

**CAPITALAND  
INVESTMENT  
LIMITED**

**20**

A N N U A L R E P O R T

**22**



**LED BY OUR PURPOSE,  
OUR DIRECTION IS CLEAR.  
MAKE A POSITIVE IMPACT  
AND ALWAYS ADHERE  
TO OUR CORE VALUES  
THAT ANCHOR AND BIND  
THE CAPITALAND TEAM IN  
HEART AND IN MIND.**



**MR LEE CHEE KOON**  
Group Chief Executive Officer  
(Extract from 2023 New Year Message)



**OUR VISION**

A leading global real asset investment manager and preferred manager of institutional and retail funds



**OUR MISSION**

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

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Our cover page features the letters “C” and “O” intersecting to form an interlocked design, where “C” stands for **CapitaLand** and the “O” stands for **ONE**. Together, they represent the **ONE CapitaLand** ecosystem, and symbolise how the respective REITs, business trusts and businesses that are part of the CapitaLand Investment Group benefit from cross-platform synergies and complementary strengths; and are united and committed to the same shared purpose of **Making a Positive Impact: Think Big. Do Right. Make it Last.** by adhering to the principles of diversity and inclusion, doing right by our stakeholders and contributing to the long-term interests of the communities that we operate in.

## About Us

Headquartered and listed in Singapore, CapitaLand Investment Limited (CLI) is a leading global real estate investment manager (REIM) with a strong Asia foothold. As at 31 December 2022, CLI had S\$132 billion of real estate assets under management, and S\$88 billion of real estate funds under management (FUM) held via six listed real estate investment trusts and business trusts, and more than 30 private vehicles across Asia Pacific, Europe and the USA. Its diversified real estate asset classes cover retail, office, lodging, business parks, industrial, logistics, data centres and self-storage.

CLI aims to scale its FUM and fee-related earnings through fund management and lodging management, leveraging its full stack of operating capabilities and prudent approach to capital management.

As the investment management arm of CapitaLand Group, CLI has access to the development capabilities and pipeline investment opportunities from CapitaLand's development arm.

CLI is committed to being a responsible company and places sustainability at the core of what it does. The company has pledged to achieve Net Zero emissions by 2050 and contributes to the environmental and social well-being of the communities where it operates, as it delivers long-term economic value to its stakeholders.



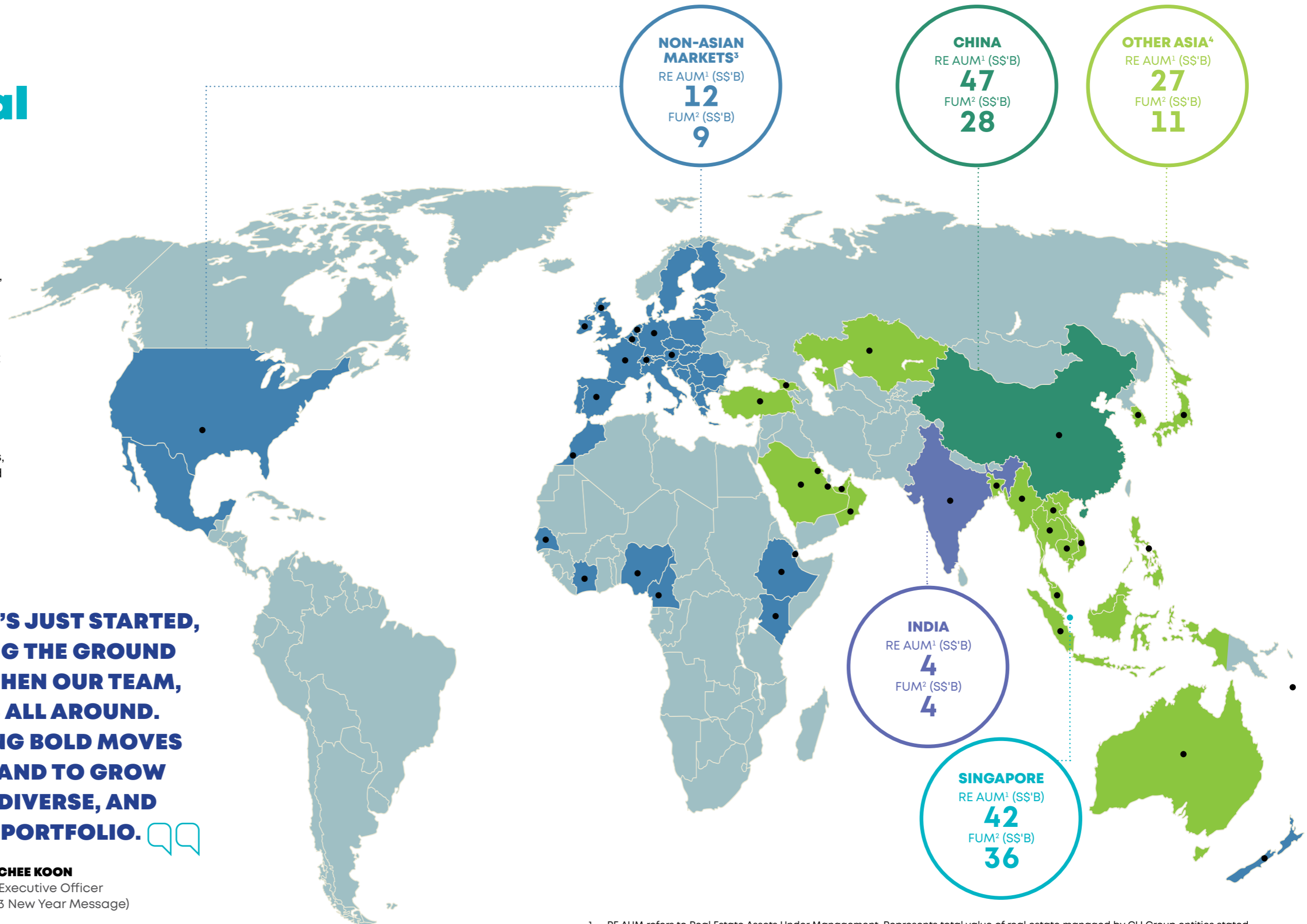
Find out more about us

# Our Global Presence

CLI's core markets are Singapore, China and India. But our boots on the ground extend far beyond that, to over 220 cities in more than 40 countries across Asia Pacific, Europe, and the USA. Over 90% of our assets under management are in Asia Pacific, reflecting the Group's strong presence in the region. Our real estate investment and management expertise has helped us build up a diversified portfolio of recognisable brands, assets and operating platforms – from retail, office and lodging properties to new economy asset classes such as business parks, industrial, logistics, data centres and self-storage.

**OUR JOURNEY'S JUST STARTED, WE'RE LAYING THE GROUND TO STRENGTHEN OUR TEAM, LIFT SKILLS ALL AROUND. WE'RE MAKING BOLD MOVES TO INVEST AND TO GROW A GLOBAL, DIVERSE, AND WINNING PORTFOLIO.**

**MR LEE CHEE KOON**  
Group Chief Executive Officer  
(Extract from 2023 New Year Message)



1 RE AUM refers to Real Estate Assets Under Management. Represents total value of real estate managed by CLI Group entities stated at 100% property carrying value. Includes RE AUM of lodging assets which are operational and under development.  
 2 FUM refers to Funds Under Management. Refers to the share of total assets under CLI listed funds and unlisted funds (private funds and/or investment vehicles, including but not limited to programmes, joint ventures and co-investments managed by CLI Group from time to time).  
 3 Includes USA, UK, Europe and other non-Asian countries.  
 4 Includes Australia, Japan, South Korea, Malaysia, Vietnam, Indonesia, Thailand, Philippines and other Asian countries.

# Focused Execution Sustainable Returns

Capital Tower (left) and CapitaSky (right) in Singapore

## About Us

### FY 2022 Performance Highlights

#### Sustainable Group Returns

ROE  
**5.5%**  
FY 2021: 8.7%

TOTAL PATMI  
**S\$861M**  
FY 2021: S\$1,349M

OPERATING PATMI  
**S\$609M**  
▲ 23%

#### Fee Income-related Business (FRB)

FRB REVENUE  
**S\$955M**  
▲ 6%

FM FRE  
**S\$429M**  
▲ 5%

FM FRE/FUM RATIO  
**49bps**  
FY 2021: 50bps

#### Real Estate Investment Business (REIB)

REVENUE  
**S\$2,110M**  
▲ 40%

EBITDA  
**S\$1,519M**  
FY 2021: S\$2,230M

CAPITAL RECYCLED  
**S\$3.1B**  
FY 2021: S\$13.6B

#### Disciplined Capital Management

NET DEBT/  
EQUITY  
**0.52x**

INTEREST COVERAGE RATIO  
**4.7x**

INTEREST SERVICE RATIO  
**3.4x**


#### GROUP CASH AND UNDRAWN FACILITIES OF CLI'S TREASURY VEHICLES

**S\$5.9B**

## Our Growth Drivers


**THREE SYNERGISTIC GROWTH DRIVERS TO INCREASE FUNDS UNDER MANAGEMENT (FUM) AND FEE-RELATED EARNINGS (FRE)**






**Fund Management**  
**S\$100 billion**  
FUM by 2024

- Grow funds under management
- Maintain organic REITs and business trusts growth momentum
- Deepen and diversify private funds strategies and expand fund raising channels



**Lodging Management**  
**160K units**  
by 2023

- Continue expansion through recovery cycle
- Scale serviced residence units via asset-light management and franchise contracts
- Expand into adjacent longer-stay segments



**Capital Management**  
**S\$3 billion**  
Annual Recycling Target

- Strict financial discipline and well-calibrated capital structure
- Disciplined capital recycling across CLI and CLI managed investment vehicles

## Our Business Structure

Four primary income streams are supported by a healthy balance sheet approach to:

- strategically incubate assets that can be converted into future FRE; and
- provide CLI with dry powder for both organic and inorganic growth



# Message to Shareholders



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

Right  
**MR MIGUEL KO**  
Chairman

## Dear Shareholder

As CapitaLand Investment (CLI) marks its first full year of operations in 2022, we are delighted to report that we have made meaningful progress towards our goal of becoming a leading real estate investment manager (REIM), notwithstanding the challenging market conditions throughout the year. These included the ongoing impact of the COVID-19 pandemic, particularly in China, heightened geopolitical tensions, as well as inflationary and interest rate pressures not seen in decades. As a company on a journey of transformation, we continued to strengthen our talent bench, expand our network of capital partners, grow across all our businesses, as well as pursue new business areas as opportunities arise.

## PERFORMANCE HIGHLIGHTS

During the year, we continued to execute our growth strategy by focusing on scaling fee income through Fund Management and Lodging Management, while prioritising the resilience of our real estate business through hands-on asset and property management and managing our capital prudently. As a result of these efforts, our operating performance continued to improve. In FY 2022, CLI's Operating PATMI was S\$609 million, a 23% increase from the previous year's S\$497 million. Notably, 49% of the Operating PATMI was attributed to fee income-related businesses, which increased by 37% from S\$235 million in FY 2021 to S\$321 million in FY 2022.

Notwithstanding the improved operating performance, lower investment appetite due to weakened fundamentals across major economies and mismatches in pricing expectations was a challenge. Nonetheless, we were able to meet our baseline asset recycling target in FY 2022, with approximately S\$3.1 billion of divestments at an average divestment premium of 12%. The lower recycling outcome was expected considering the exceptional year of divestments we had in 2021, and consequently, portfolio gains decreased from S\$616 million in FY 2021 to S\$222 million in FY 2022. Fair value gains from investment properties similarly declined, largely attributable to macroeconomic factors impacting markets such as China, UK and Europe which offset fair value improvements in the remaining Asian markets. As a result, total PATMI slid from S\$1.3 billion in FY 2021 to S\$861 million in FY 2022.

## COMMITMENT TO SUSTAINABLE SHAREHOLDER RETURNS

Our positive operating performance and healthy cashflow are clear indicators that our business

fundamentals remain robust. As such, we are pleased to propose a dividend of 12.0 Singapore cents per share which reflects confidence in our financial standing. In addition, we also propose a special dividend-in-specie (DIS) of 0.057 of CapitaLand Ascott Trust (CLAS) units per ordinary share valued at 5.9 Singapore cents per share for FY 2022<sup>1</sup>. By distributing CLAS units as a DIS, we will decrease our shareholdings in the Trust from around 38% to roughly 29%, enhancing our capital efficiency in the process. This move will also offer Shareholders an opportunity to benefit directly from the growth potential of CLAS as it is well-positioned to take advantage of the current global travel rebound.

