for tax purposes	209,668	146,615
Income not subject to tax	(347,683)	(280,078)
Effect of unrecognised tax losses and other deductible temporary differences	28,912	16,252
Effect of different tax rates in foreign jurisdictions	131,562	89,497
Effect of taxable distributions from REITs	52,450	43,346
Land appreciation tax	302,432	253,303
Effect of tax reduction on land appreciation tax	(72,219)	(63,326)
Withholding taxes	34,926	45,900
Over provision in respect of prior years	(46,507)	(23,255)
Group relief	(23,967)	1,430
Others	(5,494)	(4,339)
	814,828	658,691

	The Company	
	2019	**2018**
	$'000	**$'000**
Profit before tax	329,051	422,240
Income tax using Singapore tax rate of 17% (2018: 17%)	55,939	71,781
Adjustments:		
Expenses not deductible for tax purposes	19,307	16,605
Income not subject to tax	(75,974)	(87,334)
Effect of other deductible temporary differences	1,728	(99)
Others	(2,254)	(2,818)
	(1,254)	(1,865)

30 EARNINGS PER SHARE

(a) Basic earnings per share

	The Group	
	2019 $'000	2018 $'000
Basic earnings per share is based on:		
Net profit attributable to owners of the Company	2,135,894	1,762,493

	2019 No. of shares ('000)	2018 No. of shares ('000)
Weighted average number of ordinary shares in issue during the year	4,607,830	4,191,314

(b) Diluted earnings per share

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

	The Group	
	2019 $'000	2018 $'000
Net profit attributable to owners of the Company	2,135,894	1,762,493
Profit impact of conversion of the potential dilutive shares	56,124	73,970
Adjusted net profit attributable to owners of the Company	2,192,018	1,836,463

	2019 No. of shares ('000)	2018 No. of shares ('000)
Weighted average number of ordinary shares in issue during the year	4,607,830	4,191,314
Adjustments for potential dilutive shares under:		
– CapitaLand Performance Share Plan	18,320	19,006
– CapitaLand Restricted Share Plan	30,735	23,599
– Convertible bonds	347,196	471,697
	396,251	514,302
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	5,004,081	4,705,616

31 DIVIDENDS

The Board of Directors of the Company has proposed a tax-exempt ordinary dividend of 12.0 cents per share in respect of the financial year ended 31 December 2019. This would amount to approximately S$604.5 million of payout based on the number of issued shares (excluding treasury shares) as at 31 December 2019. The tax-exempt dividends are subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

For the financial year ended 31 December 2018, a tax-exempt ordinary dividend of 12.0 cents per share was approved at the Annual General Meeting held on 12 April 2019. The said dividends of $501.0 million were paid in May 2019.

32 ACQUISITION/DISPOSAL OF SUBSIDIARIES, NET OF CASH ACQUIRED/DISPOSED OF

(a) Acquisition of subsidiaries

The list of significant subsidiaries acquired during 2019 is as follows:

Name of subsidiary	Date acquired	Effective interest acquired
Ascendas Pte Ltd #	June 2019	100%
Singbridge Pte. Ltd. #	June 2019	100%
CTM Property Trust #	June 2019	37.5%
CapitaRetail Harbin Shangdu Real Estate Co., Ltd.*	August 2019	26.5%
Beijing Hualian Harbin Real Estate Development Co., Ltd.*	August 2019	26.5%
LFIE Holding Limited	December 2019	34.9%

* Acquired through the Group's interests in CapitaLand Retail China Trust.
\# Refer to note 33.

The list of significant subsidiaries acquired during 2018 is as follows:

Name of subsidiary	Date acquired	Effective interest acquired
Guangzhou Starshine Properties Co., Ltd.	January 2018	63.2%
Hien Duc Tay Ho Joint Stock Company	March 2018	99.5%
Gallileo Property S.a.r.l*	June 2018	33.6%
Shanghai Mingchang Properties Limited	July 2018	100%
Chongqing Zhonghua Real Estate Co., Ltd	August 2018	100%
BCLand Joint Stock Company	August 2018	100%

* Includes 5.1% interest held indirectly through CapitaLand International Pte Ltd and 94.9% interest indirectly held through CCT.

32 ACQUISITION/DISPOSAL OF SUBSIDIARIES, NET OF CASH ACQUIRED/DISPOSED OF (continued)

(b) Effects of acquisitions

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

	Note	Recognised values 2019 $'000	2018 $'000
The Group			
Property, plant and equipment	3	636,400	1,593
Right-of-use assets	3	76,380	–
Intangible assets	4	314,495	27,756
Investment properties	5	9,115,132	1,409,988
Associates		2,219,878	–
Joint ventures		1,364,292	–
Other non-current assets		97,699	309
Development properties for sale and stocks		2,528,103	1,174,985
Trade and other receivables		449,929	185,883
Other current assets		16,990	–
Cash and cash equivalents		1,052,005	226,465
Trade and other payables		(1,090,033)	(975,176)
Contract liabilities	27(b)	(808,041)	–
Current tax payable		(138,787)	–
Bank borrowings and debt securities		(6,772,554)	(348,066)
Other non-current liabilities		(154,896)	(22,351)
Deferred tax liabilities		(442,741)	(6,852)
Non-controlling interests		(1,156,802)	(6,235)
		7,307,449	1,668,299
Amounts previously accounted for as associates and joint ventures, remeasured at fair value		(827,986)	(1,141)
Net assets acquired		6,479,463	1,667,158
Goodwill arising from acquisition	4	49,565	19,086
Bank and shareholder loans assumed		–	197,716
Total purchase consideration		6,529,028	1,883,960
Deferred purchase consideration and other adjustments		(19,881)	(163,053)
Deferred purchase consideration paid in relation to prior year's acquisition of subsidiaries		60,933	–
Transaction costs paid		43,549	–
Settlement by way of issuance of new shares	23	(3,017,926)	–
Cash of subsidiaries acquired		(1,052,005)	(226,465)
Cash outflow on acquisition of subsidiaries		2,543,698	1,494,442

32 ACQUISITION/DISPOSAL OF SUBSIDIARIES, NET OF CASH ACQUIRED/DISPOSED OF (continued)

(c) Disposal of subsidiaries

The list of significant subsidiaries disposed during 2019 is as follows:

Name of subsidiary	Date disposed	Effective interest disposed
Storhub Group*	April 2019	100%
Excel Chinese International Limited	November 2019	100%
Ascendas US Holdco Pte Ltd	December 2019	100%

* Comprised 29 entities which own and/or have interest in a portfolio of 12 self-storage properties in Singapore and China.

The disposed subsidiaries previously contributed net profit of $66.1 million from 1 January 2019 to the date of disposal.

The list of significant subsidiaries disposed during 2018 is as follows:

Name of subsidiary	Date disposed	Effective interest disposed
Gain Mark Properties (Shanghai) Ltd	January 2018	44.3%
Citadines (Xi'an) Property Co., Ltd.	January 2018	44.3%
CapitaMalls Foshan City Nanhai Commercial Property Co., Ltd	September 2018	51.0%
CapitaMalls Chongqing Investment Co., Ltd	September 2018	51.0%
CapitaMalls Maoming City Commercial Property Co., Ltd	September 2018	51.0%
CapitaMalls Zhangzhou Commercial Property Co., Ltd	September 2018	51.0%
Super Plus Limited	November 2018	100%

The disposed subsidiaries previously contributed net profit of $4.5 million from 1 January 2018 to the date of disposal.

32 ACQUISITION/DISPOSAL OF SUBSIDIARIES, NET OF CASH ACQUIRED/DISPOSED OF (continued)

(d) Effects of disposals

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

	Note	The Group 2019 $'000	The Group 2018 $'000
Property, plant and equipment		11,083	93
Investment properties	5	1,618,548	78,650
Other non-current assets		191	–
Assets held for sale		–	542,262
Other current assets		10,696	503
Cash and cash equivalents		50,849	387
Trade and other payables		(71,299)	–
Liabilities held for sale		–	(75,046)
Other current liabilities		(358)	(254)
Borrowings		(98,186)	(30,152)
Other non-current liabilities		(10,729)	(11,936)
Non-controlling interests		(3,113)	(117,005)
Net assets disposed		1,507,682	387,502
Realisation of reserve		1,655	36,304
Gain on disposal of subsidiaries		109,023	52,820
Sale consideration		1,618,360	476,626
Deferred proceeds and other adjustments		(35,381)	(10,578)
Deposits received in prior year		(11,627)	(104,909)
Payment received for prior year disposals		16,685	–
Cash of subsidiaries disposed		(50,849)	(387)
Cash inflow on disposal of subsidiaries*		1,537,188	360,752

* Cash inflow for 2018 included cash inflow from disposal of subsidiaries of $106.8 million as presented in the statement of cash flows and proceeds from disposal of assets held for sale of $254.0 million relate to the disposal of subsidiaries.

33 BUSINESS COMBINATIONS

The Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. Typically, the Group assesses the acquisition as a purchase of business when the strategic management function and the associated processes were purchased along with the underlying properties.

Acquisition of ASB

On 28 June 2019, the Group acquired 100% of the shares and voting interests in ASB from CLA Real Estate Holdings Pte Ltd (formerly known as Ascendas-Singbridge Pte Ltd) a related party. Following the acquisition, ASB became wholly owned subsidiaries of the Group.

With the acquisition of ASB, the Group's aggregate equity interests in CTM Property Trust (CTM) increased from 62.5% to 100%. As a result, the Group also consolidated CTM. Prior to the acquisition of ASB, CTM was equity accounted for as joint venture by the Group.

ASB offers real estate solutions, from development and project management to facilities and estate management, as well as property investments and fund management across 11 countries including Singapore, China, India, Australia and the United States of America. ASB also holds interests in, and manages, A-REIT, Ascendas India Trust (A-ITRUST) and A-HTRUST.

The acquisition of ASB allows the Group to create a leading diversified real estate group in Asia and achieve the following benefits:

i) The ASB added well-established capabilities as a real estate developer, owner, operator and manager in sectors complementary to the Group's portfolio, and which have been benefitting from new economy trends relating to e-commerce, urbanisation and knowledge economies. It also broadens the Group's footprint in existing core markets and provides scale in markets with growth potential;

ii) Following the acquisition of ASB, the Group will become one of the top 10 real estate investment managers globally. With recurring income from investment properties and fee-based income from fund management contributing to the Group's profit as well as reinforce the earnings quality; and

iii) The combined leasing network of the groups are expected to bring about scale and cross selling potential, whilst the enhanced digital capabilities through the combined groups collective technological capabilities are expected to drive further business innovation.

From the date of acquisition to 31 December 2019, ASB Group and CTM Group contributed revenue of $1,097.5 million and net profit of $365.8 million to the Group's results. If the acquisition had occurred on 1 January 2019, management estimates that the contribution to the Group's revenue and net profits from ASB Group and CTM Group would have been $1,506.3 million and $760.8 million respectively. In determining this amount, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2019.

33 BUSINESS COMBINATIONS (continued)

Details of the consideration paid, the assets acquired and liabilities assumed, the non-controlling interest recognised and the effects on the cash flows of the Group, at the acquisition date, are as follows:

Purchase consideration

The consideration for the acquisition was $6,035.9 million and was settled as follows:

i) $3,017.9 million in cash, being 50% of the consideration; and
ii) Allotted and issued 862,264,714 shares at an issue price of $3.50 per share amounting to $3,017.9 million, being the remaining 50% of the consideration.

The Group has performed purchase price allocation exercise (PPA) for ASB Group. Based on the PPA, part of the consideration paid for the assets acquired and liabilities assumed have been identified and allocated to property, plant and equipment, investment properties, management contracts, development properties for sale, associates, joint ventures and deferred tax liabilities. Goodwill of $49.6 million, attributed to the fund management business acquired, was recognised as a result of the difference between consideration transferred and the fair value of the assets acquired and liabilities assumed.

The identifiable assets acquired, liabilities assumed and effect of cash flows are presented as follows:

	$'000
Property, plant and equipment	635,737
Right-of-use assets	76,380
Intangible assets	314,495
Investment properties	8,674,334
Associates	2,219,878
Joint ventures	1,364,292
Other non-current assets	97,674
Development properties for sale and stocks	1,825,320
Trade and other receivables	341,495
Other current assets	16,990
Cash and cash equivalents	863,707
Trade and other payables	(949,626)
Contract liabilities	(785,490)
Current tax payable	(138,787)
Borrowings and debt securities	(6,313,865)
Deferred tax liabilities	(345,457)
Other non-current liabilities	(148,851)
Non-controlling interests	(1,101,349)
Less: amount previously accounted for as joint venture, remeasured at fair value	(660,590)
Net assets acquired	5,986,287
Goodwill arising from acquisition	49,565
Total purchase consideration	6,035,852
Settlement by way of issuance of new shares	(3,017,926)
Cash of subsidiaries acquired	(863,707)
Transaction costs paid	43,549
Cash outflow on business combination	2,197,768

33 BUSINESS COMBINATIONS (continued)

Acquisition-related costs

Total acquisition-related costs of $43.5 million related to stamp duties and legal, due diligence and financial advisory service fees were included in administrative expenses in the current and last financial year.