The total dividend of 17.9 Singapore cents per share<sup>1</sup> brings the total payout to Shareholders to approximately S\$918 million. Taking into account the 8.5% increase in CLI's share price from S\$3.41 to S\$3.70 in FY 2022, as well as the proposed total dividends of 17.9 Singapore cents per share, CLI Shareholders are expected to enjoy a total share return of 13.8% for the fiscal year.

## THE GROUP IS POSITIONED FOR SUSTAINABLE GROWTH

One of CLI's competitive advantages is its ability to leverage its extensive footprint in Asia, coupled with a strong balance sheet and longstanding real estate expertise in the region, to source for high-quality assets and generate portfolio value. This enables the Group to mitigate the impact of market downturns, ensuring its continued leadership position in Asia.

CLI and its fund vehicles made a total of 33 investments worth S\$7.7 billion. CLI's fund vehicles accounted for 89% of these investments, which also generates fee income for the Group. More than half of the new investments were made in CLI's core markets of Singapore, China and India, where the Group's on-the-ground expertise is strong and well-placed to uncover and create value.

The Group will continue to take a prudent and strategic investment approach in identifying opportunities that can benefit from recovery and growth. We will pursue this through three synergistic pillars of:

### (1) Fund Management

Fund Management will lead CLI's transition towards more ROE-efficient earnings growth in the years ahead. Through growing assets under management via our listed and private funds platforms (FUM)<sup>2</sup>, our target is to achieve S\$100 billion FUM by 2024.

<sup>1</sup> Based on CLI's issued shares as at 31 December 2022 and CapitaLand Ascott Trust (CLAS)'s share price at market close on 22 February 2023 (as announced during CLI's FY 2022 Financial Results Announcement on 23 February 2023). The actual dividend payment can only be determined on book closure date.

<sup>2</sup> Refers to the share of total assets under CLI listed and unlisted funds (private funds and/or investment vehicles, including but not limited to programmes, JV and co-investments managed by CLI Group from time to time).

# Message to Shareholders

In FY 2022, we made progress on this front, with FUM increasing to S\$88 billion, from S\$86 billion as of FY 2021. Including an additional S\$8 billion of embedded FUM<sup>3</sup>, CLI's total FUM to date stood at S\$96 billion.

In FY 2022, our REITs and business trusts transacted a total of S\$2.8 billion of assets. It is noteworthy that the number of investments completed in FY 2022 were at similar levels to FY 2021. This demonstrates that the listed funds were able to continue to find attractive growth opportunities. Our listed vehicles also completed asset enhancements worth S\$300 million across ten projects, adding value to their existing holdings.

With the support of our CLI ground teams across the globe, four of our listed funds, namely CapitaLand Integrated Commercial Trust, CapitaLand Ascendas REIT, CapitaLand India Trust, and CapitaLand Malaysia Trust, expanded into new asset classes or geographies. These strategic moves were aimed at repositioning themselves in the market and highlighted the capability of our funds to invest in a diverse range of asset classes as a Group.

During the year, we achieved three successful fund exits, resulting in an event-driven FRE increase of nearly three times that of FY 2021. Their outstanding results generated positive performance fees for the Group and contributed to the development of the Group's private funds track record.

Notwithstanding the challenging fundraising landscape in 2022, CLI raised S\$2.5 billion across our private funds platform, doubling the capital raised in FY 2021. The eight new funds offered opportunities in various sectors and strategies. Three of them were Renminbi (RMB) denominated funds totalling more than S\$900 million. The launch of these RMB-denominated domestic funds is evidence of CLI's capabilities in originating funds that can appeal to not just global investors but also local Chinese institutional investors. This has opened up an important and highly scalable capital source for CLI.

Complementing this achievement was our partnership with APG Asset Management N.V., the investment manager for the largest pension provider in the Netherlands, to establish a dominant Asia-focused self-storage platform through the acquisition of Extra Space Asia, one of the largest self-storage businesses in the region. This collaboration demonstrates CLI's ability to attract leading global institutions as partners.

The remaining new launches include two logistics funds and CLI's first student accommodation

development fund. For FY 2022, CLI's private funds platform generated an FRE of S\$144 million<sup>4</sup>, a 26% increase from S\$114 million in FY 2021.

## (2) Lodging Management

CLI's Lodging Management segment was the most improved fee-based business in FY 2022, generating S\$258 million of FRE, a strong 36% increase from FY 2021. Beside positive tailwinds resulting from global travel recovery, the segment's stellar performance was due to a significant scale-up of management units during the year. That was partly attributed to the strategic acquisition of Oakwood Worldwide in July 2022, which accelerated our growth and contributed about 15,000 units of the 33,000 new keys secured, bringing the total number of keys to just below 160,000 before 2022 year-end. The acquisition of Oakwood solidified Ascott's position as one of the world's top extended-stay serviced residence providers, strengthening our market leadership in the industry. A record opening of 9,300 units further contributed to the improvement of Lodging Management fee income, as RevPAU improved alongside travel recovery, resulting in a 40% uplift on a year-on-year basis.

With eyes on crossing our target of 160,000 units by this year, Ascott will focus on accelerating our global expansion by enhancing brand recognition and cultivating customer loyalty. By providing differentiated lodging products that cater to the preferences and needs of different asset owners and consumers, Ascott will be able to achieve more targeted growth, leading to improved fee quality over time.

## (3) Capital Management

Our commitment to sustainable growth at CLI is rooted in rigorous financial discipline, which allows us to allocate and manage our capital prudently. In FY 2022, we exercised patience in our investments and new business development, given the heightened levels of global uncertainty. We closely monitored our cash management, leverage levels, debt maturities, and tax efficiency, and proactively diversified our funding sources to ensure financial resilience.

As of 31 December 2022, our total cash and undrawn facilities amounted to S\$5.9 billion, with a strong operating cash flow of S\$735 million. Our net debt-to-equity ratio was a healthy 0.52 times, providing us with ample flexibility for growth. In line with our commitment to sustainability, we are proud to announce that we have secured S\$4.7 billion<sup>5</sup> of sustainable financing during the year. This adds to our diverse range of financing sources and demonstrates our dedication to responsible and sustainable business practices. We will remain disciplined with

our annual divestment target of S\$3 billion, which will provide us with an additional source of funds for growth. We believe our well-calibrated capital structure and strong balance sheet will enable us to weather market volatility and seize opportunities as they arise.

## INTEGRATING SUSTAINABILITY IN OUR BUSINESS

CLI's integration of sustainability in all aspects of our business is a core driver of value for the Group. Keeping pace with a global push towards Net Zero emissions by 2050, we have made a firm commitment to this goal and have raised our ambitions for reducing scope 1 and 2 carbon emissions. Our targets have been independently validated by the Science Based Targets initiative as being consistent with the trajectory required to limit global warming to 1.5°C.

Furthermore, we remain dedicated to driving and sourcing innovations that will help us achieve our 2030 Sustainability Master Plan targets<sup>6</sup>. To this end, we are pleased to be continuing our annual CapitaLand Sustainability X Challenge, which is now in its third edition. Through this initiative, we are seeking out and supporting the most promising sustainability solutions and technologies, to accelerate progress towards a more sustainable future.

As we expand our presence globally, we are proud to be recognised as a sustainability leader by international indices and organisations such as the Dow Jones Sustainability World Index and Asia-Pacific Index, GRESB (with the highest 5-star rating), and Global 100 Most Sustainable Corporations. These accolades are a testament to our commitment to sustainability and our efforts to drive positive change in the world.

At CLI, we believe that our people are our greatest asset and are committed to fostering a diverse and inclusive workplace, and to providing opportunities for our staff to grow and develop. Currently, around 40% of our senior management are women. We are also proud to have provided ESG-related training to more than 83% of our staff in 2022.

Through the CapitaLand Hope Foundation (CHF), our philanthropic arm, we have been able to support a range of causes and initiatives that benefit those in need. In 2022, over 1,000 of our staff volunteered more than 10,000 hours of their time, delivering meals and bread to seniors, distributing school essentials, rejuvenating public spaces, and conducting environmental awareness programmes for children. These efforts reflect our commitment to being a responsible corporate citizen, and to creating lasting value for the communities in which we operate.

Over the past year, we have taken significant steps to bolster the capabilities of our management team and Board. This includes the hiring of more than 20 senior professionals, mostly in investment and asset management roles across Private Capital Markets, Lodging and our core and international markets. These hires have enhanced our on-the-ground expertise. We are privileged to have also attracted the talents of three accomplished professionals to further strengthen our Board's expertise. Ms. Helen Wong and Mr. David Su joined our board as Non-Executive Independent Directors in January 2022, while Tan Sri Abdul Farid bin Alias was appointed more recently in 2023. These new directors bring a wealth of experience in sectors including private equity and banking, with extensive regional knowledge across various countries in Asia. Their diverse backgrounds and experiences will be invaluable in guiding our strategic initiatives.

## IN CLOSING

As of March 2023, the global operating environment remains uncertain. However, there are also positive developments such as China's emergence from the COVID-19 pandemic and early indications that inflation and interest rates will stabilise in the medium term. While we continue to work through challenges, we will stay focused on our priorities and be judicious with the management of capital and our assets.

Our goal is to become a global REIM with a strong presence in Asia. This is a multi-year journey that requires a culture of teamwork and a winning mindset, and keeping at heart our responsibilities to deliver and sustain returns for all our investors. As our purpose statement goes, we want to **Think Big, Do Right and Make It Last to Make A Positive Impact** to our stakeholders and communities in which we operate.

We wish to express our appreciation to our Board members for their active participation in board deliberations and for their counsel through these challenging times, and to our staff for their dedicated service and commitment.

Importantly, we would like to thank you, our Shareholder, for your support as we continue our transformation journey to become a leading global REIM that creates sustainable value and makes a positive impact to all our stakeholders.

**MR MIGUEL KO**  
Chairman

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

March 2023

<sup>3</sup> Embedded FUM for listed and private funds are determined based on acquisitions as announced during CLI FY 2022 Financial Results on 23 February 2023, which are not completed and yet to be reported in FUM, committed but undeployed capital for private funds and forward purchase contracts.

<sup>4</sup> Includes performance fees of S\$38 million, comprising S\$29 million from a Vietnam fund and a Singapore fund recognised under other operating income and S\$9 million from a Korean fund recognised under revenue.

<sup>5</sup> Includes Off balance sheet sustainable financing.

<sup>6</sup> CapitaLand's 2030 Sustainability Master Plan is regularly reviewed where necessary to ensure that it remains relevant to the Group's business strategy and alignment with climate science. The first scheduled review in 2022 is in progress.