Measurement of fair value

The valuation techniques used for measuring the fair value of the material assets acquired and liabilities assumed were as follows:

Assets acquired	Valuation technique
Property, Plant and equipment (PPE)	PPE mainly consist of hospitality properties held by A-HTRUST. These properties are valued by independent valuers using discounted cashflow approach and capitalisation approach.
Intangible assets	Intangible assets mainly consist of REITs management contracts which independent valuation is conducted using the multi-period excess earnings method. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.
Investment properties	Independent valuations are conducted for signification properties under development using the following methods: • Direct comparison approach • Residual value approach • Discounted cashflow approach • Capitalisation approach For operational investment properties, the fair values were determined to approximate the carrying amounts. This is supported by independent valuers' certification confirming that there were no material changes in fair values between March 2019, where last full valuations were carried out, and the date of acquisition.
Investments in associates and joint ventures	Investments in associates and joint ventures included two listed REIT and business trust, A-REIT and A-ITRUST, whose valuations are based on share price. The fair value of investments in non-listed associates and joint ventures approximate the fair value of the properties held by these entities, supported by independent valuations for significant properties under development and development properties for sale using income approach and direct comparison approach. For operational investment properties, the fair values were determined to approximate the carrying amounts. This is supported by independent valuers' certification confirming that there are no material changes in fair values between March 2019, where last full valuations were carried out, and the date of acquisition.

33 BUSINESS COMBINATIONS (continued)

Assets acquired	Valuation technique
Development properties for sale	Independent valuations conducted using the income approach, direct comparison approach and residual value approach.
Other current assets and liabilities	Other current assets and liabilities include trade and other receivables, cash and cash equivalents, trade and other payables, other current liabilities and short-term borrowings The fair values of these assets and liabilities are determined to approximate the carrying amounts since they are short term in nature.
Long-term borrowings	Long-term borrowings consist of floating rate loans and fixed rate medium term notes and bank loans. The carrying amount of floating rate loans are determined to approximate the fair values as floating rate instruments are re-priced to market interest rates on or near balance sheet dates. The fair values of fixed rate medium term notes and bank loans are estimated by discounting expected future cash flows at market incremental lending rate for similar types of borrowing arrangements as at balance sheet date.

There were no significant business combinations in 2018.

34 FINANCIAL RISK MANAGEMENT

(a) Financial risk management objectives and policies

The Group and the Company are exposed to market risk (including interest rate, foreign currency and price risks), credit risk and liquidity risk arising from its diversified business. The Group's risk management approach seeks to minimise the potential material adverse effects from these exposures. The Group uses financial instruments such as currency forwards, interest rate swaps and cross currency swaps as well as foreign currency borrowings to hedge certain financial risk exposures.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Risk Committee to strengthen its risk management processes and framework. The Risk Committee is assisted by an independent unit called the Risk Assessment Group (RAG). RAG generates a comprehensive portfolio risk report to assist the committee. This quarterly report measures a spectrum of risks, including property market risks, construction risks, interest rate risks, refinancing risks and currency risks.

34 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will have on the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Interest rate risk

The Group's exposure to market risk for changes in interest rate environment relates mainly to its investment in financial products and debt obligations.

The investments in financial products are short term in nature and they are not held for trading or speculative purposes. The financial products mainly comprise fixed deposits which yield better returns than cash at bank.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group adopts a policy of ensuring that between 65% and 75% of its interest rate risk exposure is at a fixed rate. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve certain level of protection against rate hikes. The Group also uses hedging instruments such as interest rate swaps to minimise its exposure to interest rate volatility and classifies these interest rate swaps as cash flow hedge.

As at 31 December 2019, the Group has interest rate swaps classified as cash flow hedges with notional contractual amount of $6,983.5 million (2018: $5,680.8 million) which pay fixed interest rates and receive variable rates equal to the Singapore swap offer rates (SOR), London interbank offered rates (LIBOR), Australia bank bill swap bid rates (BBSY), Tokyo interbank offered rates (TIBOR) and Euro interbank offered rates (EURIBOR) on the notional amount.

As at 31 December 2019, the Group has cross currency swaps classified as cash flow hedges, with notional contractual amount of $2,483.6 million (2018: $2,258.2 million) which pay fixed interest rates and receive variable rates equal to the swap rates for US Dollars, Japanese Yen, Hong Kong Dollars and Singapore Dollars on the notional amount.

A fundamental review and reform of major interest rate benchmarks is being undertaken globally. There is uncertainty as to the timing and the methods of transition for replacing existing benchmark interbank offered rates (IBORs) with alternative rates. The Group's exposure to IBORs, that are widely referenced in financial contracts include Singapore interbank offered rates (SIBOR), SOR, LIBOR, BBSY, TIBOR, EURIBOR and swap rates for US Dollars, Japanese Yen, Hong Kong Dollars and Singapore Dollars.

34 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

(i) Interest rate risk (continued)

As a result of these uncertainties, significant accounting judgement is involved in determining whether certain hedge accounting relationships that hedge the variability of foreign exchange and interest rate risk due to expected changes in IBORs continue to qualify for hedge accounting as at 31 December 2019. IBORs continue to be used as reference rates in financial markets and are used in the valuation of instruments with maturities that exceed the expected end date for these IBORs. Therefore, the Group believes the current market structure supports the continuation of hedge accounting as at 31 December 2019.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts.

The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the critical terms method. As all critical terms matched during the year, the economic relationship was 100% effective.

Hedge ineffectiveness may occur due to changes in the critical terms of either the interest rate swaps or borrowings.

The net fair value loss of interest rate swaps as at 31 December 2019 was $88.9 million (2018: $24.5 million) comprising derivative assets of $0.8 million (2018: $10.5 million) and derivative liabilities of $89.7 million (2018: $35.0 million).

Sensitivity analysis

For variable rate financial liabilities and interest rate derivative instruments used for hedging, it is estimated that an increase of 100 basis point in interest rate at the reporting date would lead to a reduction in the Group's profit before tax (and revenue reserve) by approximately $98.7 million (2018: $62.0 million). A decrease in 100 basis point in interest rate would have an equal but opposite effect. This analysis assumes that all other variables, in particular foreign currency rates, remain constant, and has not taken into account the effects of qualifying borrowing costs allowed for capitalisation, the associated tax effects and share of non-controlling interests.

(ii) Equity price risk

As at 31 December 2019, the Group has financial assets at FVOCI and at FVTPL in equity securities and is exposed to equity price risk. The securities listed in Malaysia and Singapore are accounted for at FVOCI and FVTPL respectively.

34 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

(ii) Equity price risk

Sensitivity analysis

It is estimated that if the prices for equity securities listed in Malaysia increase by five percentage points with all other variables including tax rate being held constant, the Group's fair value reserve would increase by approximately $1.9 million (2018: $2.4 million). A decrease in five percentage points will have an equal but opposite effect.

There is no significant exposure from equity securities listed in Singapore.

(iii) Foreign currency risk

The Group operates internationally and is exposed to various currencies, mainly Chinese Renminbi, Euro, Indian Rupee, Japanese Yen, Malaysian Ringgit, Australian Dollars and US Dollars.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which its property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

As at the reporting date, the Group uses certain foreign currency denominated borrowings, which include bank loans and medium term notes, and cross currency interest rate swaps to hedge against the currency risk arising from the Group's net investments in certain subsidiaries in the United States of America, Europe and Japan. The carrying amount of these US Dollars, Euro, Sterling Pound and Japanese Yen denominated borrowings as at 31 December 2019 was $1,304.0 million (2018: $1,134.6 million) and the fair value of the borrowings was $1,338.1 million (2018: $1,124.9 million).

The Group uses forward exchange contracts or foreign currency loans to hedge its foreign currency risk, where feasible. It generally enters into forward exchange contracts with maturities ranging between three months and one year which are rolled over at market rates at maturity or foreign currency loans which match the Group's highly probable transactions and investment in the foreign subsidiaries. The Group also enters into cross currency swaps to hedge the foreign exchange risk of its loans denominated in a foreign currency. The foreign exchange forwards and currency swaps are denominated in the same currency as the highly probable transactions, therefore the economic relationship is 100% effective.

Hedge ineffectiveness may occur due to:

- Changes in timing of the forecasted transaction from what was originally planned; and
- Changes in the credit risk of the derivative counterparty or the Group.

The net fair value gain of the forward exchange and cross currency swap contracts as at 31 December 2019 was $68.9 million (2018: loss of $6.8 million), comprising derivative assets of $111.0 million (2018: $87.8 million) and derivative liabilities of $42.1 million (2018: $94.6 million).

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

34 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

The Group's exposure to foreign currencies were as follows:

	Singapore Dollars $'000	US Dollars $'000	Australian Dollars $'000	Chinese Renminbi $'000	Indian Rupee $'000	Japanese Yen $'000	Euro $'000	Malaysian Ringgit $'000	Others# $'000	Total $'000
The Group										
31 December 2019										
Other financial assets	235,207	104,562	–	32,033	–	247,803	1,736	38,156	–	659,497
Trade and other receivables	1,006,195	682,550	214,679	795,801	85,553	205,266	227,867	34,304	450,113	3,702,328
Cash and cash equivalents	2,565,610	395,646	36,254	2,468,010	36,582	226,343	113,349	49,765	276,048	6,167,607
Bank borrowings and debt securities	(17,240,291)	(3,571,299)	(187,420)	(4,147,956)	(117,474)	(2,786,533)	(1,236,427)	(518,424)	(1,605,239)	(31,411,063)
Trade and other payables	(1,087,199)	(783,404)	(61,782)	(3,523,493)	(44,295)	(111,433)	(86,031)	(71,052)	(232,219)	(6,000,908)
Gross currency exposure	(14,520,478)	(3,171,945)	1,731	(4,375,605)	(39,634)	(2,218,554)	(979,506)	(467,251)	(1,111,297)	(26,882,539)
Add: Net financial liabilities denominated in the respective entities' functional currencies	14,050,616	2,065,946	125,988	4,080,608	38,884	1,445,844	392,003	511,909	179,199	22,890,997
Add: Bank borrowings and debt securities designated for net investment hedge	–	48,980	83,434	–	–	356,512	781,696	–	37,908	1,308,530
Add: Cross currency swaps/foreign exchange forward contracts	–	947,310	–	–	–	603,607	–	–	948,941	2,499,858
Less: Financial assets at FVOCI	–	(3,398)	–	–	–	–	–	(38,156)	–	(41,554)
Net currency exposure	(469,862)	(113,107)	211,153	(294,997)	(750)	187,409	194,193	6,502	54,751	(224,708)

Others include mainly United Arab Emirates Dirham, Sterling Pound, Thai Baht, Hong Kong Dollars and Vietnamese Dong.

34 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

	Singapore Dollars $'000	US Dollars $'000	Australian Dollars $'000	Chinese Renminbi $'000	Hong Kong Dollars $'000	Japanese Yen $'000	Euro $'000	Malaysian Ringgit $'000	Others# $'000	Total $'000
The Group										
31 December 2018										
Other financial assets	11,321	101,691	–	29,613	165	225,413	–	40,632	–	408,835
Trade and other receivables	393,145	423,697	22,159	759,163	16,566	22,508	226,688	39,478	104,748	2,008,152
Cash and cash equivalents	2,490,066	172,546	15,552	1,850,213	4,659	182,862	89,270	51,992	202,679	5,059,839
Bank borrowings and debt securities	(13,300,000)	(2,315,184)	(87,094)	(2,402,944)	(1,097,329)	(2,536,152)	(1,007,269)	(497,273)	(390,700)	(23,633,945)
Trade and other payables	(1,348,998)	(773,197)	(9,567)	(2,107,619)	(2,163)	(87,112)	(63,504)	(70,399)	(161,196)	(4,623,755)
Gross currency exposure	(11,754,466)	(2,390,447)	(58,950)	(1,871,574)	(1,078,102)	(2,192,481)	(754,815)	(435,570)	(244,469)	(20,780,874)
Add/Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	11,611,516	1,507,826	(11,928)	1,696,089	142,206	1,237,661	349,026	526,928	89,418	17,148,742
Add: Bank borrowings and debt securities designated for net investment hedge	–	–	87,462	–	–	268,562	607,171	–	173,959	1,137,154
Add: Cross currency swaps/foreign exchange forward contracts	–	617,880	–	–	955,480	715,811	–	–	–	2,289,171
Less: Financial assets at FVOCI	–	(3,436)	–	–	(165)	–	–	(40,632)	–	(44,233)
Net currency exposure	(142,950)	(268,177)	16,584	(175,485)	19,419	29,553	201,382	50,726	18,908	(250,040)

Others include mainly United Arab Emirates Dirham, Sterling Pound, Thai Baht, Indian Rupee and Vietnamese Dong.

34 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

Sensitivity analysis

It is estimated that a five percentage point strengthening in foreign currencies against the respective functional currencies of the Group would decrease the Group's profit before tax by approximately $11.2 million (2018: $12.5 million) and increase the Group's other components of equity by approximately $2.1 million (2018: $2.2 million). A five percentage point weakening in foreign currencies against the Singapore Dollar would have an equal but opposite effect. The Group's outstanding forward exchange contracts and cross currency swaps have been included in this calculation. The analysis assumed that all other variables, in particular interest rates, remain constant and does not take into account the translation related risk, associated tax effects and share of non-controlling interests.

There was no significant exposure to foreign currencies for the Company as at 31 December 2019 and 31 December 2018.

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. For trade and other receivables, contract assets and financial assets at amortised cost, the Group has guidelines governing the process of granting credit as a service or product provider in its respective segments of business. Trade and other receivables and contract assets relate mainly to the Group's customers who bought its residential units and tenants from its commercial buildings, shopping malls and serviced residences. Financial assets at amortised cost relate mainly to amounts owing by related parties. Investments and financial transactions are restricted to counterparties that meet the appropriate credit criteria.

The principal risk to which the Group and the Company is exposed to in respect of financial guarantee contracts is credit risk in connection with the guarantee contracts they have issued. To mitigate the risk, management continually monitors the risk and has established processes including performing credit evaluations of the parties it is providing the guarantee on behalf of. Guarantees are only given for the benefit of its subsidiaries and related parties. The maximum exposure to credit risk in respect of these financial guarantees at the balance sheet date is disclosed in note 37.

The Group has a diversified portfolio of businesses and as at balance sheet date, there was no significant concentration of credit risk with any entity. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet, including derivative financial instruments as well as any irrevocable loan undertaking to associates and joint ventures.

34 FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

(i) Trade receivables and contract assets

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets.

In measuring the expected credit losses, trade receivables and contract assets are grouped based on similar credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers under each businesses.

Trade and other receivables and contract assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group generally considers a financial asset as in default if the counterparty fails to make contractual payments within 90 days when they fall due and writes off the financial asset when the Group assesses that the debtor fails to make contractual payments. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

(ii) Financial assets at amortised cost

The Group assesses on a forward-looking basis the expected credit losses associated with financial assets at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

34 FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

(a) The movements in credit loss allowance are as follows:

	Trade receivables $'000	Other receivables $'000	Amounts due from associates $'000	Amounts due from joint ventures (current) $'000	Amounts due from joint ventures (non-current) $'000	Total $'000
The Group						
At 1 January 2019	14,867	15,392	102	14,938	13,778	59,077
Allowance utilised	(598)	(143)	–	–	–	(741)
Allowance during the year	3,431	1,327	–	4,817	–	9,575
Reversal of allowance during the year	(375)	(168)	–	–	–	(543)
Disposal of subsidiaries	(1,726)	(1,346)	–	–	–	(3,072)
Translation differences	(144)	12	3	1,059	1,361	2,291
At 31 December 2019	15,455	15,074	105	20,814	15,139	66,587
At 1 January 2018	10,537	19,205	3,172	13,389	13,639	59,942
Allowance utilised	(622)	(9,542)	–	–	–	(10,164)
Allowance during the year	4,728	5,844	–	1,450	–	12,022
Reversal of allowance during the year	(362)	–	(3,067)	–	–	(3,429)
Disposal of subsidiaries	(18)	(30)	–	–	–	(48)
Translation differences	604	(85)	(3)	99	139	754
At 31 December 2018	14,867	15,392	102	14,938	13,778	59,077

34 FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

(a) The movements in credit loss allowance are as follows (continued):

The movements in allowance for impairment loss on loans (note 6) and amounts due from subsidiaries (note 18) were as follows:

	Amounts due from subsidiaries 2019 $'000	2018 $'000
The Company		
At 1 January	125,205	108,902
Allowance during the year	13,494	16,803
Reversal of allowance during the year	(4,678)	(500)
At 31 December	134,021	125,205

Cash and cash equivalents are subject to immaterial credit loss.

(b) The maximum exposure to credit risk for trade receivables at the reporting date (by strategic business units) was:

	The Group 2019 $'000	2018 $'000
CL Singapore & International	79,081	65,988
CL China	157,606	69,981
CL India	9,933	23
CL Lodging	78,289	75,253
CL Financial	16,597	11,677
Others	114	4,168
	341,620	227,090

34 FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

(c) The credit quality of trade and other receivables is assessed based on credit policies established by the Risk Committee. The Group monitors customer credit risk by grouping trade and other receivables based on their characteristics. Trade and other receivables with high credit risk will be identified and monitored by the respective strategic business units. The Group's and the Company's credit risk exposure in relation to trade and other receivables under SFRS(I) 9 as at 31 December 2019 are set out in the provision matrix as follows:

		<—— Past due		——>	
	Current $'000	Within 30 days $'000	30 to 90 days $'000	More than 90 days $'000	Total $'000
The Group					
2019					
Expected loss rate	–	0.7%	0.9%	27.5%	
Trade receivables	206,894	50,101	46,480	53,600	357,075
Loss allowance	–	331	409	14,715	15,455
Expected loss rate	–	–	–	0.4%	
Amounts due from associates	151,834	12,271	7,545	27,243	198,893
Loss allowance	–	–	–	105	105
Expected loss rate	–	–	–	41.8%	
Amounts due from joint ventures	140,342	4,945	4,524	49,830	199,641
Loss allowance	–	–	–	20,814	20,814
2018					
Expected loss rate	–	0.2%	21.6%	36.4%	
Trade receivables	141,409	51,989	19,815	28,744	241,957
Loss allowance	–	125	4,287	10,455	14,867
Expected loss rate	–	–	–	0.6%	
Amounts due from associates	13,388	2,683	3,806	17,842	37,719
Loss allowance	–	–	–	102	102
Expected loss rate	–	–	–	36.8%	
Amounts due from joint ventures	35,253	1,005	1,794	40,538	78,590
Loss allowance	–	–	–	14,938	14,938

34 FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

No aging analysis of contract assets and other receivables are presented as the majority of outstanding balances as at 31 December 2019 and 31 December 2018 are current. The Group assesses that no allowance for impairment loss on other receivables is required, except for the amount written off as there is no reasonable expectation of recovery.

The Company's credit risk exposure to other receivables as at 31 December 2019 and 31 December 2018 are immaterial.

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

(d) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient level of cash or cash convertible investments to meet its working capital requirement. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group will constantly raise committed funding from both capital markets and financial institutions and prudently balance its portfolio with some short term funding so as to achieve overall cost effectiveness.

34 FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

The following are the expected contractual undiscounted cash flows of financial liabilities and derivative financial instruments, including interest payments and excluding the impact of netting agreements:

	Carrying amount $'000	<—— Contractual cash flows —— Total $'000	Not later than 1 year $'000	Between 1 and 5 years $'000	After 5 years $'000 —>
The Group					
31 December 2019					
Financial liabilities, at amortised cost					
Bank borrowings	(18,824,578)	(20,693,013)	(2,908,007)	(15,187,943)	(2,597,063)
Debt securities	(11,901,519)	(13,689,530)	(1,786,734)	(7,144,966)	(4,757,830)
Lease liabilities	(684,966)	(960,901)	(79,179)	(265,430)	(616,292)
Trade and other payables#	(5,003,901)	(5,012,477)	(4,452,082)	(532,703)	(27,692)
	(36,414,964)	(40,355,921)	(9,226,002)	(23,131,042)	(7,998,877)
Derivative financial assets/ (liabilities), at fair value					
Interest rate swaps (net-settled)					
– assets	759	921	726	195	–
– liabilities	(89,647)	(79,055)	(29,841)	(36,715)	(12,499)
Forward foreign exchange contracts (net-settled)					
– assets	4,366	4,427	4,427	–	–
– liabilities	(1,181)	(1,181)	(1,181)	–	–
Forward foreign exchange contracts (gross-settled)	4,521				
– outflow		(201,827)	(201,827)	–	–
– inflow		206,348	206,348	–	–
Forward foreign exchange contracts (gross-settled)	(31)				
– outflow		(5,316)	(5,316)	–	–
– inflow		5,285	5,285	–	–
Cross currency swaps (gross-settled)	102,119				
– outflow		(1,364,337)	(63,638)	(1,190,654)	(110,045)
– inflow		1,439,392	73,579	1,254,217	111,596
Cross currency swaps (gross-settled)	(40,856)				
– outflow		(1,610,694)	(199,494)	(396,490)	(1,014,710)
– inflow		1,556,416	193,514	388,896	974,006
	(19,950)	(49,621)	(17,418)	19,449	(51,652)
	(36,434,914)	(40,405,542)	(9,243,420)	(23,111,593)	(8,050,529)

\# Excludes liability for employee benefits and deferred income.

34 FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

	Carrying amount $'000	<——— Contractual cash flows ———> Total $'000	Not later than 1 year $'000	Between 1 and 5 years $'000	After 5 years $'000
The Group					
31 December 2018					
Financial liabilities, at amortised cost					
Bank borrowings	(13,003,731)	(14,360,143)	(2,097,869)	(10,674,394)	(1,587,880)
Debt securities	(10,630,214)	(12,007,218)	(1,781,678)	(5,732,208)	(4,493,332)
Trade and other payables#	(3,876,540)	(3,902,458)	(3,482,334)	(388,099)	(32,025)
	(27,510,485)	(30,269,819)	(7,361,881)	(16,794,701)	(6,113,237)
Derivative financial assets/ (liabilities), at fair value					
Interest rate swaps (net-settled)					
- assets	10,465	14,181	6,665	7,516	–
- liabilities	(34,984)	(33,261)	(11,071)	(22,190)	–
Forward foreign exchange contracts (net-settled)					
- assets	4,798	4,798	4,798	–	–
- liabilities	(1,155)	(1,155)	(1,155)	–	–
Forward foreign exchange contracts (gross-settled)	(78)				
- outflow		(40,233)	(40,233)	–	–
- inflow		40,155	40,155	–	–
Cross currency swaps (gross-settled)	82,966				
- outflow		(1,060,620)	(42,985)	(904,070)	(113,565)
- inflow		1,108,455	44,304	949,694	114,457
Cross currency swaps (gross-settled)	(93,345)				
- outflow		(1,469,835)	(341,849)	(577,885)	(550,101)
- inflow		1,424,578	306,757	592,728	525,093
	(31,333)	(12,937)	(34,614)	45,793	(24,116)
	(27,541,818)	(30,282,756)	(7,396,495)	(16,748,908)	(6,137,353)

\# Excludes liability for employee benefits and deferred income.

34 FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

	Carrying amount $'000	<— Contractual cash flows Total $'000	Not later than 1 year $'000	Between 1 and 5 years $'000	After 5 years $'000 —>
The Company					
31 December 2019					
Financial liabilities, at amortised cost					
Debt securities	(1,816,767)	(1,969,116)	(685,090)	(624,951)	(659,075)
Trade and other payables#	(109,959)	(109,959)	(109,959)	–	–
	(1,926,726)	(2,079,075)	(795,049)	(624,951)	(659,075)
31 December 2018					
Financial liabilities, at amortised cost					
Debt securities	(2,051,440)	(2,232,288)	(611,282)	(943,681)	(677,325)
Trade and other payables#	(258,480)	(258,480)	(258,480)	–	–
	(2,309,920)	(2,490,768)	(869,762)	(943,681)	(677,325)

Excludes liability for employee benefits.

34 FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

At 31 December 2019, the Group held the following instruments to hedge exposures to changes in foreign currency and interest rates:

	Carrying amount			Changes in fair value used for calculating hedge ineffectiveness				
	Contractual notional amount $'000	Assets/ (Liabilities) $'000	Financial statement line item	Hedging instrument $'000	Hedged item $'000	Hedge ineffectiveness recognised in P&L $'000	Weighted average hedge forex rate/ interest rate (%)	Maturity date
The Group								
31 December 2019								
Cashflow hedges								
Foreign exchange risk								
– Cross currency swaps to hedge foreign currency borrowings	2,483,636	45,410	Derivative financial instruments	45,728	(45,728)	–	USD: SGD1.285 (USD 3.274%)	November 2020 to April 2029
– Forward contracts to hedge foreign currency borrowings and receivables from divestment proceeds	211,389	4,178	Derivative financial instruments	1,309	(1,312)	(3)	EUR: SGD1.541 HKD: SGD0.176 MYR: SGD0.326	February 2020 to June 2020
Interest rate risk								
– Interest rate swaps to hedge floating rate borrowings	6,983,505	(89,044)	Derivative financial instruments	(59,378)	59,378	–	2.010%	February 2020 to October 2026
Net investment hedges								
Foreign exchange risk								
– Borrowings to hedge net investments in foreign operations	–	(1,303,966)	Borrowings	(16,567)	16,567	–	JPY: SGD0.0124 EUR: SGD1.500 GBP: SGD1.753 AUD: SGD0.928	August 2020 to September 2026
– Forward contracts to hedge net investments in foreign operations	478,420	2,844	Derivative financial instruments	(665)	665	–	USD: SGD1.366 RMB: SGD0.194 JPY: SGD0.0126 EUR: SGD1.512 AUD: SGD0.936	January 2020 to March 2020
– Cross currency swaps to hedge net investments in foreign operations	682,203	15,853	Derivative financial instruments	14,498	(14,498)	–	JPY: SGD0.011 EUR: SGD1.531 KRW: SGD0.00116	April 2020 to April 2023

34 FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

	<— Carrying amount	—>		<— Changes in fair value used for calculating hedge ineffectiveness		—>		
	Contractual notional amount $'000	Assets/ (Liabilities) $'000	Financial statement line item	Hedging instrument $'000	Hedged item $'000	Hedge ineffectiveness recognised in P&L $'000	Weighted average hedge forex rate/ interest rate (%)	Maturity date
The Group								
31 December 2018								
Cashflow hedges								
Foreign exchange risk								
– Cross currency swaps to hedge foreign currency borrowings	2,258,227	(6,219)	Derivative financial instruments	21,746	(21,746)	–	USD: SGD1.237 (USD 4.000%) HKD: SGD0.167 (HKD 3.269%)	October 2019 to February 2027
Interest rate risk								
– Interest rate swaps to hedge floating rate borrowings	5,680,832	67,583	Derivative financial instruments	7,238	(7,238)	–	2.144%	February 2019 to October 2023
Net investment hedges								
Foreign exchange risk								
– Borrowings to hedge net investments in foreign operations	–	(1,134,606)	Borrowings	18,483	(18,483)	–	JPY: SGD0.0121 EUR: SGD1.561 GBP: SGD1.753 AUD: SGD0.970	March 2020 to September 2025
– Forward contracts to hedge net investments in foreign operations	624,508	3,643	Derivative financial instruments	5,366	(5,366)	–	USD: SGD1.375 RMB: SGD0.197 HKD: SGD0.176 JPY: SGD0.0121 EUR: SGD1.574 AUD: SGD0.976	January 2019 to March 2019
– Cross currency swaps to hedge net investments in foreign operations	420,000	578	Derivative financial instruments	4,600	(4,600)	–	JPY: SGD0.0124 EUR: SGD1.531	November 2022 to March 2024

34 FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

The following table provides a reconciliation by risk category of components of equity and analysis of other comprehensive income items (net of tax) resulting from cashflow hedge accounting.