## Our Board of Directors



▲ **MIGUEL KO**  
Chairman  
Non-Executive Non-Independent Director



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



▲ **ANTHONY LIM WENG KIN**  
Lead Independent Director  
Non-Executive Independent Director



▲ **CHALY MAH CHEE KHEONG**  
Non-Executive Independent Director



▲ **KEE TECK KOON**  
Non-Executive Independent Director



▲ **GABRIEL LIM MENG LIANG**  
Non-Executive Independent Director



▲ **JUDY HSU CHUNG WEI**  
Non-Executive Independent Director



▲ **DAVID SU TUONG SING**  
Non-Executive Independent Director



▲ **HELEN WONG SIU MING**  
Non-Executive Independent Director



▲ **TAN SRI ABDUL FARID BIN ALIAS**  
Non-Executive Independent Director

# Our Board of Directors

▶ **MIGUEL KO, 70**  
Chairman  
Non-Executive Non-Independent Director

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

#### Date of first appointment as a Director

2 June 2021

#### Date of appointment as Chairman

2 June 2021

#### Date of last reelection as a Director

Not applicable

#### Length of service as a Director (as at 31 December 2022)

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

#### Board committees serving on

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

#### Present principal commitments

- CapitaLand Group Pte. Ltd.<sup>2</sup> (Deputy Chairman)
- CLA Real Estate Holdings Pte. Ltd. (previously known as Ascendas-Singbridge Pte. Ltd.) (Deputy Chairman)
- ClavystBio Investments L Pte. Ltd. (Director)
- ClavystBio Investments Pte. Ltd. (Director)
- ClavystBio Pte. Ltd. (Director)
- Integrated Resorts Evaluation Panel, Ministry of Trade & Industry, Singapore (Vice-Chairman)
- Temasek International Advisors Pte. Ltd. (Corporate Advisor)

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

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

#### Awards

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

▶ **LEE CHEE KOON, 48**  
Group Chief Executive Officer  
Executive Non-Independent Director

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

#### Date of first appointment as a Director

1 July 2019<sup>5</sup>

#### Date of last reelection as a Director

29 April 2022

#### Length of service as a Director (as at 31 December 2022)

4 years<sup>1</sup>

#### Board committees serving on

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

#### Present principal commitments

- CapitaLand Group Pte. Ltd.<sup>2</sup> (Director)
- EDBI Pte Ltd (Director) (appointment term ends on 11 May 2023)
- National Parks Board (Board Member)
- St. Joseph's Institution International Ltd (Member of the Board of Governors)

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

- CapitaLand China Trust Management Limited (Manager of CapitaLand China Trust)
- CapitaLand Commercial Trust Management Limited (Manager of CapitaLand Commercial Trust<sup>6</sup>)
- CapitaLand Limited<sup>3</sup>
- Managers of Ascott Residence Trust<sup>7</sup>

#### Awards

- Outstanding Chief Executive of the Year at the Singapore Business Awards 2022
- Business China Young Achiever Award in 2017
- National Order of Merit (Chevalier de l'Ordre National du Mérite) in 2016

▶ **ANTHONY LIM WENG KIN, 64**  
Lead Independent Director  
Non-Executive Independent Director

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

#### Date of first appointment as a Director

3 June 2021

#### Date of last reelection as a Director

Not applicable

#### Length of service as a Director (as at 31 December 2022)

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

#### Board committees serving on

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

#### Present directorship in other listed company

- DBS Group Holdings Ltd.

#### Present principal commitments

- CapitaLand Hope Foundation (Director)
- Institute of International Education, Scholar Rescue Fund Selection Committee (Member)
- Non-Resident Ambassador of the Republic of Singapore to the Republic of Colombia
- Queensway Secondary School, School Advisory Committee (Member)

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

- CapitaLand Limited<sup>3</sup>
- Vista Oil & Gas S.A.B. de C.V.

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

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

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

<sup>3</sup> CapitaLand Limited was delisted from the Official List of the Singapore Exchange Securities Trading Limited on 21 September 2021.

<sup>4</sup> Managers of Ascendas Hospitality Trust comprising Ascendas Hospitality Fund Management Pte. Ltd. (Manager of Ascendas Hospitality Real Estate Investment Trust, or "A-HREIT") and Ascendas Hospitality Trust Management Pte. Ltd. (Trustee-Manager of Ascendas Hospitality Business Trust, or "A-HBT"). Ascendas Hospitality Trust (a stapled group comprising A-HREIT and A-HBT) was delisted from the Official List of the Singapore Exchange Securities Trading Limited on 3 January 2020.

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

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

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

## Our Board of Directors

### ▶ CHALY MAH CHEE KHEONG, 67 Non-Executive Independent Director

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

#### Date of first appointment as a Director

2 June 2021

#### Date of last reelection as a Director

Not applicable

#### Length of service as a Director (as at 31 December 2022)

5 years 11 months<sup>1</sup>

#### Board committees serving on

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

#### Present directorship in other listed company

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

#### Present principal commitments

- Flipkart Private Limited (Director)
- Monetary Authority of Singapore (Director)
- National University of Singapore (Member of the Board of Trustees)
- Non-Resident Ambassador of the Republic of Singapore to the Republic of Costa Rica
- Singapore Accountancy Commission (Chairman)
- Singapore Tourism Board (Chairman)
- Surbana Jurong Private Limited (Chairman)

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

- CapitaLand Limited<sup>2</sup>

#### Awards

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

### ▶ KEE TECK KOON, 66 Non-Executive Independent Director

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

#### Date of first appointment as a Director

25 June 2021

#### Date of last reelection as a Director

Not applicable

#### Length of service as a Director (as at 31 December 2022)

8 years 3 months<sup>1</sup>

#### Board committees serving on

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

#### Present principal commitments

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

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

- CapitaLand Limited<sup>2</sup>
- Raffles Medical Group Ltd.

#### Awards

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

### ▶ GABRIEL LIM MENG LIANG, 47 Non-Executive Independent Director

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

#### Date of first appointment as a Director

2 June 2021

#### Date of last reelection as a Director

Not applicable

#### Length of service as a Director (as at 31 December 2022)

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

#### Board committees serving on

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

#### Present principal commitments

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

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

- CapitaLand Limited<sup>2</sup>

### ▶ JUDY HSU CHUNG WEI, 59 Non-Executive Independent Director

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

#### Date of first appointment as a Director

1 June 2021

#### Date of last reelection as a Director

29 April 2022

#### Length of service as a Director (as at 31 December 2022)

1 year 7 months<sup>1</sup>

#### Board committees serving on

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

#### Present principal commitments

- Hype Records Pte Ltd (Director)
- Standard Chartered Bank (CEO, Consumer, Private and Business Banking)
- Trust Bank Singapore Limited (Chairman)
- Urban Redevelopment Authority (Board Member)

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

- CapitaLand Limited<sup>2</sup>

<sup>1</sup> Includes the relevant period of service as a director of CapitaLand Limited (now known as CapitaLand Group Pte. Ltd.).

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

## Our Board of Directors

▶ **DAVID SU TUONG SING, 51**  
Non-Executive Independent Director

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

**Date of first appointment as a Director**

1 January 2022

**Date of last reelection as a Director**

29 April 2022

**Length of service as a Director (as at 31 December 2022)**

1 year

**Board committees serving on**

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

**Present principal commitments**

- Business China (Director)
- EDBI Pte. Ltd. (Director)
- Matrix Partners China (Founding Managing Partner)
- Nanyang Technological University (Member of the Board of Trustees)

▶ **HELEN WONG SIU MING, 66**  
Non-Executive Independent Director

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

**Date of first appointment as a Director**

1 January 2022

**Date of last reelection as a Director**

29 April 2022

**Length of service as a Director (as at 31 December 2022)**

1 year

**Board committees serving on**

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

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

- Aseana Properties Limited

**Present principal commitment**

- LAPIS Global Limited (Director and CEO)

▶ **TAN SRI ABDUL FARID BIN ALIAS, 55**  
Non-Executive Independent Director

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

**Date of first appointment as a Director**

1 January 2023

**Date of last reelection as a Director**

Not applicable

**Length of service as a Director (as at 31 December 2022)**

Not applicable

**Board committees serving on**

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

**Present directorships in other listed companies**

- Bursa Malaysia Berhad
- CelcomDigi Berhad

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

- Malayan Banking Berhad
- PT Bank Maybank Indonesia Tbk

**Awards**

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

## Our Senior Leadership Council



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



▲ **ANDREW LIM**  
Group Chief Operating Officer



▲ **CHRIS CHONG**  
Chief Executive Officer  
Retail & Workspace  
(Singapore and Malaysia)



▲ **ERVIN YEO**  
Chief Executive Officer  
Commercial Management,  
China



▲ **JANINE GUI**  
Chief M&A Officer (CLI) and  
Deputy CEO, International  
(wef 2 March 2023)



▲ **JONATHAN YAP**  
Chief Executive Officer  
Listed Funds



▲ **KEVIN GOH**  
Chief Executive Officer  
Lodging



▲ **KNG HWEE TIN**  
Group Chief Risk Officer



▲ **MANOHAR KHIATANI**  
Senior Executive Director



▲ **MICHELLE KOH**  
General Counsel



▲ **PATRICK BOOCOCK**  
Chief Executive Officer  
Private Equity Alternative Assets,  
Real Assets



▲ **PAUL THAM**  
Group Chief Financial Officer



▲ **PUAH TZE SHYANG**  
Chief Executive Officer  
China



▲ **QUAH LEY HOON**  
Chief People & Culture Officer



▲ **SIMON TREACY**  
Chief Executive Officer  
Private Equity Real Estate,  
Real Assets



▲ **TAN SENG CHAI**  
Chief Corporate &  
People Officer



▲ **TONY TAN**  
Chief Executive Officer  
CapitaLand Integrated  
Commercial Trust  
Management Limited



▲ **VINAMRA SRIVASTAVA**  
Chief Sustainability Officer



▲ **WILLIAM TAY**  
Chief Executive Officer  
CapitaLand Ascendas REIT  
Management Limited

## Our Senior Leadership Council

### ▶ **LEE CHEE KOON** Group Chief Executive Officer

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

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

Chee Koon is the winner of the Singapore Business Awards 2022's "Outstanding Chief Executive of the Year". He also received the Business China Young Achiever Award for his contributions towards strengthening Singapore-China relations through Ascott in 2017. 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 Mechanical Engineering degree from the National University of Singapore. He also holds a Master of Science degree in Advanced Mechanical Engineering from Imperial College London, United Kingdom.

### ▶ **ANDREW LIM** Group Chief Operating Officer

Andrew is Group COO at CLI, responsible for management oversight of the company's businesses and operations in China, Japan, Korea, Australia, Europe and USA. He also oversees the Group's Sustainability, Risk and Compliance functions.

Prior to this appointment, Andrew was Group CFO of CLI from September 2021 to December 2022. Before that, he was Group CFO of the CapitaLand Group from 2017 to 2021, where he oversaw the Group's finance functions and corporate-level mergers and acquisitions, including the landmark S\$11 billion merger with Ascendas-Singbridge in 2019. He was a key architect in the successful restructuring of the CapitaLand Group in 2021.

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

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

### ▶ **CHRIS CHONG** Chief Executive Officer Retail & Workspace (Singapore and Malaysia)

Chris is the CEO of Retail & Workspace (Singapore and Malaysia) of CLI since 1 September 2021. He is responsible for the transformation strategy and development of new retail and workspace concepts, and oversees asset management and operations in these two countries, including for CapitaLand Integrated Commercial Trust, CapitaLand Ascendas REIT, and CapitaLand Malaysia Trust.

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

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

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

### ▶ **ERVIN YEO** Chief Executive Officer Commercial Management, China

Ervin is CEO, Commercial Management, China at CLI, responsible for CLI's commercial and asset management business across China, including integrated development, retail, office, business park and logistics.

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

Before joining CapitaLand in 2015, Ervin worked in the Singapore public sector. Across his career, Ervin has been based in Tianjin, Shanghai, New York, and Washington D.C.

Ervin holds a Bachelor of Arts in Ethics, Politics & Economics from Yale University, USA.

### ▶ **JANINE GUI** Chief M&A Officer (CLI) and Deputy CEO, International (wef 2 March 2023)

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

Prior to her current role, Janine was Managing Director and Head, Group Strategic Investment, where she led and executed M&As for Singapore and international markets, including restructuring and corporate transactions. She was the deal lead for the S\$11 billion milestone merger with Ascendas-Singbridge in 2019, as well as the restructuring of the CapitaLand Group and listing of CLI in 2021. She has also served as the Head of CapitaLand

International (USA), and led the Group's maiden acquisition of the multifamily portfolio in USA. Other former roles also include overseeing corporate asset management in Ascott, lodging M&A initiatives, and fund management.

Before joining CapitaLand Group, Janine was with the Mapletree Group. She started her career with KPMG and has more than 18 years of extensive experience in corporate finance, investment and portfolio management, and M&A-related functions across global international markets.

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

### ▶ **JONATHAN YAP** Chief Executive Officer Listed Funds

Jonathan is CEO, Listed Funds at CLI, responsible for driving the growth and management of CLI's listed funds platform, the asset operating platforms in Singapore and Malaysia, as well as its India business.

Prior to this role, Jonathan was President of CapitaLand Financial of CapitaLand Group, where he oversaw the Group's funds platform comprising six listed funds and over 20 private funds, as well as the Group's India business.

Before joining CapitaLand in July 2019, Jonathan was the Chief Operating Officer and Group Chief Financial Officer of Ascendas-Singbridge (ASB). He served concurrently as the Chief Investment Officer and Head of Real Estate Funds of ASB since its inception in 2015 until 2017. Before that, Jonathan was with the Ascendas Group, serving as CEO of its India Operations from 2004 to 2007, then as CEO, India Funds from 2007 to 2014, before being appointed CEO, India in 2010 and Assistant Group CEO (Funds and India) in 2012. He has more than 30 years of experience in real estate across Asia.

Jonathan holds a Bachelor of Science in Estate Management (Honours) and a Master of Science in Project Management from the National University of Singapore.

*In reference to CLI's announcement dated 23 March 2023, Jonathan will relinquish his position as CEO, Listed Funds and assume the role of CEO, CapitaLand Development with effect from 5 June 2023.*

## Our Senior Leadership Council

**▶ KEVIN GOH**  
Chief Executive Officer  
Lodging

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

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

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

Kevin holds a Bachelor of Mechanical Engineering (Honours) from the National University of Singapore and is a Chartered Financial Analyst charterholder. He was awarded the prestigious Medal of Commendation at the NTUC Singapore May Day Awards 2020 for his strong advocacy for productivity improvement and upgrading of employees' capabilities to ensure a dynamic and digitally savvy workforce.

**▶ KNG HWEE TIN**  
Group Chief Risk Officer

Hwee Tin is the Group Chief Risk Officer of CLI, responsible for Group Risk Management and Capital Markets Compliance. She also oversees the Group Shared Services function.

Prior to her current appointment, Hwee Tin was CEO, Finance & Corporate Services, CLI (China), overseeing Finance, Treasury and Tax, Legal & Secretariat, Procurement, Shared Services, Technology & Digital Innovation, Risk & Compliance and Sustainability.

She was concurrently CEO, China Capital Markets, responsible for tapping capital markets opportunities and supporting the growth of the investment management business in China.

Before joining CapitaLand in 2019, Hwee Tin worked in OCBC Bank, rising to Executive Director and CEO of OCBC Wing Hang Bank (China) Limited, where she was responsible for strategic and operational management.

Hwee Tin holds Bachelor's and Master's degrees in Business Administration from the National University of Singapore where she was awarded the Saw Gold Medal in Finance. She also completed the Advanced Management Program at Harvard Business School and an Executive Development Program at Wharton School at the University of Pennsylvania, USA.

**▶ MANOHAR KHIATANI**  
Senior Executive Director

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

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

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

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

**▶ MICHELLE KOH**  
General Counsel

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

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

After qualifying as a lawyer and working in law practice for five years, Michelle joined CapitaLand in 2000, and took on her current role in 2013.

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

**▶ PATRICK BOOOCK**  
Chief Executive Officer  
Private Equity Alternative Assets, Real Assets

Patrick is CEO of Private Equity Alternative Assets at CLI, responsible for driving the growth of CLI's private equity business in alternative assets such as digital infrastructure, renewable energy, transition and sustainability investments, private credit and other investment strategies that will expand CLI's unlisted funds business.

Prior to joining CLI in 2021, Patrick was Managing Partner and Head of Asia at Brookfield Asset Management (BAM), overseeing Brookfield's investment and asset management activities in Asia across real estate, infrastructure, renewable energy and private equity. Over the course of his 12-year career with BAM, Patrick also served as Chief Financial Officer of Brookfield's global construction company and Managing Director of an Australian natural gas transmission and distribution portfolio. He also previously held senior positions in the infrastructure financing and development sector in Canada.

Patrick has over 20 years of investment and operational experience in alternative assets across North America and Asia Pacific.

Patrick holds a Bachelor of Commerce (Honours) from McMaster University in Ontario, Canada. He is a Chartered Professional Accountant (Canada) and Certified Professional Accountant (United States).

**▶ PAUL THAM**  
Group Chief Financial Officer

Paul is Group CFO at CLI, responsible for overseeing Group finance, treasury, tax, communications, investor relations, corporate planning, and research. He also provides administrative supervision to the internal audit function.

Prior to joining CLI, Paul was CEO of Keppel REIT, managing an Asia-Pacific commercial asset portfolio. During his tenure there, he successfully drove a turnaround in the REIT's performance through a portfolio optimisation strategy and active asset management efforts. Before that, Paul was the CFO of Keppel Capital, overseeing the finance, compliance, legal and investor relations functions.

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

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

**▶ PUAH TZE SHYANG**  
Chief Executive Officer  
China

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

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

## Our Senior Leadership Council

Prior to joining CapitaLand, Tze Shyang was CEO of CapitaLand Township Pte. Ltd. (formerly known as Surbana Land Pte. Ltd.) from 2010, and took on the additional role of City General Manager for Chengdu from 2013. He has 25 years of experience in real estate across Singapore and China.

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

### ▶ **QUAH LEY HOON** Chief People & Culture Officer

Ley Hoon is the Chief People & Culture Officer of CLI, overseeing matters related to Human Resources and Administration as well as Organisational Culture development. Ley Hoon also oversees government relations across the Group.

Prior to her current appointment, Ley Hoon was the Chief Executive of the Maritime and Port Authority Singapore (MPA) from January 2019 to September 2022, responsible for leading MPA through its digitalisation and decarbonisation transformation.

Before that, Ley Hoon was with MediaCorp from 2013 to 2018 as Chief Editor in Channel NewsAsia, where she oversaw the current affairs team producing programmes and documentaries covering local and global affairs. Ley Hoon also has more than 15 years of work experience in the public sector, working in various ministries on economic, environmental and social policies.

Ley Hoon holds a degree in Psychology from the University of Southern Queensland, Australia, a Master of Business Administration from IMD Business School in Switzerland, and a Master of Economics from the University of Pantheon Sorbonne, France.

### ▶ **SIMON TREACY** Chief Executive Officer Private Equity Real Estate, Real Assets

Simon is CEO of Private Equity Real Estate (PERE) at CLI, responsible for driving the growth of real estate assets under management and funds under management (FUM) for CLI's PERE business.

Prior to joining CLI in 2021, Simon was the Managing Director, Global Chief Investment Officer, and Head

of U.S. Equity for BlackRock Real Estate, where he was responsible for the overall investment strategy and performance of global real estate portfolios, including real estate funds, investment vehicles and research worldwide.

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

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

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

### ▶ **TAN SENG CHAI** Chief Corporate & People Officer

Seng Chai is Chief Corporate & People Officer at CLI, responsible for human capital management and development, as well as building a leadership and talent pipeline to support the organisation and its businesses. He oversees CLI's corporate functions including Human Resources & Administration, Legal & Secretariat, and Procurement. He is also the Executive Director of CapitaLand Hope Foundation, the philanthropic arm of the CapitaLand Group.

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

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

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

### ▶ **TONY TAN** Chief Executive Officer CapitaLand Integrated Commercial Trust Management Limited

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

Prior to this appointment, Tony was CEO of CapitaLand Retail China Trust Management Limited (CRCTML) from 2010 to 2017. He has more than 15 years of experience in the Singapore REITs industry as a CEO and Head of Finance.

Before joining CRCTML as Head of Finance in 2007, Tony was with IKEA for more than nine years, during which he held the positions of Treasurer and Finance Manager for the Asia Pacific region.

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

### ▶ **WILLIAM TAY** Chief Executive Officer CapitaLand Ascendas REIT Management Limited

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

Prior to his current appointment, William was the Deputy CEO of Singapore and Southeast Asia of the Ascendas-Singbridge Group. He was also concurrently the CEO for South Korea, overseeing the real estate private equity funds business and investments in South Korea.

William has more than 26 years of wide-ranging experience in real estate, straddling both the public and private sectors as well as Singapore and overseas. Since joining Ascendas-Singbridge in 2007, he held various leadership positions in investment, business development, asset and fund management as well as country operations.

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

### ▶ **VINAMRA SRIVASTAVA** Chief Sustainability Officer

Vinamra is Chief Sustainability Officer at CLI, responsible for formulating and integrating the Group's ESG strategy, policies and best practices into its business and operations, fostering a culture of sustainability, and helping to deliver long-term economic value to stakeholders.

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

Before joining CapitaLand in 2015, Vinamra was a management consultant at Roland Berger Strategy Consultants, Cisco Systems and Arthur D. Little, where he advised clients in the areas of growth strategy, market entry, infrastructure investments, due diligence, M&A and feasibility studies in projects across Southeast Asia, India, China, Europe, Middle East and Africa.

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



# 7 Megatrends CLI will focus on



Recalibrating Retail



Evolution of the Workspace



Return of International Travel



Structural Demographic Trends



Rise of Sustainability



Supply Chain & Data Fragmentation



Sustained Urban Migration

## Structural Trend

## Playing to CLI's Strengths

### RECALIBRATING RETAIL

Continued **resilience of non-discretionary retail and normalisation of e-commerce penetration rates** to underpin the co-existence of digital and physical retail experiences.

We are constantly on the pulse of the ever-changing retail landscape, being on the frontline to identify dynamic consumer trends and adjusting our asset enhancement and operational initiatives in real time. Our best-in-class retail operating platform is centred on over 40 years of operational excellence and harnesses both digital and physical strategies to expand customer outreach, create differentiated experiences for customers, and complement revenue growth in lieu of the increasing e-commerce penetration rates globally.

CapitaLand Investment's (CLI) retail presence includes over 60 well-located malls in Singapore, China and Malaysia, uniquely positioned as lifestyle destinations offering exclusive concepts and trend-setting experiences.

Through proactive asset enhancements, redevelopments and selective acquisitions, we position CLI to capture the increase in discretionary spending as borders reopen and leisure and business travel resumes.

### EVOLUTION OF THE WORKSPACE

**Reshuffling of long-term priorities among corporate occupiers and the workforce.**

CLI actively engages with our tenants, as they recalibrate their workspace strategies to incorporate more flexible workspace solutions and increase emphasis on quality office space and employee wellness, post-COVID.

We continue to future proof our portfolio by continuously enhancing our assets, adapting to new work habits and aligning with sustainability requirements. Our diversified and wide portfolio of central business district and suburban offices, as well as business parks, allows us to capture a wide range of tenant and locational needs such as corporates' needs for hub and spoke solutions.

Our in-house coworking platform, Bridge+, allows our tenants the flexibility to transform their workspace into highly collaborative spaces, while we support our tenants on their overarching plans on lease optimisation and operational agility.

### RETURN OF INTERNATIONAL TRAVEL

**Travellers and guests adopt more experiential preferences, with an increased emphasis on health and safety.**

CLI's diversified lodging portfolio of serviced residences, hotels, rental housing and student accommodation properties – including more than 159,000 keys across lodging brands such as Ascott, Somerset, Citadines, Oakwood, lyf, Quest, The Crest Collection, The Unlimited Collection, Préférence, Fox, Harris, POP!, Vertu and Yello – allows us to capture a diverse customer base across both short-stay and extended-stay guest segments, as well as leisure and business travellers.

Our differentiator lies in our operational excellence, where we combine a holistic array of customer-oriented amenities and services including convenient digital solutions and unique facilities such as coworking spaces in select properties.

With the increased emphasis on health and safety and quality of stay, CLI has continued to ensure the implementation of the Ascott Clean360 programme at our Ascott-managed properties, maintaining the highest standards of hygiene and cleanliness. This initiative reinforces our commitment to provide a safe and comfortable living environment for our guests and employees.

### STRUCTURAL DEMOGRAPHIC TRENDS

**Growing middle-class population, global greying, and rising dominance of Gen Z & Millennials.**

CLI's investment management products cover the entire capital stack and real estate asset classes, catering to the increasing demand for investment options across various risk profiles. Our REITs and business trusts aim to generate stable financial yield, while private funds with varied strategies can offer elevated upsides.

Our lodging platform also provides a wide range of products that cater to various demographic groups, from students to working adults to families. These include serviced residences, hotels, coliving, student accommodation and rental housing (including multifamily). In particular, our "lyf" coliving concept is designed with the next generation of travellers such as digital nomads, technopreneurs, creatives and self-starters in mind, to tap on the growing demand for more experiential preferences and community living lifestyles.

## Seven Megatrends CLI Will Focus On

### Structural Trend

### Playing to CLI's Strengths

#### SUSTAINED URBAN MIGRATION

**Outsized urbanisation rates in APAC** compared to the rest of the world, specifically in China (+13.8 million per annum from 2022 to 2030), India (+9.7 million) and Southeast Asia (+7.4 million)<sup>1</sup>.