	Hedging reserve	
	2019	2018
	$'000	$'000
The Group		
At 1 January	(42,939)	(32,763)
Change in fair value:		
– Foreign currency risk	10,728	4,673
– Interest rate risk	(46,206)	(19,040)
Amount reclassified to profit or loss:		
– Foreign currency risk	(1,614)	(723)
– Interest rate risk	5,630	4,914
At 31 December	(74,401)	(42,939)

(e) Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Group's and the Company's balance sheets; or
- are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the balance sheets.

Financial instruments such as trade receivables and trade payables are not disclosed in the tables below unless they are offset in the balance sheets.

The Group's derivative transactions that are not transacted through an exchange, are governed by the International Swaps and Derivatives Association (ISDA) Master Netting Agreements. In general, under such agreements, the amounts due on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount and settled between the counterparties. In certain circumstances, for example when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and set off into a single net amount to be settled.

The above ISDA agreements do not meet the criteria for offsetting in the balance sheets as a right of set-off of recognised amounts is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

34 FINANCIAL RISK MANAGEMENT (continued)

(e) Offsetting financial assets and financial liabilities (continued)

	Note	Gross amount of recognised financial assets/ (liabilities) $'000	Gross amount of recognised financial assets/ (liabilities) offset in the balance sheet $'000	Net amount of financial assets/ (liabilities) presented in the balance sheet $'000	Related amount not offset in the balance sheet $'000	Net amount $'000
The Group						
31 December 2019						
Types of financial assets						
Interest rate swaps		759	–	759	(5)	754
Forward foreign exchange contracts		8,887	–	8,887	(1,197)	7,690
Cross currency swaps		102,119	–	102,119	(26,181)	75,938
	10(a), 10(b)	111,765	–	111,765	(27,383)	84,382
Types of financial liabilities						
Interest rate swaps		(89,647)	–	(89,647)	5	(89,642)
Forward foreign exchange contracts		(1,212)	–	(1,212)	1,197	(15)
Cross currency swaps		(40,856)	–	(40,856)	26,181	(14,675)
	17, 21	(131,715)	–	(131,715)	27,383	(104,332)
31 December 2018						
Types of financial assets						
Interest rate swaps		10,465	–	10,465	(1,591)	8,874
Forward foreign exchange contracts		4,798	–	4,798	(1,155)	3,643
Cross currency swaps		82,966	–	82,966	(32,687)	50,279
	10(a), 10(b)	98,229	–	98,229	(35,433)	62,796
Types of financial liabilities						
Interest rate swaps		(34,984)	–	(34,984)	1,591	(33,393)
Forward foreign exchange contracts		(1,233)	–	(1,233)	1,155	(78)
Cross currency swaps		(93,345)	–	(93,345)	32,687	(60,658)
	17, 21	(129,562)	–	(129,562)	35,433	(94,129)

34 FINANCIAL RISK MANAGEMENT (continued)

(e) Offsetting financial assets and financial liabilities (continued)

	Note	Gross amount of recognised financial assets/ (liabilities) $'000	Gross amount of recognised financial assets/ (liabilities) offset in the balance sheet $'000	Net amount of financial assets/ (liabilities) presented in the balance sheet $'000	Related amount not offset in the balance sheet $'000	Net amount $'000
The Company						
31 December 2019						
Types of financial assets						
Amount due from subsidiaries, current account	18	68,952	–	68,952	(13,765)	55,187
Types of financial liabilities						
Amount due to subsidiaries, current account	18	(13,765)	–	(13,765)	13,765	–
31 December 2018						
Types of financial assets						
Amount due from subsidiaries, current account	18	126,471	–	126,471	(482)	125,989
Types of financial liabilities						
Amount due to subsidiaries, current account	18	(482)	–	(482)	482	–

35 FAIR VALUE OF ASSETS AND LIABILITIES

(a) Determination of fair value

The following valuation methods and assumptions are used to estimate the fair values of the following significant classes of assets and liabilities:

(i) Derivatives

Forward currency contracts, cross currency swap contracts and interest rate swap contracts are valued using valuation techniques with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present valuation calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rate, interest rate curves and forward rate curves.

(ii) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted using the market rate of interest at the reporting date.

In respect of the liability component of convertible bonds, the fair value at initial recognition is determined using a market interest rate of similar liabilities that do not have a conversion option.

Fair value of quoted debt securities is determined based on quoted market prices.

(iii) Other financial assets and liabilities

The fair value of quoted securities is their quoted bid price at the balance sheet date. The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

Where other valuation techniques, such as discounted cash flow or net asset techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate for a similar instrument in the balance sheet.

35 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(a) Determination of fair value (continued)

(iv) Investment properties

The Group's investment property portfolio is mostly valued by external and independent valuation companies every six months. Independent valuation is also carried out on occurrence of acquisition and on completion of construction of investment property. The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion. The valuers have considered valuation techniques including direct comparison method, capitalisation approach, discounted cash flows and residual method in arriving at the open market value as at the balance sheet date. In determining the fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation rate, terminal yield rate and discount rate.

Investment property under development is valued by estimating the fair value of the completed investment property and then deducting from that amount the estimated costs to complete the construction and a reasonable profit margin on construction and development. The estimated cost to complete is determined based on the construction cost per square metre in the pertinent area.

(v) Assets held for sale

The fair value of the Group's investment properties held for sale is either valued by an independent valuer or based on agreed contractual selling price on a willing buyer willing seller basis. For investment properties held for sale valued by an independent valuer, the valuer has considered the direct comparison and income capitalisation approaches in arriving at the open market value as at the balance sheet date. In determining the fair value, the valuer used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties held for sale include market-corroborated capitalisation rate.

35 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(a) Determination of fair value (continued)

(vi) Property, plant and equipment

The fair value of the property, plant and equipment is the estimated amount for which a property could be exchanged on the date of acquisition between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly. The residual values of serviced residence properties at the end of the intended holding period are determined based on annual independent professional valuations, using valuation methods such as discounted cash flow and/or comparison method. The key assumptions used to determine the residual values of serviced residence properties include terminal yield rate and discount rate.

(vii) Share-based payment transactions

The fair values of employee performance share plan and restricted share plan are measured using valuation methodology described in note 22. Measurement inputs include the share price at grant date, expected volatility (based on an evaluation of the historical volatility of the Company's and peer group's share price), expected correlation of the Company's return with those of peer group, expected dividends and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining the fair values.

(b) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used. The different levels have been defined as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

35 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(c) Accounting classification and fair values

		<— Carrying amount				—>	<— Fair value			—>
	Note	Fair value – hedging instruments $'000	FVOCI $'000	FVTPL $'000	Amortised Cost $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
The Group										
31 December 2019										
Financial assets measured at fair value										
Equity investments at FVOCI	10(a)	–	280,826	–	–	280,826	206,044	–	74,782	280,826
Equity investments at FVTPL	10(a)	–	–	378,671	–	378,671	3,489	–	375,182	378,671
Derivative financial assets:										
- Forward foreign exchange contracts and cross currency swaps	10(b)	15,982	–	–	–	15,982	–	15,982	–	15,982
- Interest rate swaps, forward foreign exchange contracts and cross currency swaps	10(a)	95,783	–	–	–	95,783	–	95,783	–	95,783
		111,765	280,826	378,671	–	771,262				
Financial assets not measured at fair value										
Other non-current assets		–	–	–	625,896	625,896				
Loans due from associates	7(a)	–	–	–	176,294	176,294				
Loans due from joint ventures	8(a)	–	–	–	743,322	743,322				
Trade and other receivables	12	–	–	–	1,661,172	1,661,172				
Cash and cash equivalents	16	–	–	–	6,167,606	6,167,606				
		–	–	–	9,374,290	9,374,290				

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

35 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(c) Accounting classification and fair values (continued)

		Carrying amount					Fair value			
	Note	Fair value – hedging instruments $'000	FVOCI $'000	FVTPL $'000	Amortised Cost $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
The Group										
31 December 2019										
Financial liabilities measured at fair value										
Derivative financial instruments:										
- Interest rate swaps and forward foreign exchange contracts	17	(18,035)	–	–	–	(18,035)	–	(18,035)	–	(18,035)
- Interest rate swaps, forward foreign exchange contracts and cross currency swaps	21	(113,680)	–	–	–	(113,680)	–	(113,680)	–	(113,680)
		(131,715)	–	–	–	(131,715)				
Financial liabilities not measured at fair value										
Other non-current liabilities#		–	–	–	(560,922)	(560,922)	–	–	(555,019)	(555,019)
Bank borrowings^	19	–	–	–	(18,824,578)	(18,824,578)	–	(18,856,534)	–	(18,856,534)
Debt securities	20	–	–	–	(11,901,519)	(11,901,519)	(2,452,455)	(9,939,996)	–	(12,392,451)
Trade and other payables#		–	–	–	(4,443,152)	(4,443,152)				
		–	–	–	(35,730,171)	(35,730,171)				

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

35 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(c) Accounting classification and fair values (continued)

	Note	Carrying amount: Fair value – hedging instruments $'000	Carrying amount: FVOCI $'000	Carrying amount: FVTPL $'000	Carrying amount: Amortised Cost $'000	Carrying amount: Total $'000	Fair value: Level 1 $'000	Fair value: Level 2 $'000	Fair value: Level 3 $'000	Fair value: Total $'000
The Group										
31 December 2018										
Financial assets measured at fair value										
Equity investments at FVOCI	10(a)	–	111,977	–	–	111,977	40,632	–	71,345	111,977
Equity investments at FVTPL	10(a)	–	–	296,858	–	296,858	–	–	296,858	296,858
Derivative financial assets:										
- Forward foreign exchange contracts and cross currency swaps	10(b)	5,821	–	–	–	5,821	–	5,821	–	5,821
- Interest rate swaps, forward foreign exchange contracts and cross currency swaps	10(a)	92,408	–	–	–	92,408	–	92,408	–	92,408
		98,229	111,977	296,858	–	507,064				
Financial assets not measured at fair value										
Other non-current assets		–	–	–	336,069	336,069				
Loans due from associates	7(a)	–	–	–	343,737	343,737				
Loans due from joint ventures	8(a)	–	–	–	656,653	656,653				
Trade and other receivables	12	–	–	–	1,074,499	1,074,499				
Cash and cash equivalents	16	–	–	–	5,059,839	5,059,839				
		–	–	–	7,470,797	7,470,797				

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

35 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(c) Accounting classification and fair values (continued)

		Carrying amount					Fair value			
	Note	Fair value – hedging instruments $'000	FVOCI $'000	FVTPL $'000	Amortised Cost $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
The Group										
31 December 2018										
Financial liabilities measured at fair value										
Derivative financial instruments:										
– Interest rate swaps and forward foreign exchange contracts	17	(60,381)	–	–	–	(60,381)	–	(60,381)	–	(60,381)
– Interest rate swaps, forward foreign exchange contracts and cross currency swaps	21	(69,181)	–	–	–	(69,181)	–	(69,181)	–	(69,181)
		(129,562)	–	–	–	(129,562)				
Financial liabilities not measured at fair value										
Other non-current liabilities#		–	–	–	(454,565)	(454,565)	–	–	(446,920)	(446,920)
Bank borrowings^	19	–	–	–	(13,003,206)	(13,003,206)	–	(13,007,704)	–	(13,007,704)
Debt securities	20	–	–	–	(10,630,214)	(10,630,214)	(2,646,640)	(8,019,283)	–	(10,665,923)
Trade and other payables#		–	–	–	(3,433,736)	(3,433,736)				
		–	–	–	(27,521,721)	(27,521,721)				

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

35 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(c) Accounting classification and fair values (continued)

		Carrying amount		Fair value			
	Note	Amortised Cost $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
The Company							
31 December 2019							
Financial assets not measured at fair value							
Amount due from subsidiaries	6	4,535,771	4,535,771				
Trade and other receivables	12	889,571	889,571				
Cash and cash equivalents	16	18,098	18,098				
		5,443,440	5,443,440				
Financial liabilities not measured at fair value							
Debt securities	20	(1,816,767)	(1,816,767)	(1,836,037)	–	–	(1,836,037)
Trade and other payables#		(109,959)	(109,959)				
		(1,926,726)	(1,926,726)				
31 December 2018							
Financial assets not measured at fair value							
Amount due from subsidiaries	6	5,817,508	5,817,508				
Trade and other receivables	12	1,166,065	1,166,065				
Cash and cash equivalents	16	15,156	15,156				
		6,998,729	6,998,729				
Financial liabilities not measured at fair value							
Debt securities	20	(2,051,440)	(2,051,440)	(2,034,742)	–	–	(2,034,742)
Trade and other payables#		(258,479)	(258,479)				
		(2,309,919)	(2,309,919)				

Excludes liability for employee benefits.

35 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(c) Accounting classification and fair values (continued)

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

	Note	Fair value Level 3 $'000
The Group		
31 December 2019		
Non-financial assets measured at fair value		
Investment properties	5	48,731,897
Assets held for sale – investment properties	15	336,719
		49,068,616
31 December 2018		
Non-financial assets measured at fair value		
Investment properties	5	39,445,960
Assets held for sale – investment properties	15	254,080
		39,700,040

(d) Level 3 fair value measurements

(i) Reconciliation of Level 3 fair value

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

	Equity investments at FVOCI $'000	Equity investments at FVTPL $'000	Assets held for sale – investment properties $'000
The Group			
2019			
At 1 January 2019	71,345	296,858	254,080
Additions	10,647	10,731	274,609
Disposals	–	–	(389,147)
Changes in fair value recognised in profit or loss	–	9,898	197,604
Changes in fair value recognised in other comprehensive income	146,847	–	–
Reclassification to Level 1 fair value hierarchy	(167,888)	–	–
Acquisition of subsidiaries	14,678	51,786	–
Return of capital	(172)	(2,337)	–
Translation differences	(675)	8,246	(427)
At 31 December 2019	74,782	375,182	336,719

35 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(d) Level 3 fair value measurements (continued)

(i) Reconciliation of Level 3 fair value (continued)

	Equity investments – available-for-sale $'000	Equity investments designated at FVTPL $'000	Equity investments at FVOCI $'000	Equity investments at FVTPL $'000	Assets held for sale – investment properties $'000
The Group					
2018					
At 1 January 2018 per FRS 39	237,308	70,168	–	–	512,413
Adjustment on initial application of SFRS(I) 9	(237,308)	(70,168)	17,469	296,327	–
Adjusted balance as at 1 January 2018 per SFRS(I) 9	–	–	17,469	296,327	512,413
Additions	–	–	51,027	–	2,609
Disposals	–	–	–	–	(515,022)
Changes in fair value recognised in the profit or loss	–	–	–	(746)	–
Changes in fair value recognised in other comprehensive income	–	–	2,849	–	–
Reclassification from development properties for sale to assets held for sale	–	–	–	–	254,080
Translation differences	–	–	–	1,277	–
At 31 December 2018	–	–	71,345	296,858	254,080

Movements for investment properties are set out in note 5.

35 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(d) Level 3 fair value measurements (continued)

(ii) Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring significant Level 3 fair values, as well as the significant unobservable inputs used.

Investment properties (including investment properties classified as assets held for sale)

Valuation methods	Key unobservable inputs	Shopping malls	Commercial	Integrated developments	Business park, industrial and logistics	Lodging	Inter-relationship between key unobservable inputs and fair value measurement
Capitalisation approach	Capitalisation rate (net)						The estimated fair value varies inversely against the capitalisation rate and increases with higher occupancy rate.
	2019	4.4% to 7.3%	3.5% to 6.0%	3.5% to 7.5%	5.0% to 9.0%	4.5% to 7.0%	
	2018	3.8% to 7.3%	3.5% to 8.0%	3.5% to 10.5%	–	–	
	Occupancy rate						
	2019	58.4% to 100%	95.3% to 99.0%	68.6% to 99.0%	85.0% to 100%	90.0% to 95.0%	
	2018	68.7% to 100%	75.0% to 99.0%	50.1% to 99.0%	–	–	
Discounted cash flow approach	Discount rate						The estimated fair value varies inversely against the discount rate and terminal yield rate and increases with higher occupancy rate.
	2019	5.0% to 13.5%	2.9% to 7.8%	6.8% to 15.0%	7.3% to 21.0%	3.8% to 10.7%	
	2018	6.9% to 12.5%	3.7% to 8.0%	6.8% to 13.0%	–	3.8% to 13.0%	
	Terminal yield rate						
	2019	4.3% to 11.0%	3.4% to 6.3%	3.7% to 10.0%	5.3% to 9.0%	3.0% to 8.1%	
	2018	4.3% to 11.0%	3.5% to 5.0%	3.8% to 11.0%	–	3.0% to 9.2%	
	Occupancy rate						
	2019	52.9% to 100%	90.1% to 100%	68.6% to 100%	50.0% to 100%	55.0% to 99.0%	
	2018	68.7% to 100%	60.0% to 99.0%	50.5% to 100%	–	50.0% to 99.0%	

35 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(d) Level 3 fair value measurements (continued)

(ii) *Valuation techniques and significant unobservable inputs*

Valuation methods	Key unobservable inputs	Shopping malls	Commercial	Integrated developments	Business park, industrial and logistics	Lodging	Inter-relationship between key unobservable inputs and fair value measurement
Residual value method	Gross development value ($ million)						The estimated fair value increases with higher gross development value and decreases with higher cost to completion.
	2019	193	285	168 to 2,012	92 to 516	–	
	2018	–	–	944 to 2,000	–	–	
	Estimated cost to completion ($ million)						
	2019	26	93	38 to 350	36 to 109	–	
	2018	–	–	340 to 950	–	–	

35 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(d) Level 3 fair value measurements (continued)

(ii) Valuation techniques and significant unobservable inputs (continued)

Type	Valuation methods	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Equity investments at FVTPL	Income approach	– Enterprise value/ Revenue multiple of comparable companies: 2.4x to 3.9x (2018: 1.8x to 3.1x) – Volatility of comparable companies: 40% to 47% (2018: 36% to 48%)	The estimated fair value increases with higher multiple and varies inversely against volatility.
Equity investments at FVTPL	Income approach	– Discount rate: 11% to 14% – Terminal growth rate: 2%	The estimated fair value increases with lower discount rate and varies inversely against growth rate.

The fair value of other equity investments at FVTPL amounted to $255.3 million (2018: $225.4 million) was estimated based on the fair value of the underlying investment properties of the investee company. The valuation was based on discounted cash flow approach and its significant unobservable inputs were consistent with the investment properties information presented above.

(iii) Valuation processes applied by the Group

The significant non-financial asset of the Group categorised within Level 3 of the fair value hierarchy is investment properties. The fair values of investment properties are determined by external, independent property valuers, who have the appropriate and recognised professional qualifications and recent experience in the location and category of property being valued. The property valuers provide the fair values of the Group's investment property portfolio every six months. The valuation and its financial impact are discussed with the Audit Committee and Board of Directors in accordance with the Group's reporting policies. With effect from 2020, the Group will move away from conducting its property valuation on a semi-annual basis to an annual basis.

36 COMMITMENTS

As at the reporting date, the Group and the Company had the following commitments:

(a) Operating lease

In 2018, the Group leased a number of offices, motor vehicles, office equipments, industrial land, serviced residences and shopping malls under operating leases. The leases had tenure ranging from one to 48 years, with an option to renew the lease after that date. Lease payments are usually revised at each renewal date to reflect the market rate. In 2019, following the adoption of SFRS(I) 16 (note 41), the Group's operating lease relates to leases with lease terms of 12 months or less or low value assets. Future minimum lease payments for the Group and the Company on non-cancellable operating leases are as follows:

	The Group		The Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Lease payments payable:				
Not later than 1 year	68,231	108,483	–	13,491
Between 1 and 5 years	253	202,516	–	55,503
After 5 years	–	584,865	–	548
	68,484	895,864	–	69,542

(b) Commitments

	The Group		The Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Commitments in respect of:				
– capital expenditure contracted but not provided for in the financial statements	120,214	77,116	–	–
– development expenditure contracted but not provided for in the financial statements	2,215,750	1,127,128	–	–
– capital contribution in associates, joint ventures and investee companies	1,754,906	750,997	–	–
– purchase of land/a property contracted but not provided for in the financial statements	196,627	269,714	–	–
– shareholders' loan committed to joint ventures and associates	66,215	70,656	–	–
	4,353,712	2,295,611	–	–

36 COMMITMENTS (continued)

(c) As at the reporting date, the notional principal values of financial instruments were as follows:

	The Group 2019 $'000	The Group 2018 $'000	The Company 2019 $'000	The Company 2018 $'000
Interest rate swaps	6,712,450	6,147,329	–	–
Forward foreign exchange contracts	734,382	662,777	–	–
Cross currency swaps	3,096,616	2,678,227	–	–
	10,543,448	9,488,333	–	–

The maturity profile of these financial instruments was:

	The Group 2019 $'000	The Group 2018 $'000	The Company 2019 $'000	The Company 2018 $'000
Not later than 1 year	3,145,778	2,269,668	–	–
Between 1 and 5 years	6,007,007	6,599,767	–	–
After 5 years	1,390,663	618,898	–	–
	10,543,448	9,488,333	–	–

37 FINANCIAL GUARANTEE CONTRACTS

The Group accounts for its financial guarantees as insurance contracts. There are no terms and conditions attached to the financial guarantee contracts that would have a material effect on the amount, timing and uncertainty of the Group's and the Company's future cash flows. At the reporting date, the Group and the Company do not consider that it is probable that a claim will be made against the Group and the Company under the financial guarantee contracts. Accordingly, the Group and the Company do not expect any net cash outflows resulting from the financial guarantee contracts. The Group and the Company issue guarantees only for their subsidiaries and related parties.

	The Group 2019 $'000	The Group 2018 $'000	The Company 2019 $'000	The Company 2018 $'000
(a) Guarantees given to banks to secure banking facilities provided to:				
– subsidiaries	–	–	6,579,212	5,023,238
– joint ventures	99,153	13,201	–	–
	99,153	13,201	6,579,212	5,023,238

37 FINANCIAL GUARANTEE CONTRACTS (continued)

(b) Undertakings by the Group:

(i) Two subsidiaries of the Group provided project completion undertakings on a joint and several basis, in respect of multi-currency term loan and revolving loan facilities amounting to $300.0 million (2018: $300.0 million) granted to an associate. In addition, the shares in this associate were pledged as part of the securities to secure the credit facilities. As at 31 December 2019, the total amount outstanding under the facilities was $267.6 million (2018: $253.3 million).

(ii) A subsidiary of the Group has provided several undertakings on cost overrun, security margin and interest shortfall issued on a several basis as well as project completion undertakings on a joint and several basis, in respect of term loan and revolving construction facilities amounting to $631.0 million (2018: $631.0 million) granted to joint ventures. As at 31 December 2019, the amounts outstanding under the term loan is $534.8 million (2018: $512.6 million).

(iii) Two subsidiaries of the Group has pledged its shares and redeemable preference shares in an associate for a term loan facility obtained by the associate amounting to $1,088.4 million (2018: $1,096.3 million).

(iv) A subsidiary of the Group provided an indemnity for banker's guarantee issuance on a joint and several basis, in respect of term loan and revolving loan facilities amounting to $163.3 million granted to a joint venture. As at 31 December 2019, the total amount outstanding under the facilities was $142.3 million (2018: Nil).

(v) Certain subsidiaries of the Group in China, whose principal activities are the trading of development properties, would in the ordinary course of business act as guarantors for the bank loans taken by the buyers to finance the purchase of residential properties developed by these subsidiaries. As at 31 December 2019, the outstanding notional amount of the guarantees amounted to $490.5 million (2018: $431.5 million).

(vi) In 2018, two subsidiaries of the Group provided interest shortfall and loan repayment undertaking on a proportionate and several basis, in respect of term loan and revolving loan facilities amounting to $350.0 million granted to a joint venture. In addition, the shares in this joint venture were pledged as part of the securities to secure the credit facilities. The entity ceased to be a joint venture of the Group in 2019.

(vii) In 2018, two subsidiaries of the Group provided an undertaking on security margin on a joint and several basis, in respect of term loan and revolving loan facilities amounting to $1,020.0 million granted to an associate. The undertaking has ceased following the refinancing of the loan facilities by the joint venture during the year.

38 SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the direct and indirect ability to control the party, jointly control or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or significant influence. Related parties may be individuals or other entities.

The Group considers the directors of the Company, and CapitaLand Management Council comprising the Group CEO and key management officers of the corporate office as well as CEOs of the strategic business units, to be key management personnel in accordance with SFRS(I) 1-24 *Related Party Disclosures*.

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

	The Group		The Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Related corporations				
Management fee income	1,533	1,347	–	–
Rental income	17,357	–	–	–
Purchase consideration for the acquisition of investments	6,035,853	–	4,734,842	–
Utilities expenses	(5,343)	–	(1)	–
Telecommunication expenses	(2,990)	–	(184)	–
Security services expenses	(2,698)	–	–	–
Other expenses	(485)	–	(352)	–
Payables included in trade and other payables and non-current liabilities	(1,379)	–	(95)	–
Receivables included in trade and other receivables	1,438	–	127	–
Subsidiaries				
Management fee income	–	–	67,509	84,503
IT and administrative support services	–	–	2,796	1,426
Rental expense	–	–	–	(16,868)
Proceeds from the sale of property, plant and equipment and software	–	–	–	35,187
Others	–	–	(8,185)	(412)

38 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

	The Group		The Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Associates and joint ventures				
Management fee income	197,911	114,317	–	–
Construction and project management income	10,159	21,837	–	–
Rental expense	(2,194)	(9,510)	–	–
Proceeds from the sale of properties	380,000	–	–	–
Proceeds from the sale of investment	1,295,764	–	–	–
Purchase consideration for acquisition of investments	(436,735)	–	–	–
Acquisition and divestment fees, accounting service fee, marketing income and others	66,724	47,872	(6)	(1)
Key management personnel				
Purchase of units pursuant to preferential offering of a subsidiary	47	–	30	–
Units and cash received pursuant to the combination of ART and A-HTRUST	2,000	–	1,749	–
Sale of a residential property by a subsidiary	–	352	–	–
Interest paid/payable by the Company and its subsidiaries	54	83	54	64
Other benefits	6	–	6	–
Remuneration of key management personnel				
Salary, bonus and other benefits	20,995	24,996	11,570	14,396
Employer's contributions to defined contribution plans	160	190	65	98
Equity compensation benefits	11,643	11,339	6,259	6,937
	32,798	36,525	17,894	21,431

39 OPERATING SEGMENTS

Management determines the operating segment based on the reports reviewed and used by the CapitaLand Management Council for strategic decision making and resources allocation. With effect from 1 January 2019, the Group has re-organised its reporting structure into strategic business units (SBUs) by geography to more accurately reflect the way the Group manage its businesses. The geographical SBUs comprise the Group's integrated capabilities in the residential, retail, commercial, industrial, logistics and business parks asset classes, strategically deployed in each market. The geographical SBU's are CapitaLand Singapore and International (CL Singapore & International, comprising CL Singapore, Malaysia and Indonesia, CL Vietnam and CL International), CapitaLand China (CL China) and CapitaLand India (CL India). The asset class SBUs comprise CapitaLand Lodging (CL Lodging) and CapitaLand Financial (CL Financial). CL Lodging, with its global network and scale, comprises the Group's lodging business. CL Financial is the real estate fund management unit comprising the Group's REIT managers and Fund managers.