CLI's strongest presence is in APAC with approximately 90% of assets under management in this region, and possesses a long-standing track record in key growth markets including China and India.

CLI's presence in these markets encompasses commercial assets (offices, modern logistics, non-discretionary retail) to ride the tailwind of growing business and infrastructure needs, and lodging products (multifamily and coliving) to cater to the growing consumer class that entails with the higher urbanisation rate.

Our capabilities stretch across the full stack of real estate, and we continue to expand in key metro cities in this region where the highest concentration of activities lie.

#### SUPPLY CHAIN & DATA FRAGMENTATION

**Sustained supply chain pressures** post-COVID and simultaneous trade wars have forced certain countries into **self-sufficiency and diversification**, that have also led to **tighter data protection regulatory measures** against a backdrop of **enhanced digitalisation and automation**.

CLI recognises that corporates have been recalibrating their supply chain and digitalisation needs, including reshoring and onshoring their businesses, and expanding into new economy assets such as business parks and data centres.

CLI's portfolio of business/IT parks across key metro cities globally and our fast-growing data centre portfolio, has granted us the strategic advantage to capitalise on this trend. Our strong presence in these cities is complemented with boots on the ground and rich in-house experience and expertise.

Our data centre presence spans more than 500MW (on a completed basis) across Europe and Asia, helmed by our experienced data centre team that is equipped with the necessary comprehensive technical expertise and customer solutions across the value chain.

#### RISE OF SUSTAINABILITY

The focus on sustainability is **gaining momentum among key stakeholders**, as the industry moves towards achieving Net Zero emissions. In addition to addressing climate concerns, there is a greater emphasis on **ESG disclosures and assurance**, as well as **human rights, diversity, and sustainability management** throughout the supply chain. This rapid transformation will have far-reaching implications for both investors and businesses.

CLI has been a long-standing proponent of sustainability, with a first-mover advantage dating over two decades. We are recognised as a sustainability leader on several international indices and organisations including Dow Jones Sustainability Indices, GRESB and Global 100 Most Sustainable Corporations.

Committed to a goal of Net Zero by 2050, CLI continuously and consistently embeds ESG considerations across the entire real estate life cycle and value chain, including setting ambitious science-based targets for scope 1 and 2 carbon emissions in our operations, and implementing a Social Charter and Supply Chain Code of Conduct for our staff and supply chain respectively.

In addition, sustainability has been a key thrust across all our products and operations, as we continuously seek ways to future proof our portfolio across our office, retail, lodging and new economy products to align with sustainability standards and increasing sustainability requirements from tenants and investors.

Above and beyond our operations, we believe the drive to sustainability starts from the top. CLI's Strategy and Sustainability Committee, led by our Lead Independent Director, plays an active role in overseeing the Company's sustainability strategies and plans, and sets the tone at the top to ensure the alignment of the Company's activities with its purpose and stakeholder interests. In addition, under CLI's executive compensation framework, the Group's business plans, including sustainable corporate strategies, are translated to both quantitative and qualitative performance targets and cascaded throughout the organisation.

<sup>1</sup> Source: World Bank and Oxford Economics, February 2023

## FY 2022 Performance Review

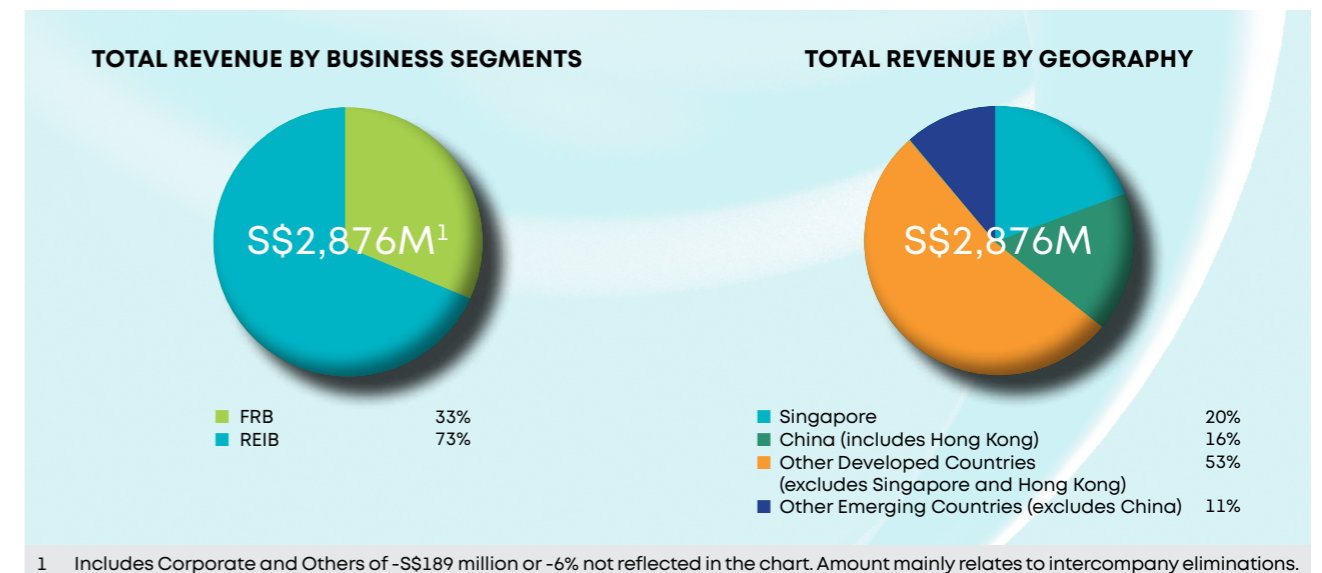
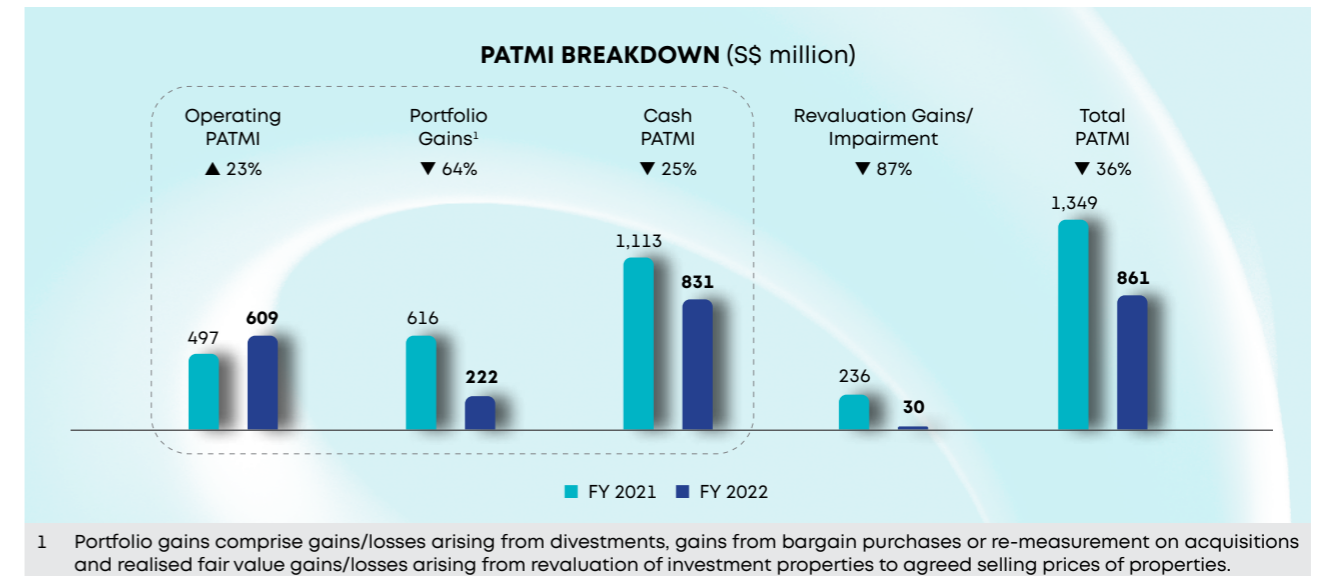
### Financial Performance

CapitaLand Investment (CLI) registered a PATMI of S\$861 million in FY 2022, comprising Operating PATMI of S\$609 million, portfolio gains of S\$222 million and revaluation gains from investment properties of S\$30 million.

The Group's Operating PATMI for FY 2022 of S\$609 million was 23% higher than the S\$497 million a year ago. This was mainly attributable to better performance in the Fee Income-related Business (FRB) and recovery in the lodging business as CLI strengthens its pivot to become a global real estate investment manager with a focus on driving fee income.

Amidst the challenging macroeconomic conditions, the Group registered lower portfolio gains of S\$222 million, 64% lower than the exceptional gains of S\$616 million recorded in FY 2021 due to lower volume of asset recycling activities and the absence of a significant gain from the restructuring of the Group's interests in the six Raffles City properties in China of S\$274 million.

In terms of revaluation of investment properties, the portfolio valuation was largely stable. However, when compared to FY 2021, the gains from revaluation of investment properties of S\$30 million was 87% lower than FY 2021. This was mainly attributable to lower gains from properties in developed countries.



# FY 2022 Performance Review

## Financial Performance

### REVENUE

Revenue for FY 2022 rose by 25% or S\$583 million to S\$2,876 million, driven by the improved performance from the Group's lodging operations as well as contributions from newly acquired lodging properties in Japan and the USA, as well as an IT park and a data centre in China. These were partially offset by the loss of contribution from properties divested in China, Japan and Singapore.

In terms of geographical segment, Singapore and China accounted for 36% (FY 2021: 46%) of the Group's total revenue. The remaining revenue were contributed by other developed markets (53%) and other emerging markets (11%).

### EBITDA

EBITDA for FY 2022 declined 20% to S\$1,966 million, primarily due to lower gains from revaluation of investment properties and asset recycling. Excluding non-operating gains, the Group achieved 8% increase in EBITDA from operations. This was driven by improved performance from the lodging management business and lodging properties, retail malls in Singapore and Malaysia, following the lifting of travel curbs and COVID-19 restrictions in these countries. Higher event-driven fees from managed funds, as well as contributions from newly acquired assets in China, the USA and Japan further

strengthened the performance. This was partially offset by higher rental rebates extended to our tenants in China and foreign exchange loss recorded in FY 2022.

In terms of revaluation of investment properties, the Group recorded net fair value gains from investment properties of S\$137 million (FY 2021: S\$392 million). The revaluation gains arose mainly from our portfolio of lodging properties in Singapore, the USA and UK, new economy properties in India and China, as well as office and malls in Singapore.

The Group achieved a gross divestment value of S\$3.1 billion (FY 2021: S\$13.6 billion) and recognised portfolio gains of S\$348 million (FY 2021: S\$699 million) in 2022. The portfolio gains were mainly from the divestment of lodging properties in France, Vietnam, the USA and Australia, an office building in Korea, an IT Tech Park in India, five rental housing properties in Japan, an office building and a retail mall in Singapore, a retail mall in Malaysia and three business park and logistics properties in China.

Approximately S\$1,623 million or 82% of the Group's EBITDA were derived from developed markets and S\$343 million or 18% were contributed by emerging markets. Collectively, Singapore and China accounted for 46% and 11% of the Group's EBITDA for FY 2022 respectively.