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

The Group's reportable operating segments are as follows:

(i) CL Singapore & International – involves in the residential, commercial, shopping malls, industrial, logistics and business parks property development in Singapore, Malaysia, Indonesia, Vietnam, the United States of America, Europe, Japan and Korea.

(ii) CL China – involves in the residential, commercial strata and urban development, commercial, shopping malls, lodging, industrial, logistics and business parks property development in China.

(iii) CL India – involves in the logistics and business parks property development in India.

(iv) CL Lodging – an international serviced residence owner-operator with operations in key cities of Asia Pacific, Europe, the United States of America and Middle East, under the brands of Ascott, Somerset, Citadines, The Crest Collection, lyf and other brands.

(v) CL Financial – involves in real estate fund management and financial advisory services.

(vi) Corporate & Others – includes Corporate office and corporate treasury vehicles.

Information regarding the operations of each reportable segment is included below. Management monitors the operating results of each of its business units for the purpose of making decisions on resource allocation and performance assessment. Performance is measured based on segment earnings before interest and tax (EBIT). EBIT is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments. Segment assets and liabilities are presented net of inter-segment balances. Inter-segment pricing is determined on arm's length basis.

In term of secondary segment, the Group presents its businesses based on geographical locations based on Singapore, China, other emerging markets and other developed markets.

39 OPERATING SEGMENTS (continued)

Operating Segments – 31 December 2019

	CL Singapore & International $'000	CL China $'000	CL India $'000	CL Lodging $'000	CL Financial $'000	Corporate & Others $'000	Elimination $'000	Total $'000
Revenue								
External revenue	2,175,718	2,526,229	23,013	1,379,715	129,999	90	–	6,234,764
Inter-segment revenue	41,169	26,387	–	10,908	170,422	422,034	(670,920)	–
Total revenue	**2,216,887**	**2,552,616**	**23,013**	**1,390,623**	**300,421**	**422,124**	**(670,920)**	**6,234,764**
Segmental results								
Company and subsidiaries	2,037,576	1,334,661	8,270	563,578	229,160	(58,569)	(35,841)	4,078,835
Associates	84,300	541,532	32,085	978	(1,797)	(13,274)	–	643,824
Joint ventures	85,874	246,163	(1,606)	15,089	(268)	(301)	–	344,951
Earnings before interest and tax	**2,207,750**	**2,122,356**	**38,749**	**579,645**	**227,095**	**(72,144)**	**(35,841)**	**5,067,610**
Finance costs								(839,141)
Tax expense								(814,828)
Profit for the year								**3,413,641**
Segment assets	**37,655,404**	**29,936,882**	**1,061,618**	**9,612,088**	**1,282,776**	**13,772,531**	**(10,975,382)**	**82,345,917**
Segment liabilities	**15,054,640**	**12,678,182**	**223,009**	**4,159,526**	**601,257**	**9,346,428**	**–**	**42,063,042**

39 OPERATING SEGMENTS (continued)

Operating Segments – 31 December 2019

	CL Singapore & International $'000	CL China $'000	CL India $'000	CL Lodging $'000	CL Financial $'000	Corporate & Others $'000	Elimination $'000	Total $'000
Other segment items:								
Interest income	33,833	29,453	3,499	5,299	(34)	26,273	–	98,323
Depreciation and amortisation	(10,748)	(20,936)	(1,381)	(78,146)	(751)	(24,917)	–	(136,879)
Reversal of provision for foreseeable losses	3,499	–	–	–	–	–	–	3,499
(Allowance for)/reversal of impairment losses on assets	(9,552)	–	1,291	(16,803)	–	(7,132)	–	(32,196)
Fair value gains on investment properties and assets held for sale	529,588	312,555	12,205	227,421	69,030	13,145	–	1,163,944
Share-based expenses	(16,694)	(17,254)	(961)	(5,024)	(6,465)	(20,336)	–	(66,734)
Gains/(loss) on disposal of investments	172,541	124,483	4,629	54,144	–	(11,853)	–	343,944
Associates	2,161,426	5,484,381	358,559	26,866	47,835	1,801	–	8,080,868
Joint ventures	1,505,257	2,928,241	35,729	307,731	142,279	–	(3,930)	4,915,307
Capital expenditure#	631,579	421,178	16,751	228,945	15,333	163,154	–	1,476,940
Non-current assets[1]	35,355,937	17,802,016	704,565	8,269,640	1,067,524	13,988,851	(14,122,754)	63,065,779

\# Capital expenditure consists of additions of property, plant and equipment, investment properties and intangible assets.
1 Non-current assets comprised property, plant and equipment, intangible assets, investment properties, investment in associates and joint ventures.

39 OPERATING SEGMENTS (continued)

Operating Segments – 31 December 2018

	CL Singapore & International $'000	CL China $'000	CL India $'000	CL Lodging $'000	CL Financial $'000	Corporate & Others $'000	Elimination $'000	Total $'000
Revenue								
External revenue	2,223,575	2,192,981	117	1,114,385	67,168	4,197	–	5,602,423
Inter-segment revenue	30,368	23,418	–	13,085	166,285	313,669	(546,825)	–
Total revenue	**2,253,943**	**2,216,399**	**117**	**1,127,470**	**233,453**	**317,866**	**(546,825)**	**5,602,423**
Segmental results								
Company and subsidiaries	1,749,664	1,042,470	(13,561)	329,242	130,967	(34,836)	(18,356)	3,185,590
Associates	65,263	584,576	(376)	(15,337)	–	(9,105)	–	625,021
Joint ventures	103,630	222,690	–	9,869	–	(1,802)	–	334,387
Earnings before interest and tax	**1,918,557**	**1,849,736**	**(13,937)**	**323,774**	**130,967**	**(45,743)**	**(18,356)**	**4,144,998**
Finance costs								(636,495)
Tax expense								(658,691)
Profit for the year								**2,849,812**
Segment assets	**33,225,571**	**22,241,572**	**1,137**	**7,925,086**	**38,867**	**7,458,127**	**(6,242,803)**	**64,647,557**
Segment liabilities	**11,908,408**	**8,498,937**	**2,316**	**3,429,619**	**57,137**	**7,444,201**	**–**	**31,340,618**

39 OPERATING SEGMENTS (continued)

Operating Segments – 31 December 2018

	CL Singapore & International $'000	CL China $'000	CL India $'000	CL Lodging $'000	CL Financial $'000	Corporate & Others $'000	Elimination $'000	Total $'000
Other segment items:								
Interest income	35,621	33,539	33	7,432	161	11,220	–	88,006
Depreciation and amortisation	(6,186)	(6,127)	(3)	(45,414)	(104)	(16,669)	–	(74,503)
Reversal of provision for foreseeable losses	43,462	–	–	–	–	–	–	43,462
Allowance for impairment losses on assets	(183)	(146)	(12,454)	(515)	(1)	(93)	–	(13,392)
Fair value gains on investment properties and assets held for sale	489,799	147,099	–	28,834	–	11,286	–	677,018
Share-based expenses	(13,634)	(14,275)	(18)	(4,923)	(3,576)	(13,995)	–	(50,421)
Gains/(loss) on disposal of investments	97,773	18,447	334	60,419	(5,686)	(1,048)	–	170,239
Associates	448,901	5,913,365	–	38,157	–	(193,159)	–	6,207,264
Joint ventures	1,431,553	2,217,269	–	332,564	–	(9,032)	–	3,972,354
Capital expenditure#	1,574,583	498,796	–	83,738	10	27,516	–	2,184,643
Non-current assets[1]	29,405,395	15,037,421	1	6,246,181	21	13,520,685	(14,197,147)	50,012,557

\# Capital expenditure consists of additions of property, plant and equipment, investment properties and intangible assets.
1 Non-current assets comprised property, plant and equipment, intangible assets, investment properties, investment in associates and joint ventures.

39 OPERATING SEGMENTS (continued)

Geographical Information

	Singapore $'000	China $'000	Other developed markets[2] $'000	Other emerging markets[3] $'000	Total $'000
31 December 2019					
External revenue	1,727,562	2,740,641	1,352,711	413,850	6,234,764
Earnings before interest and tax	1,953,289	2,288,159	658,634	167,528	5,067,610
Earnings before interest, tax, depreciation and amortisation	2,004,725	2,310,375[1]	710,016	179,373	5,204,489
Non-current assets[4]	31,945,262	17,189,006	10,193,568	3,737,943	63,065,779
Total assets	34,819,142	30,701,229	11,621,049	5,204,497	82,345,917
31 December 2018					
External revenue	1,889,846	2,376,927	950,347	385,303	5,206,423
Earnings before interest and tax	1,754,170	1,946,187	324,801	119,840	4,144,998
Earnings before interest, tax, depreciation and amortisation	1,779,629	1,954,410[1]	355,770	129,692	4,219,501
Non-current assets[4]	24,761,627	15,001,104	7,321,879	2,927,947	50,012,557
Total assets	28,977,215	23,407,479	8,295,033	3,967,830	64,647,557

1 Included contribution from Hong Kong of $51.2 million (2018: $65.1 million).
2 Includes United Kingdom, France, Germany, Spain, Belgium, Ireland, Japan, South Korea, United States of America, Australia and New Zealand.
3 Other Asia excludes Singapore, China, Hong Kong, Japan and South Korea.
4 Non-current assets comprised property, plant and equipment, intangible assets, investment properties, investment in associates and joint ventures.

40 SUBSEQUENT EVENTS

(a) The spread of the novel coronavirus (COVID-19) in China and beyond has created a high level of uncertainty to the near-term global economic prospects and this has impacted the Group's operations subsequent to the financial year end.

The Group is taking precautionary measures in accordance with guidelines provided by the respective authorities. In China, in the virus epicentre of Wuhan, we have closed four malls under the directive of the local authority. Some other malls in China have also been temporarily closed or are operating on shorter hours. We have temporarily stopped offering most of our short-stay options at our serviced residences, and are extending assistance to our long-stay guests. In Singapore, we have experienced lower foot traffic to our shopping malls and reduced serviced residence bookings, due to higher caution adopted by shoppers, and lower visitor arrivals.

COVID-19 will therefore have an adverse impact on the Group's operations and trading results, the extent of which will depend on how long the outbreak lasts. The Group will proactively manage our business and take the necessary actions to ensure that our long-term business remain robust.

(b) On 22 January 2020, the Group announced the proposed merger of CMT and CCT to create a diversified commercial real estate investment trust to be named as "CapitaLand Integrated Commercial Trust" ("CICT"). The proposed merger will be effected by way of a trust scheme of arrangement, with CMT acquiring all units of CCT ("CCT Units") for a total consideration comprising approximately 88% in new units in CMT ("CMT Units") and 12% in cash. The consideration per CCT Unit comprises 0.720 new CMT Units and $0.2590 in cash. CICT is expected to be the third largest REIT in Asia Pacific and the largest REIT in Singapore, with a market capitalisation of $16.8 billion and a combined property value of $22.9 billion.

(c) On 21 February 2020, Lai Sun Garment (International) Limited ("LSG"), Lai Sun Development Company Ltd ("LSD"), eSun Holdings Limited ("eSun") and Lai Fong Holdings Limited ("LFH") jointly announced that a wholly owned subsidiary of LSD, Holy Unicorn Limited ("Offeror"), intends to make a conditional and voluntary general cash offer to acquire all of the issued shares of LFH not already owned or agreed to be acquired by LSD, the Offeror and wholly owned subsidiaries of LSD, at HK$8.99 for each issued share, and to cancel all outstanding share options of LFH. The Group has an 19.45% interest in LFH while LSG, LSD, eSun and Offeror are parties unrelated to the Group.

LFH Board has established an Independent Board Committee to make a recommendation to LFH's shareholders and option holders as to whether the offer is fair and reasonable. LFH will appoint an independent financial adviser (with the approval of the LFH Independent Board Committee) to advise the LFH Independent Board Committee in connection with the offer. The Group will review the offer as more information becomes available.

41 ADOPTION OF NEW ACCOUNTING STANDARDS

The Group has applied the following SFRS(I)s, amendments to and interpretation of SFRS(I) for the first time for the annual period beginning on 1 January 2019.

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- *Long-term Interests in Associates and Joint Ventures* (Amendments to SFRS(I) 1-28)
- *Prepayment Features with Negative Compensation* (Amendments to SFRS(I) 9)
- *Previously Held Interest in a Joint Operation* (Amendments to SFRS(I) 3 and 11)
- *Income Tax Consequences of Payments on Financial Instruments Classified as Equity* (Amendments to SFRS(I) 1-12)
- *Borrowing Costs Eligible for Capitalisation* (Amendments to SFRS(I) 1-23)
- *Plan Amendment, Curtailment or Settlement* (Amendments to SFRS(I) 1-19)

The Group has early adopted Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7: *Interest Rate Benchmark Reform (note 2.8(f))*.

Other than SFRS(I) 16, the application of the above standards and interpretations did not have a material effect on the financial statements.

SFRS(I) 16 *Leases*

The Group applied SFRS(I) 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated – i.e. it is presented, as previously reported, under SFRS(I) 1-17 and related interpretations.

Definition of a lease
On transition to SFRS(I) 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied SFRS(I) 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under SFRS(I) 1-17 and SFRS(I) INT 4 were not reassessed for whether there is a lease under SFRS(I) 16. Therefore, the definition of a lease under SFRS(I) 16 was applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee
As a lessee, the Group leases many assets including land, property, office equipment and IT equipment. The Group used a number of practical expedients when applying SFRS(I) 16 to leases previously classified as operating leases under SFRS(I) 1-17. In particular, the Group:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. office and IT equipment);
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

Previously, the Group classified property leases as operating leases under SFRS(I) 1-17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the lessee's incremental borrowing rates as at 1 January 2019.

41 ADOPTION OF NEW ACCOUNTING STANDARDS (continued)

Right-of-use assets are measured at either:

- their carrying amount as if SFRS(I) 16 had been applied since the commencement date, discounted using the applicable incremental borrowing rates at the date of initial application, or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

As a lessor
The Group leases out its investment property, including own property and right-of-use assets. The Group has classified these leases as operating leases.

The Group is not required to make any adjustments on transition to SFRS(I) 16 for leases in which it acts as a lessor.

Impact on transition

	1 January 2019 $'000
The Group	
Balance Sheet	
Right-of-use assets – property, plant and equipment	108,194
Right-of-use assets included in investment properties	436,175
Interests in joint ventures	(22,141)
Lease liabilities	(548,780)
Trade and other payables	5,527
Net assets	(21,025)
Revenue reserves	(22,597)
Non-controlling interests	1,572
Total equity	(21,025)

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using the applicable incremental borrowing rates at 1 January 2019. The rates applied ranged from 0.8% to 7.1%.

41 ADOPTION OF NEW ACCOUNTING STANDARDS (continued)

	1 January 2019 $'000
Operating lease commitments at 31 December 2018 as disclosed under SFRS(I) 1-17 in the Group's consolidated financial statements	895,864
Discounted using the incremental borrowing rate at 1 January 2019	590,528
Finance lease liabilities recognised as at 31 December 2018	
– Recognition exemption for leases of low value assets	(39)
– Recognition exemption for leases with less than 12 months of lease term at transition	(51,305)
– Extension options reasonably certain to be exercised	9,596
Lease liabilities recognised at 1 January 2019	548,780

ECONOMIC VALUE ADDED STATEMENT

	Note	2019 S$ million	2018 S$ million
Net operating profit before tax		**3,239.7**	2,549.1
Adjust for:			
Share of results of associates and joint ventures		**988.8**	959.4
Interest expense		**840.6**	657.6
Others		**19.0**	52.6
Adjusted profit before interest and tax		**5,088.1**	4,218.7
Cash operating taxes	1	**(887.5)**	(754.2)
Net operating profit after tax (NOPAT)		**4,200.6**	3,464.5
Average capital employed	2	**59,746.8**	50,972.2
Weighted average cost of capital (%)	3	**5.924%**	5.500%
Capital charge (CC)		**3,539.4**	2,803.5
Economic value added (EVA) [NOPAT – CC]		**661.2**	661.0
Attributable to:			
Owners of the Company		**721.7**	658.9
Non-controlling interests		**(60.5)**	2.1
Economic value added (EVA) [NOPAT – CC]		**661.2**	661.0

1 The reported current tax is adjusted for the statutory tax impact of interest expense.

2 Monthly average capital employed included equity, interest-bearing liabilities, timing provision, cumulative goodwill and present value of operating leases.

Major capital components:

	S$ million
Borrowings	28,374.9
Equity	31,291.4
Others	80.5
Total	59,746.8

3 The weighted average cost of capital is calculated as follows:

(i) Cost of Equity using Capital Asset Pricing Model with market risk premium at 5.82% (2018: 5.08%) per annum;
(ii) Risk-free rate of 2.21% (2018: 2.08%) per annum based on yield-to-maturity of Singapore Government 10-year Bonds;
(iii) Ungeared beta ranging from 0.50 to 0.93 (2018: 0.65 to 0.82) based on the risk categorisation of CapitaLand's strategic business units; and
(iv) Cost of Debt rate at 3.20% (2018: 3.06%) per annum using 5-year Singapore Dollar Swap Offer rate plus 120 basis points (2018: 120 basis points).

ADDITIONAL INFORMATION

VALUE ADDED STATEMENT

	2019 S$ million	2018 S$ million
Value added from:		
Revenue earned	6,234.8	5,602.4
Less: Bought in materials and services	(2,433.6)	(2,178.6)
Gross value added	**3,801.2**	**3,423.8**
Share of results of associates and joint ventures	988.8	959.4
Exchange loss (net)	(38.2)	(9.0)
Other operating income (net)	1,634.6	872.8
	2,585.2	1,823.2
Total value added	**6,386.4**	**5,247.0**
Distribution:		
To employees in wages, salaries and benefits	872.3	729.6
To government in taxes and levies	1,093.5	903.2
To providers of capital in:		
– Net interest on borrowings	859.6	679.7
– Dividends to owners of the Company	501.0	504.1
	3,326.4	2,816.6
Balance retained in the business:		
Depreciation and amortisation	136.9	74.5
Revenue reserves net of dividends to owners of the Company	1,634.9	1,258.6
Non-controlling interests	1,277.7	1,087.3
	3,049.5	2,420.4
Non-production cost:		
Allowance for doubtful receivables	10.5	10.0
Total distribution	**6,386.4**	**5,247.0**
Productivity analysis:		
Value added per employee (S$'000) #	362	361
Value added per dollar of employment cost (S$)	4.36	4.69
Value added per dollar sales (S$)	0.61	0.61

Based on average 2019 headcount of 10,509 (2018: 9,477).

DIRECTORS SEEKING RE-ELECTION

The following information relating to Mr Chaly Mah Chee Kheong, Tan Sri Amirsham Bin A Aziz, Mr Kee Teck Koon, Mr Gabriel Lim Meng Liang and Mr Miguel Ko, each of whom is standing for re-election as a Director at the 2020 Annual General Meeting of the Company, is provided pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

NAME OF DIRECTOR	CHALY MAH CHEE KHEONG	TAN SRI AMIRSHAM BIN A AZIZ
Date of first appointment as a Director	1 February 2017	30 July 2012
Date of last re-election as a Director	24 April 2017	30 April 2018
Age	64	69
Country of principal residence	Singapore	Malaysia
The Board's comments on the re-election	After reviewing the recommendation of the Nominating Committee, and considering the skills, experience and contributions of Mr Mah at Board and Board Committee meetings, the Board has approved that Mr Mah stands for re-election as a Non-Executive and Independent Director. Mr Mah will, upon re-election, continue to serve as Chairman of the Audit Committee and a member of the Strategy, Investment & Finance Committee.	After reviewing the recommendation of the Nominating Committee, and considering the skills, experience and contributions of Tan Sri Amirsham at Board and Board Committee meetings, the Board has approved that Tan Sri Amirsham stands for re-election as a Non-Executive and Independent Director. Tan Sri Amirsham will, upon re-election, continue to serve as Chairman of the Risk Committee and a member of the Audit Committee.
Whether appointment is executive and if so, the area of responsibility	Non-executive	Non-executive
Job title	• Non-Executive Independent Director • Audit Committee (Chairman) • Strategy, Investment & Finance Committee (Member)	• Non-Executive Independent Director • Audit Committee (Member) • Risk Committee (Chairman)
Professional qualifications	• Bachelor of Commerce, University of Melbourne, Australia • Fellow, Institute of Chartered Accountants, Australia • Fellow, Certified Practising Accountants, Australia • Fellow, Institute of Singapore Chartered Accountants	• Bachelor of Economics (Honours), University of Malaya, Malaysia • Certified Public Accountant

ADDITIONAL INFORMATION

KEE TECK KOON	GABRIEL LIM MENG LIANG	MIGUEL KO
22 September 2014	11 August 2017	6 August 2019
30 April 2018	30 April 2018	–
63	44	67
Singapore	Singapore	Singapore
After reviewing the recommendation of the Nominating Committee, and considering the skills, experience and contributions of Mr Kee at Board and Board Committee meetings, the Board has approved that Mr Kee stands for re-election as a Non-Executive and Independent Director. Mr Kee will, upon re-election, continue to serve as a member of the Strategy, Investment & Finance Committee and the Risk Committee, respectively.	After reviewing the recommendation of the Nominating Committee, and considering the skills, experience and contributions of Mr Lim at Board and Board Committee meetings, the Board has approved that Mr Lim stands for re-election as a Non-Executive and Independent Director. Mr Lim will, upon re-election, continue to serve as a member of the Audit Committee and the Risk Committee, respectively.	Mr Ko joined the Board as Non-Executive and Non-Independent Deputy Chairman in August 2019. After reviewing the recommendation of the Nominating Committee, and considering the skills, experience and contributions of Mr Ko at Board and Board Committee meetings, the Board has approved that Mr Ko stands for re-election as a Non-Executive and Non-Independent Director. Mr Ko will, upon re-election, continue to serve as Deputy Chairman of the Board, a member of the Strategy, Investment & Finance Committee and the Executive Resource & Compensation Committee, respectively.
Non-executive	Non-executive	Non-executive
• Non-Executive Independent Director • Strategy, Investment & Finance Committee (Member) • Risk Committee (Member)	• Non-Executive Independent Director • Audit Committee (Member) • Risk Committee (Member)	• Deputy Chairman, Non-Executive Non-Independent Director • Executive Resource & Compensation Committee (Member) • Strategy, Investment & Finance Committee (Member)
• Bachelor of Arts, University of Oxford, UK • Master of Arts, University of Oxford, UK	• Bachelor of Arts in Economics, University of Cambridge, UK • Master of Science in Economics, London School of Economics, UK • Master of Science in Management, University of Stanford, USA	• Bachelor of Arts in Economics, University of Massachusetts, Boston, USA • Master of Business Administration, Suffolk University, USA • Certified Public Accountant by the State Board of Accountancy, New Hampshire, USA

ADDITIONAL INFORMATION

NAME OF DIRECTOR	CHALY MAH CHEE KHEONG	TAN SRI AMIRSHAM BIN A AZIZ
Working experience and occupation(s) during the past 10 years	• CEO of Deloitte Asia Pacific (From May 2007 to May 2015) • CEO of Deloitte Southeast Asia and Chairman of Deloitte Singapore, (From May 2006 to May 2016), retired in May 2016 after 38 years with Deloitte	• President & CEO of Malayan Banking Berhad (From 1994 to 2008) • Minister in the Malaysian Prime Minister's Department heading the Economic Planning Unit and Department of Statistics, Malaysia (From March 2008 to April 2009) • Chairman of the Malaysian National Economic Advisory Council (From June 2009 to May 2011)
Shareholding interest in the listed issuer and its subsidiaries	80,178 CapitaLand shares	128,297 CapitaLand shares
Any relationship (including immediate family relationships) with any existing Director, existing executive officer, the listed issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

KEE TECK KOON	GABRIEL LIM MENG LIANG	MIGUEL KO
• Retired from his executive positions in CapitaLand Group in July 2009 after 13 years of service • Executive Director of NTUC Enterprise Co-operative Limited (From 9 January 2017 to 30 September 2019, as Interim Executive Director from 9 January 2017 to 31 December 2017)	• Permanent Secretary of Ministry of Trade and Industry (From April 2019 to Present) • Permanent Secretary of Ministry of Communications and Information (From January 2017 to March 2019) • CEO, Info-communications Media Development Authority of Singapore (From October 2016 to December 2016) • Co-Managing Director, Infocomm Development Authority of Singapore (From May 2016 to October 2016) • CEO, Media Development Authority of Singapore (From December 2014 to October 2016) • Principal Private Secretary to the Prime Minister (From September 2011 to September 2014) • Director (Policy) of Defence Policy Office, Ministry of Defence (From July 2010 to August 2011) • Sloan Fellow of Stanford Business School, USA (From August 2009 to June 2010)	• Executive Director and CEO of CLA Real Estate Holdings Pte. Ltd. (formerly known as Ascendas-Singbridge Pte. Ltd.) (Appointed as Executive Director and Group CEO of Ascendas-Singbridge Pte. Ltd. in June 2015. Assumed current role as Executive Director and CEO of CLA Real Estate Holdings Pte. Ltd. with effect from 1 July 2019 to Present) • Corporate Advisor of Temasek International Advisors Pte Ltd (From October 2014 to June 2015) • Non-Executive Chairman of Asia Pacific, Starwood Hotels Worldwide, Inc. (From September 2012 to August 2015) • Chairman & President of Asia-Pacific, Starwood Hotels Worldwide, Inc. (From March 2009 to August 2012)
64,297 CapitaLand shares	Nil	Nil
Nil	Nil	Nil
Nil	Nil	Nil
Yes	Yes	Yes