### REVENUE & EBITDA - BY BUSINESS SEGMENTS

#### Fee Income-related Business (FRB)

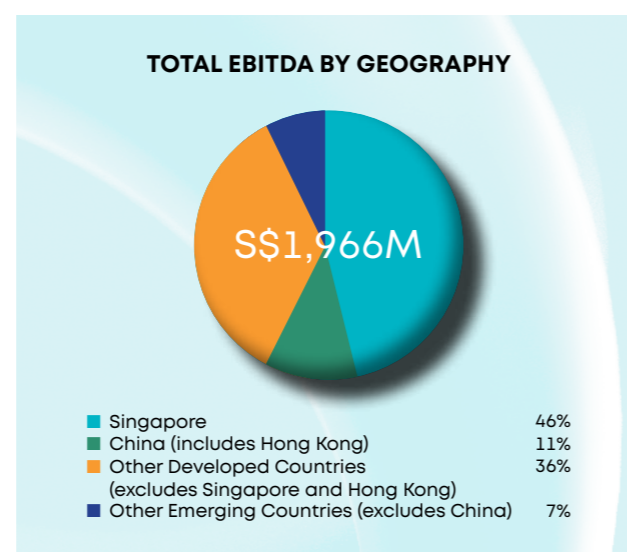
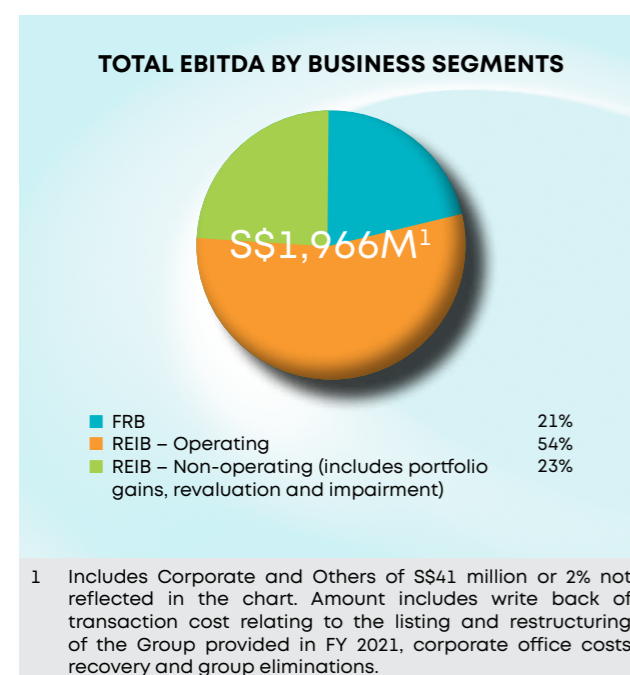
CLI's FRB revenue grew by 9% to S\$984 million and EBITDA grew by 29% to S\$406 million on the back of better operating performance from the Group's lodging management business due to recovery of travel demand and contributions from new management contracts. In addition, the Group's main FRB contributor, the fund management business (FM), achieved a higher revenue of 5% mainly from the performance fees from three private funds in Singapore, Vietnam and Korea. FM business also reported a stable EBITDA margin and fund management fee-related earnings over funds under management (FM FRE/FUM) of 51% and 49 bps respectively.

As at 31 December 2022, the FUM of the Group stood at S\$88 billion, an increase of S\$2 billion over 31 December 2021, driven by the acquisition-led growth of CLI's listed funds and the launch of eight new private funds during the year. Including the CapitalLand China Data Centre Partners and CapitalLand China Opportunistic Partners Programme announced in February 2023, CLI's FUM (including embedded FUM) would be S\$96 billion, moving it closer to its FUM target of S\$100 billion by 2024.

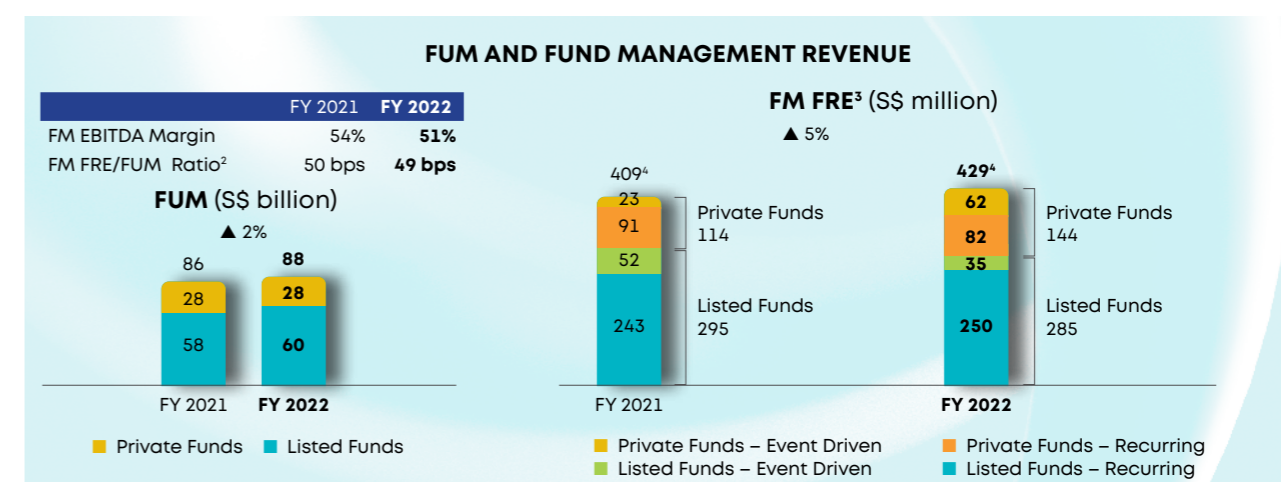
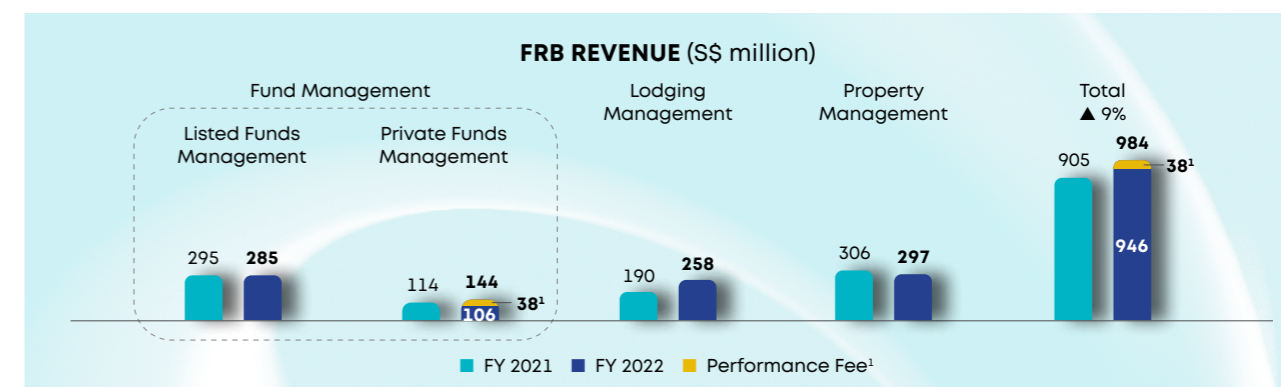
#### Real Estate Investment Business (REIB)

Revenue from REIB rose 40% year-on-year to S\$2,110 million (FY 2021: S\$1,506 million). The higher revenue was mainly attributable to better operating performance from the Group's lodging properties on account of higher revenue per available unit (RevPAU) and occupancy with the relaxation of travel restrictions across geographies, as well as contributions from the newly acquired properties in China, the USA and Japan. These were partially offset by the loss of contributions from the properties divested in Japan, China and Singapore.

REIB EBITDA declined 32% year-on-year to S\$1,519 million (FY 2021: S\$2,230 million), mainly attributable to lower gains from the revaluation of investment properties and asset recycling, higher rental rebates extended to tenants in China, foreign exchange loss as well as lower effective share of contributions from assets recycled to funds. These were partially mitigated by improved performance from the lodging properties, retail malls in Singapore and Malaysia, as well as contributions from newly acquired assets in China, the USA and Japan.



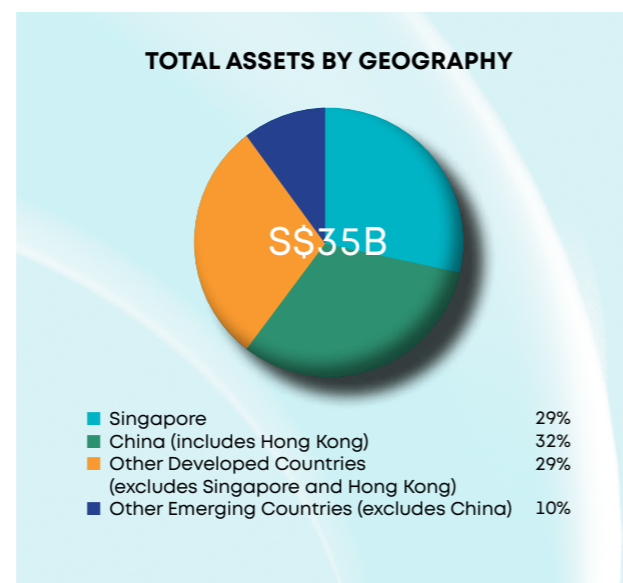
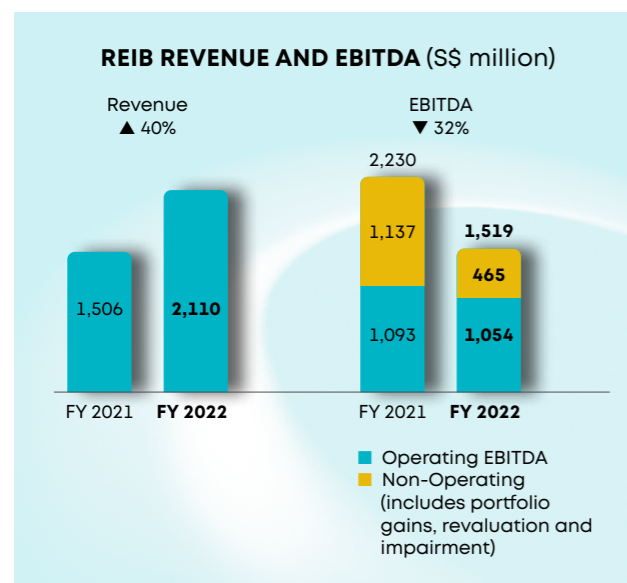
<sup>1</sup> Includes Corporate and Others of S\$41 million or 2% not reflected in the chart. Amount includes write back of transaction cost relating to the listing and restructuring of the Group provided in FY 2021, corporate office costs recovery and group eliminations.



<sup>1</sup> Includes performance fees of S\$38 million, comprising S\$29 million from a Vietnam and Singapore Fund recognised under other operating income and S\$9 million from a Korea Fund recognised under revenue.  
<sup>2</sup> FM FRE/ FUM ratio is computed based on average FUM for the year.  
<sup>3</sup> FM FRE refers to fee revenue from listed and private funds (private funds and/or investment vehicles, including but not limited to programmes, joint ventures and co-investments) managed by CLI Group.  
<sup>4</sup> FM FRE comprises recurring FRE of S\$332 million (FY 2021: S\$334 million) and event driven FRE of S\$97 million (FY 2021: S\$75 million).

# FY 2022 Performance Review

## Financial Performance



## FINANCIAL POSITION OF THE GROUP

### Total Assets

As at 31 December 2022, the Group's total assets were S\$35 billion (FY 2021: S\$38 billion), with investment properties as well as investments in associates and joint ventures, accounting for 42% and 37% of the Group's total assets respectively.

The decrease in the Group's total assets was mainly due to the divestment of assets in Singapore, Korea and China, the repayment of the Group's borrowings with available bank balance as well as translation loss arising from appreciation of the Singapore dollar against most of the major foreign currencies.

By geography, Singapore and China collectively accounted for approximately 61% of the Group's total assets.

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

### Shareholders' Equity

As at 31 December 2022, the issued and paid-up ordinary share capital (excluding treasury shares) of the Company comprised 5.1 billion shares at S\$10.8 billion.

The Group's total reserves decreased from S\$5.3 billion in FY 2021 to S\$4.4 billion in FY 2022 mainly due to foreign currency translation loss arising from the appreciation of SGD against RMB, AUD, EUR, GBP, JPY, INR and MYR during the year and purchase of treasury shares.

As at 31 December 2022, the Group's total shareholders' funds was S\$18.9 billion (FY 2021: S\$20.1 billion) and net asset value per share was S\$2.96 (FY 2021: S\$3.12).

### Dividends

The Board of Directors of the Company has proposed a total dividend of 17.9 Singapore cents in respect of financial year ended 31 December 2022, comprising:

- a tax-exempt ordinary dividend of 12.0 Singapore cents per share which would amount to a payout of approximately S\$614 million<sup>1</sup>.
- a special dividend-in-specie of 0.057 CapitaLand Ascott Trust (CLAS) unit per ordinary share valued at 5.9 Singapore cents<sup>1</sup>.

The distribution of CLAS units will decrease our shareholdings in the Trust from 38% to 29%, enhancing our capital efficiency in the process. This move also offers shareholders an opportunity to benefit directly from CLAS's growth potential as it is well-positioned to take advantage of the current global travel rebound.

<sup>1</sup> Based on the number of issued shares (excluding treasury shares) as at 31 December 2022 and the share price of CLAS as of 22 February 2023. The actual dividend payment can only be determined on book closure date.

## FINANCIAL HIGHLIGHTS

	2020	2021	2022
<b>(A) INCOME STATEMENT (S\$ million)</b>			
Revenue	1,983	2,293	<b>2,876</b>
Earnings before interest, tax, depreciation and amortisation (EBITDA)	(33)	2,469	<b>1,966</b>
<b>Profit/(Loss) attributable to shareholders of the Company</b>	<b>(559)</b>	<b>1,349</b>	<b>861</b>
<b>Comprising:</b>			
Operating PATMI	443	497	<b>609</b>
Portfolio gains	97	616	<b>222</b>
Revaluation and impairments	(1,099)	236	<b>30</b>
<b>(B) BALANCE SHEET (S\$ million)</b>			
Investment properties	15,852	16,249	<b>14,706</b>
Associates and joint ventures	13,198	13,248	<b>13,152</b>
Cash and cash equivalents	1,736	3,877	<b>2,668</b>
Other assets	7,437	4,272	<b>4,584</b>
Less:			
Total borrowings and debt securities	8,466	13,548	<b>12,590</b>
Other liabilities	14,023	3,997	<b>3,591</b>
<b>Net assets</b>	<b>15,734</b>	<b>20,101</b>	<b>18,929</b>
Equity attributable to owners of the Company	11,875	16,044	<b>15,133</b>
Non-controlling interests and perpetual securities	3,859	4,057	<b>3,796</b>
<b>Total equity</b>	<b>15,734</b>	<b>20,101</b>	<b>18,929</b>
<b>(C) ECONOMIC VALUE ADDED (EVA) (S\$ million)</b>			
Net operating profit after tax (NOPAT)	NA <sup>1</sup>	1,727	<b>1,523</b>
Capital charge	NA <sup>1</sup>	1,341	<b>1,747</b>
EVA	NA <sup>1</sup>	386	<b>(224)</b>
EVA attributable to owners of the Company	NA <sup>1</sup>	448	<b>(145)</b>
<b>(D) KEY PERFORMANCE METRICS</b>			
Earnings per share (cents)	(19.9)	38.3	<b>16.8</b>
Return on equity <sup>2</sup> (%)	(3.8)	8.7	<b>5.5</b>
Net tangible assets per share (S\$)	2.64 <sup>3</sup>	2.93	<b>2.74</b>
Net asset value per share (S\$)	2.83 <sup>3</sup>	3.12	<b>2.96</b>
FM FRE (S\$ million)	306	409	<b>429</b>
Funds under management (FUM) (S\$ billion)	77.6	86.2	<b>87.7</b>
FM FRE/FUM (bps)	40	50	<b>49</b>
<b>(E) DIVIDENDS</b>			
Ordinary dividend per share (cents)	9.0 <sup>4</sup>	12.0	<b>12.0</b>
Special dividend per share (cents)	-	3.0	<b>5.9</b>
<b>Total dividend per share (cents)</b>	<b>9.0</b>	<b>15.0</b>	<b>17.9</b>

#### Notes

- CLI only started computing EVA from 2021, the year that CLI was listed.
- Return on equity was computed based on PATMI or Net Loss (after distribution to perpetual securities) over average equity attributable to owners of the Company.
- Net tangible assets per share and net asset value per share took into account the capitalisation of loans and number of issued shares as at 31 December 2020 of 5,203 million.
- For the financial year ended 2020, the dividends were declared under CapitaLand Limited (now known as CapitaLand Group Pte. Ltd.).

### Treasury Highlights

	2021	2022
Unutilised bank facilities and funds available for use (S\$ million) <sup>1</sup>	8,287	<b>7,438</b>
Unutilised debt securities capacity (S\$ million)	10,928	<b>10,268</b>
Net debt <sup>2</sup> /Equity (times)	0.48	<b>0.52</b>
Net debt <sup>2</sup> /EBITDA (times) <sup>3</sup>	4.7	<b>5.6</b>
Interest cover ratio (times) <sup>3</sup>	6.3	<b>4.7</b>
Interest service ratio (times)	4.1	<b>3.4</b>
Implied interest cost	2.7%	<b>3.1%</b>
Secured debt ratio	35%	<b>34%</b>
Bank borrowings/Debt securities	91%/9%	<b>87%/13%</b>
Average debt maturity	2.8 years	<b>2.9 years</b>
Fixed/Floating rate debt	63%/37%	<b>61%/39%</b>

<sup>1</sup> Committed and uncommitted bank facilities in place.

<sup>2</sup> Includes S\$771 million and S\$658 million of lease liabilities under SFRS(I)16 for 2021 and 2022 respectively.

<sup>3</sup> Net debt/EBITDA and Interest cover ratio excludes unrealised revaluation/impairment.

#### CAPITAL MANAGEMENT

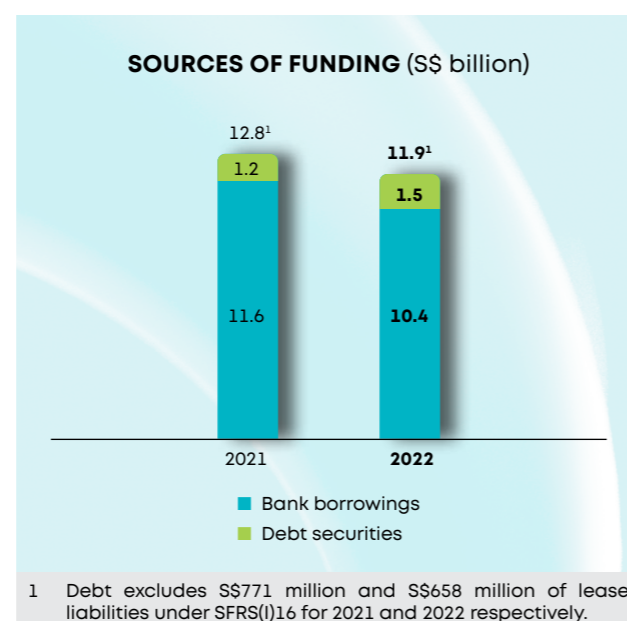
The Group is in a strong liquidity position with S\$2,668 million of cash and cash equivalents and S\$4,770 million in available undrawn bank facilities. Net gearing as at end 2022 was higher at 0.52 times as compared to 0.48 times as at end 2021. This was due to lower equity owing to foreign currency translation differences and purchase of treasury shares.

The Group's Interest Cover Ratio (ICR) and Interest Service Ratio (ISR) were 4.7 times and 3.4 times respectively. The lower ICR in 2022 was mainly due to lower profits and higher net interest expense while the lower ISR was mainly due to higher interest paid.

Finance costs for the Group were S\$432 million for the year ended 2022. This was about 22% higher compared to S\$353 million in 2021 mainly due to higher external borrowings and interest rates. Implied interest cost for FY 2022 was higher at 3.1% per annum (FY 2021: 2.7%).

#### SOURCES OF FUNDING

As at 31 December 2022, 87% of the Group's total debt was funded by bank borrowings and the balance 13% was funded through debt securities. The Group will continuously seek to diversify and balance its sources of funding over time to ensure financial flexibility and mitigate concentration risk.

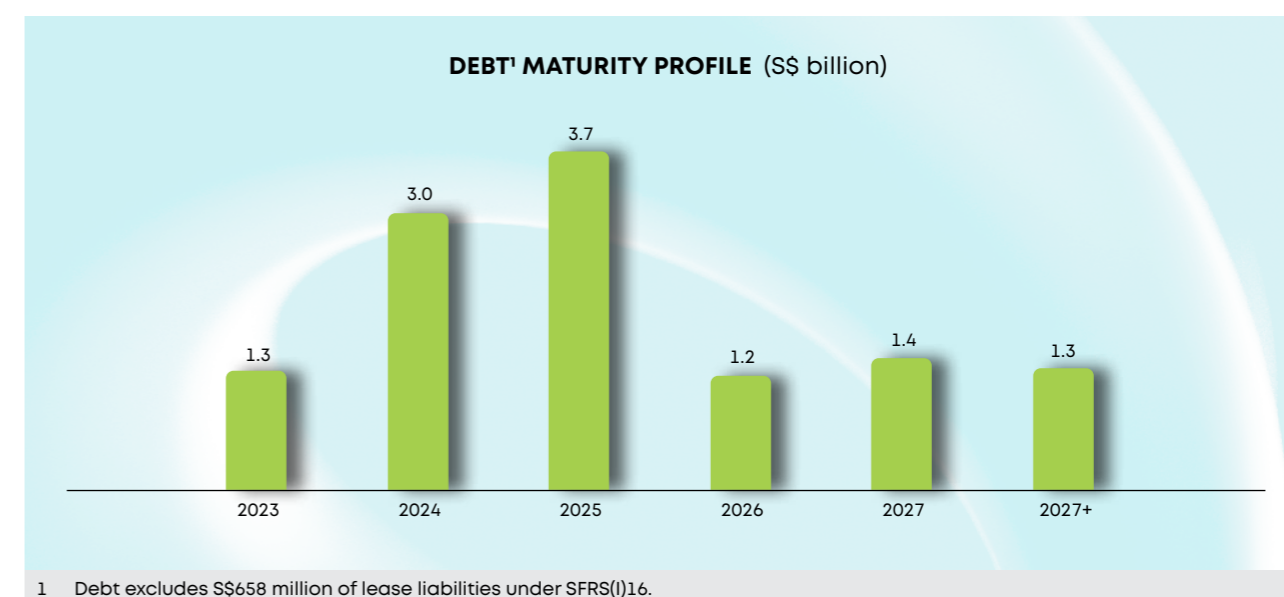


#### DEBT MATURITY PROFILE

The Group has proactively built sufficient cash reserves and credit lines to meet its short-term debt obligations, support its refinancing needs and pursue opportunistic investments. The Group maintains a healthy balance sheet with unutilised bank facilities and funds available for use of about S\$7,438 million as at year-end. As part of its financing strategy, the Group regularly reviews its loan portfolio, taking into account divestment and investment plans, interest rate outlook and the prevailing credit market conditions. In its review, the Group aims to mitigate refinancing risks, diversify its sources of funding and extend its maturity profile where possible.

#### INTEREST RATE PROFILE

The Group manages its finance costs by maintaining a prudent mix of fixed and floating rate borrowings. As at 31 December 2022, the fixed rate borrowings constituted 61% of the portfolio, with the balance on a floating rate basis. As finance costs constitute a major component of the Group's overall costs, a high percentage in fixed rate funding is maintained for funding cost certainty. In managing its interest rate profile, the Group takes into account the interest rate outlook, the holding periods of its investment portfolio, the timing certainty of its planned divestments and operating cashflow generated from operations.