ADDITIONAL INFORMATION

NAME OF DIRECTOR	CHALY MAH CHEE KHEONG	TAN SRI AMIRSHAM BIN A AZIZ
Other Principal Commitments including Directorships		
Past (for the last 5 years)	Non-Listed Entities • Deloitte Asia Pacific (CEO) • Deloitte Southeast Asia (CEO) • Deloitte Singapore (Chairman) • Deloitte Global Executive (Member) • Deloitte Global Board (Vice-Chairman) Others • Singapore International Chamber of Commerce (Chairman & Director) • Sentosa Development Corporation (Member of the Board) Various entities within the Deloitte & Touche organisation under which appointments were made as part of Mr Mah's duties and responsibilities as CEO, Deloitte Southeast Asia and Chairman, Deloitte Singapore.	Public Listed Company • Bursa Malaysia Berhad (Chairman) Non-Listed Companies • Destination Resorts & Hotels Sdn. Bhd. (Chairman) • Petroliam Nasional Berhad (Director) • Pulau Indah Ventures Sdn Bhd (Director) • StarChase Motorsports Limited (Director) • Samling Global Limited (Director) • Wearnes Automotive Pte. Ltd. (Director) • Themed Attractions and Resorts Sdn Bhd (Chairman) Government/Statutory Board • Malaysian Investment Development Authority (Chairman)
Present	Public Listed Company • Netlink NBN Management Pte Ltd (Manager of Netlink NBN Trust) (Chairman) Non-Listed Company • Flipkart Private Limited (Director) Government/Statutory Boards • Monetary Authority of Singapore (Director) • Singapore Accountancy Commission (Chairman) • Singapore Economic Development Board (Director) • Singapore Tourism Board (Chairman) Others • Asian Infrastructure Investment Bank (External Member of Audit Committee) • National University of Singapore (Member of the Board of Trustees) • Non-Resident High Commissioner of the Republic of Singapore to the Independent State of Papua New Guinea	Public Listed Company • Hap Seng Plantations Holdings Berhad (Director) Non-Listed Companies • Glenealy Plantations Sdn Bhd (Director) • RAM Holdings Berhad (Chairman) • RAM Rating Services Berhad (Chairman) • Themed Attractions Resorts & Hotels Sdn Bhd (Chairman) • Wearnes-StarChase Limited (Director) Government/Statutory Board • Financial Services Talent Council (Chairman)

ADDITIONAL INFORMATION

KEE TECK KOON	GABRIEL LIM MENG LIANG	MIGUEL KO
Non-Listed Companies • Ascendas Pte. Ltd. (Director) • Changi Airports International Pte Ltd (Chairman) • Temasek International Advisors Pte Ltd (Corporate Advisor) • Wildlife Reserves Singapore Pte Ltd (Director) Others • Alexandra Health Fund Limited (Chairman) • NTUC LearningHub Co-operative Ltd (Director)	Government/Statutory Boards • Infocomm Development Authority of Singapore (Co-Managing Director) • Media Development Authority of Singapore (CEO) • Singapore Computer Society Honorary Advisory Council (Council Member) • Singapore Workforce Development Agency (Member) • Ministry of Communications and Information (Permanent Secretary) • Civil Service College (Board Member) • Singapore Innovate Pte. Ltd. (Director)	Public Listed Companies • Ascendas Funds Management (S) Limited (Manager of Ascendas Real Estate Inestment Trust) (Vice Chairman and Director) • Managers of Ascendas Hospitality Trust* ("A-HTRUST") (Chairman) • Samsonite International S.A. (Director) • Starwood Hotels & Resorts Worldwide, Inc. (Non-executive Chairman, Asia Pacific) Non-Listed Company • Changi Airport Group (Singapore) Pte. Ltd. (Director) Various entities that were previously under Ascendas-Singbridge Pte. Ltd. (now known as CLA Real Estate Holdings Pte. Ltd.) and its group of companies, under which appointments were made as part of Mr Ko's duties and responsibilities as CEO. * Managers of A-HTRUST comprising Ascendas Hospitality Fund Management Pte Ltd (Manager of Ascendas Hospitality Real Estate Investment Trust, or "A-HREIT") and Ascendas Hospitality Trust Management Pte. Ltd. (Trustee-Manager of Ascendas Hospitality Business Trust, or "A-HBT"). A-HTRUST (a stapled group comprising A-HREIT and A-HBT) was delisted from the Official List of the Singapore Exchange Securities Trading Limited on 3 January 2020.
Public Listed Company • Raffles Medical Group Ltd (Director) Non-Listed Companies • Changi Airport Group (Singapore) Pte. Ltd. (Director) • Fullerton Fund Management Company Ltd (Director) • FFMC Holdings Pte. Ltd. (Director) • Mandai Park Holdings Pte. Ltd. (Director) Others • Lien Foundation (Director) • NTUC Enterprise Co-operative Limited (Executive Director from 9 January 2017 to 30 September 2019; Director and Board Advisor from 1 October 2019 to Present) • NTUC Income Insurance Co-operative Limited (Deputy Chairman) • NTUC Fairprice Co-operative Limited (Director)	Government/Statutory Boards • Ministry of Trade and Industry (Permanent Secretary) • National Healthcare Group Pte Ltd (Director) • National Research Foundation (Director) Others • CapitaLand Technology Council (Member) • East Asian Institute (Member of the Management Board) • St. Joseph's Institution International Ltd (Member of the Board of Governors) • St. Joseph's Institution International Elementary School Ltd (Member of the Board of Governors)	Non-Listed Company • CLA Real Estate Holdings Pte. Ltd. (formerly known as Ascendas-Singbridge Pte. Ltd.) (Executive Director and CEO)

ADDITIONAL INFORMATION

INFORMATION REQUIRED

Disclosure on the following matters concerning the Director:

NAME OF DIRECTOR		
a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	
b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	
c)	Whether there is any unsatisfied judgment against him?	
d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	
e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	
f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	
g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	
h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	
i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	
j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:	
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	
	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	
	(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	
	(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	
k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	

CHALY MAH CHEE KHEONG	TAN SRI AMIRSHAM BIN A AZIZ	KEE TECK KOON	GABRIEL LIM MENG LIANG	MIGUEL KO
No	No	No	No	No
No	No	No	No	No
No	No	No	No	No
No	No	No	No	No
No	No	No	No	No
No	No	No	No	No
No	No	No	No	No
No	No	No	No	No
No	No	No	No	No
No	No	No	No	No
No	No	No	No	No
No	No	No	No	No
No	No	No	No	No
No	No	No	No	No

INTERESTED PERSON TRANSACTIONS

Interested person transactions carried out during the financial year which fall under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited are as follows:

	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) $'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) $'000
Transactions with Temasek Holdings (Private) Limited and its associates:		
Acquisition of subsidiaries	6,035,853	–
Purchase of goods and services	1,013	–
Transactions with Singapore Telecommunications Limited and its associates:		
Purchase of goods and services	770	–

ADDITIONAL INFORMATION

SHAREHOLDING STATISTICS
As at 3 March 2020

SHARE CAPITAL

Issued and Paid-up Capital	:	S$9,373,049,384.32
Number of Issued and Paid-up Shares (including Treasury Shares)	:	5,136,648,460
Number and Percentage of Treasury Shares	:	84,323,054 or 1.67%[1]
Number of Issued and Paid-up Shares (excluding Treasury Shares)	:	5,052,325,406
Number and Percentage of Subsidiary Holdings[2]	:	0 or 0%
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per share. The Company cannot exercise any voting rights in respect of the shares held by it as treasury shares

TWENTY LARGEST SHAREHOLDERS
As shown in the Register of Members and Depository Register

	Name	No. of Shares	%[1]
1	CLA Real Estate Holdings Pte. Ltd.	2,568,770,454[3]	50.84
2	Citibank Nominees Singapore Pte Ltd	643,655,694	12.74
3	DBS Nominees Pte Ltd	455,642,721	9.02
4	DBSN Services Pte Ltd	413,152,693	8.18
5	HSBC (Singapore) Nominees Pte Ltd	223,828,977	4.43
6	BPSS Nominees Singapore (Pte.) Ltd.	74,908,013	1.48
7	Raffles Nominees (Pte) Limited	64,865,075	1.28
8	United Overseas Bank Nominees Private Limited	29,010,820	0.57
9	Phillip Securities Pte Ltd	15,700,615	0.31
10	OCBC Nominees Singapore Private Limited	11,595,007	0.23
11	BNP Paribas Nominees Singapore Pte Ltd	7,497,431	0.15
12	OCBC Securities Private Limited	6,984,445	0.14
13	UOB Kay Hian Private Limited	5,817,750	0.11
14	DB Nominees (Singapore) Pte Ltd	5,432,103	0.11
15	Merrill Lynch (Singapore) Pte Ltd	5,150,088	0.10
16	Maybank Kim Eng Securities Pte. Ltd.	4,240,515	0.08
17	Morgan Stanley Asia (Singapore) Securities Pte Ltd	3,828,282	0.08
18	Nanyang Gum Benjamin Manufacturing (Pte) Ltd	3,410,000	0.07
19	DBS Vickers Securities (Singapore) Pte Ltd	3,300,848	0.07
20	Societe Generale Singapore Branch	2,993,579	0.06
	Total	**4,549,785,110**	**90.05**

Notes:

1 Percentage is calculated based on 5,052,325,406 issued shares, excluding treasury shares.
2 "Subsidiary Holdings" is defined in the Listing Manual of the Singapore Exchange Securities Trading Limited to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Chapter 50 of Singapore.
3 Based on the information provided by CLA Real Estate Holdings Pte. Ltd. ("CLA Real Estate"), as at 3 March 2020, CLA Real Estate has a direct interest in 2,577,394,254 shares, representing approximately 51.01% of the issued shares (based on 5,052,325,406 issued shares, excluding treasury shares).

ADDITIONAL INFORMATION

SHAREHOLDING STATISTICS

As at 3 March 2020

SUBSTANTIAL SHAREHOLDERS

As shown in the Register of Substantial Shareholders

Substantial Shareholders	Direct Interest No. of Shares	%	Deemed Interest No. of Shares	%	Total Interest No. of Shares	%
CLA Real Estate Holdings Pte. Ltd.	2,577,394,254	51.01	–	–	2,577,394,254	51.01
TJ Holdings (III) Pte. Ltd.	–	–	2,577,394,254[1]	51.01	2,577,394,254	51.01
Glenville Investments Pte. Ltd.	–	–	2,577,394,254[1]	51.01	2,577,394,254	51.01
Mawson Peak Holdings Pte. Ltd.	–	–	2,577,394,254[1]	51.01	2,577,394,254	51.01
Bartley Investments Pte. Ltd.	–	–	2,577,394,254[1]	51.01	2,577,394,254	51.01
Tembusu Capital Pte. Ltd.	–	–	2,577,424,254[1,2]	51.01	2,577,424,254	51.01
Temasek Holdings (Private) Limited	–	–	2,569,475,078[3]	51.00[3]	2,569,475,078	51.00

SIZE OF HOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares excluding Treasury Shares	%[4]
1 - 99	403	0.77	8,625	0.00
100 - 1,000	8,867	17.04	7,725,523	0.15
1,001 - 10,000	34,156	65.62	150,957,252	2.99
10,001 - 1,000,000	8,591	16.50	317,826,244	6.29
1,000,001 and above	37	0.07	4,575,807,762	90.57
Total	**52,054**	**100.00**	**5,052,325,406**	**100.00**

Based on the information available to the Company, approximately 48.07%[4] of the issued shares are held in the hands of the public as at 3 March 2020. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

Notes:

1 CLA Real Estate Holdings Pte. Ltd. ("CLA Real Estate") was formerly known as Ascendas-Singbridge Pte. Ltd..

CLA Real Estate is a wholly owned subsidiary of TJ Holdings (III) Pte. Ltd. ("TJIII"), which in turn is a wholly owned subsidiary of Glenville Investments Pte. Ltd. ("Glenville"), which in turn is a wholly owned subsidiary of Mawson Peak Holdings Pte. Ltd. ("Mawson"), which in turn is a wholly owned subsidiary of Bartley Investments Pte. Ltd. ("Bartley"), which in turn is a wholly owned subsidiary of Tembusu Capital Pte. Ltd. ("Tembusu"), which in turn is a wholly owned subsidiary of Temasek Holdings (Private) Limited ("Temasek").

TJIII, Glenville, Mawson, Bartley, Tembusu and Temasek, respectively, are deemed to have an interest in the shares in which CLA Real Estate has or is deemed to have an interest, by virtue of section 4 of the Securities and Futures Act (Cap. 289) ("SFA").

2 Tembusu is deemed to have an interest in the shares in which its subsidiaries have or are deemed to have an interest, by virtue of section 4 of the SFA.

3 Temasek is deemed to have an interest in the shares in which its subsidiaries and associated companies have or are deemed to have an interest, by virtue of section 4 of the SFA.

Based on the information provided by Temasek, as at 3 March 2020, Temasek is deemed to have an aggregate interest in 2,616,255,878 shares, representing approximately 51.78% of the issued shares (based on 5,052,325,406 issued shares, excluding treasury shares).

4 Percentage is calculated based on 5,052,325,406 issued shares, excluding treasury shares.

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MAKING AN IMPACT

CAPITALAND LIMITED ANNUAL REPORT 2019