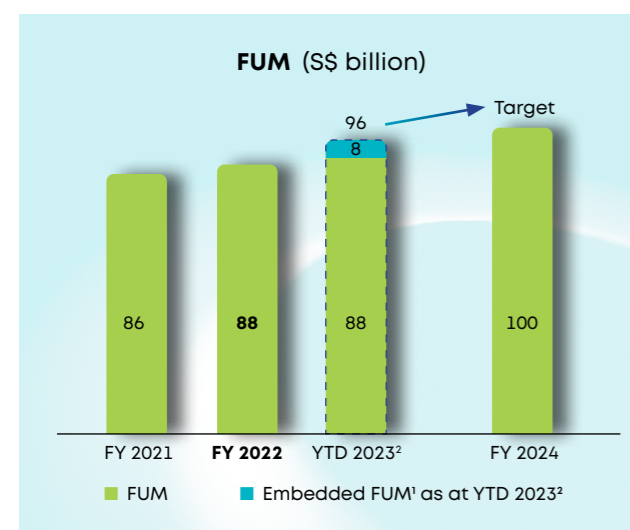


# FY 2022 Performance Review

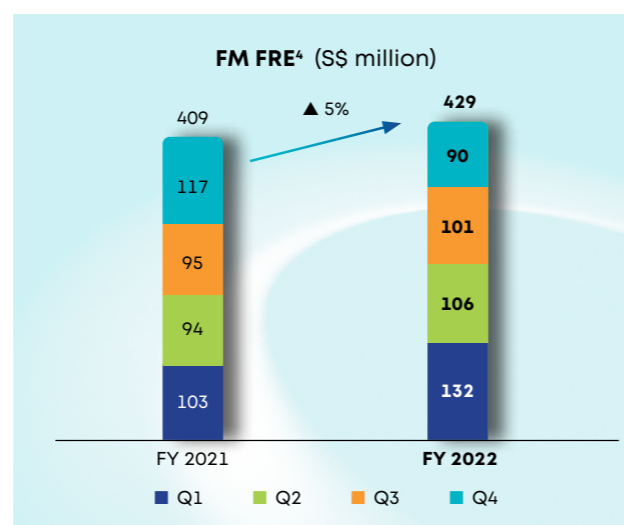
## Business Performance

### Fund Management

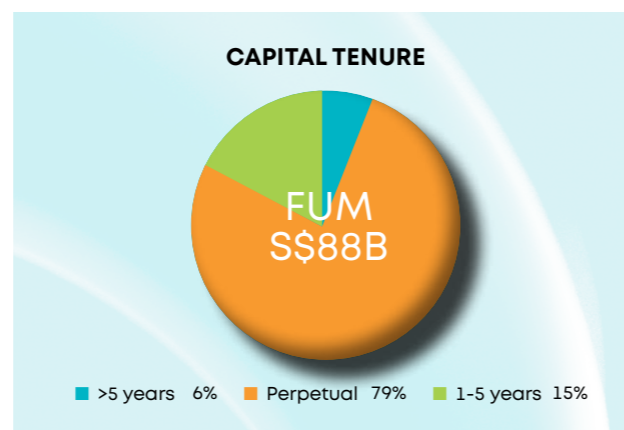
Fund Management is a key driver of CapitaLand Investment's (CLI) transition towards more efficient earnings growth, with the aim to achieve S\$100 billion funds under management (FUM) by 2024. In FY 2022, CLI grew our FUM from S\$86 billion to S\$88 billion through acquisitions via our listed and private funds. In addition, we registered another S\$8 billion of embedded FUM<sup>1</sup> to date in 2023<sup>2</sup>, placing us on track to meet our 2024 target of S\$100 billion.



Corresponding to the FUM expansion in FY 2022, the Group saw a 5% increase in fee-related earnings (FRE) from S\$409 million to S\$429 million. However, the FRE/FUM ratio, which measures CLI's efficiency in generating fee income relative to FUM, decreased slightly from 50 bps to 49 bps due to fund exits and overall lower transactions during the year. Additionally, retail funds in China were impacted by COVID-19 lockdowns, which affected operating performance and fees. Despite these challenges, CLI maintained a healthy FM EBITDA margin of 51% in FY 2022.



CLI's largest source of FRE continues to be high-quality base management fees, primarily from perpetual vehicles such as our six listed funds and an open-end private fund. Approximately 79% of our FUM (or S\$70 billion), are from perpetual funds that contribute fees that are recurring in nature. Recurring FM FRE accounted for 77% of CLI's total FM FRE in FY 2022, demonstrating the resilience of the platform. The remaining 23% of FM FRE was generated from event-driven fees, which increased by 29% year-on-year, mainly contributed by performance fees from the three private funds exit. As CLI continues to develop and expand our private funds platform, we expect the capital tenure to further diversify with the launch of funds across varied strategies.



1 Embedded FUM for listed and private funds are determined based on acquisitions as announced during CLI FY 2022 Financial Results on 23 February 2023, which are not completed and yet to be reported in FUM, committed but undeployed capital for private funds and forward purchase contracts.  
 2 YTD 2023 is for the period from 1 January 2023 to 22 February 2023.  
 3 FY 2022 FM FRE/FUM ratio is computed based on average FUM for the year.  
 4 FY 2022 FM FRE includes performance fees of S\$29 million recognised under other operating income and S\$9 million recognised under revenue. FM FRE comprises recurring FRE of S\$332 million (FY 2021: S\$334 million) and event-driven FRE of S\$97 million (FY 2021: S\$75 million).

### LISTED FUNDS

CLI has a long history of innovation and leadership in the Singapore real estate investment trust (S-REIT) market. We are the industry pioneer, being the Sponsor and manager of the first two S-REITs, CapitaLand Integrated Commercial Trust (CICT) and CapitaLand Ascendas REIT (CLAR), which marked their 20th anniversary in 2022.

CLI's listed funds business comprises five REITs and business trusts listed on the Singapore Exchange and one on Bursa Malaysia, with a total market capitalisation of over S\$32 billion and FUM of S\$60 billion as at 31 December 2022. This level of expertise and market presence makes CLI a trusted partner to investors looking for stable and high-performing real estate investments.

Despite the challenging macroeconomic landscape in FY 2022, our listed funds demonstrated resilience and continued to grow through disciplined portfolio reconstitution. Our listed funds undertook proactive asset management strategies to enhance portfolio value, including repositioning existing assets, actively managing tenancies and undertaking asset enhancement and redevelopment initiatives. In total, our listed funds made S\$2.5 billion of new investments, S\$340 million in divestments and completed enhancements or redevelopment of ten properties, amounting to approximately S\$300 million. These actions demonstrated the agility and forward-thinking approach of CLI's listed funds and our commitment to creating value for unitholders.

In FY 2022, approximately 69% of acquisitions (by investment value) made by our listed funds were purchased from CLI and its affiliates. This reflected CLI's strong commitment to support the growth of our listed funds. By the end of FY 2022, the FUM of CLI's listed funds was up by 3% compared to a year ago.

CLI's listed funds generated S\$285 million of FRE in FY 2022, of which 88% was recurring, making listed funds a stable and consistent contributor to CLI's FRE.

### KEY ACHIEVEMENTS IN 2022

#### Investments

##### CapitaLand Integrated Commercial Trust (CICT)

Enhancing its leadership in Central Business District (CBD) core office market with high-quality assets

- 70% interest in CapitaSky (formerly known as 79 Robinson Road) in Singapore for S\$882.0 million

##### CapitaLand Ascendas REIT (CLAR)

###### Solidifying its core strength with portfolio expansion

- Seven logistics properties in Chicago, USA for S\$133.2 million
- A high-tech industrial property located at 622 Lorong 1 Toa Payoh, Singapore for S\$104.8 million
- First cold storage logistics facility in Singapore located at 1 Buroh Lane for S\$191.9 million

##### CapitaLand Ascott Trust (CLAS)

###### Building on its stable income streams and capturing the upside from recovery in global travel

- Four rental housing properties and first student accommodation property in Japan for S\$125.0 million
- Nine properties in Australia, France, Japan, Vietnam and USA, comprising three serviced residences, five rental housing properties and an additional 45% stake in a student accommodation property for a total of S\$215.2 million
- Rental housing property in Fukuoka, Japan for S\$82.6 million

##### CapitaLand India Trust (CLINT)

###### Expanding its presence in the new economy spaces

- Seventh warehouse in Arshiya Free Trade Warehousing Zone in Panvel, Navi Mumbai, India for S\$38.7 million
- Acquisition of industrial facility in Mahindra World City, Chennai (Casa Grande), Phase 1 for S\$38.6 million and proposed acquisition of Phase 2 for S\$28.5 million of the same project via forward purchase
- Freehold site in Ambattur, Chennai for the development of a data centre. Acquisition and development costs totalling S\$328.8 million
- Proposed acquisition of International Tech Park Pune - Hinjawadi, India for S\$221.9 million<sup>1</sup>

##### CapitaLand Malaysia Trust (CLMT)

###### Diversifying into a new asset class and scaling its retail operations

- Following the expansion of CLMT's investment mandate to include industrial asset classes, acquired a logistics property in Penang, Malaysia for S\$25.7 million
- Queensbay Mall in Penang, Malaysia for S\$300.3 million

#### Divestments

##### CapitaLand Integrated Commercial Trust (CICT)

Unlocking capital for recycling into higher yield assets

- JCube, a retail asset in Jurong East, Singapore, for S\$340 million

1 Subject to the approval of CLINT's unitholders at an extraordinary general meeting to be held on 17 April 2023.

# FY 2022 Performance Review

## Business Performance

### CAPITALAND INTEGRATED COMMERCIAL TRUST



The first and biggest REIT by market capitalisation on the Singapore Exchange and the largest proxy for Singapore's commercial real estate with a well-diversified quality portfolio of retail, office and integrated developments.

### CAPITALAND ASCENDAS REIT



Singapore's first and largest listed business space and industrial REIT that has since grown into a global REIT anchored in Singapore, with a strong focus on tech and logistics properties in developed markets.

### CAPITALAND ASCOTT TRUST



The largest lodging trust in Asia Pacific with an international portfolio comprising serviced residences, rental housing properties, student accommodation and other hospitality assets.

### CAPITALAND CHINA TRUST



Singapore's largest China-focused REIT, distinguishing itself from its peers with a diversified portfolio of retail, business park and logistics properties.

### CAPITALAND INDIA TRUST



Leading India-focused property trust in Asia with world-class IT parks, logistics/industrial assets, an industrial facility and data centre developments in five top-tier cities, known for their modern technology and superior asset specifications.

### CAPITALAND MALAYSIA TRUST



Listed on Bursa Malaysia with strategically-located quality assets in key urban areas across Malaysia, primarily in the retail, office and industrial sectors.

## Performance in FY 2022

Total Transactions<sup>1</sup> in FY 2022

S\$2,303.0M

S\$429.9M

S\$422.8M

NIL

S\$341.3M

S\$326.0M

Net Property Income - Change YoY

S\$1,043.3M  
9.7% ▲

S\$968.8M  
5.2% ▲

S\$282.8M<sup>5</sup>  
63% ▲

S\$254.2M  
1.5% ▲

S\$166.8M  
7.1% ▲

RM152.5M  
47.9% ▲

Rental Reversions

Retail: 1.2%<sup>2</sup> ▲  
Office: 7.6%<sup>2,3</sup> ▲

8.0% ▲

74%<sup>6</sup> ▲

Retail: 2.7% ▲  
New Economy: 6.4% ▲

0.1% ▲

-3.0% ▼

Asset Enhancement Initiatives in FY 2022

• 2 completed  
• 1 ongoing

• 2 completed  
• 4 ongoing

• 4 planned for FY 2023

• 2 completed  
• 2 ongoing

• 1 completed

• 1 planned for FY 2023

FY 2022 Valuation - Change YoY

8.9%<sup>4</sup> ▲

0.8%<sup>4</sup> ▲

>2%<sup>4</sup> ▲

2.0%<sup>7</sup> ▲

11.7%<sup>7</sup> ▲

1.7%<sup>7</sup> ▲

1 Refers to investments and divestments announced in FY 2022.

2 Comparing the average of incoming rents with the average of outgoing rents over the respective lease period.

3 Only for CICT Singapore office portfolio.

4 In SGD currency.

5 Relates to gross profit for CLAS.

6 Relates to change in RevPAU for CLAS.

7 In local currency.

CLI's listed funds generated S\$285 million of FRE in FY 2022, of which 88% was recurring, making listed funds a stable and consistent contributor to CLI's FRE.

# FY 2022 Performance Review

## Business Performance

### PRIVATE FUNDS

In FY 2022, CLI achieved an equity raise of S\$2.5 billion for our private funds platform, which enabled us to launch eight new funds across diverse strategies, asset classes, and geographies. This amount was twice the amount raised in FY 2021, demonstrating our commitment to growing our private funds platform despite the challenging fundraising environment. Furthermore, we attracted 15 new investors, demonstrating our progress in broadening our fundraising channels.

Notably, CLI successfully raised three China-focused, Renminbi-denominated funds with local Chinese institutional investors, totalling more than S\$900 million. This achievement underscores our ability to attract domestic capital pools following CLI's registration as a private equity fund manager in China. In 2023, we continued to cement our position in China by raising approximately S\$1.6 billion through three funds, two of which are under the CapitaLand China Opportunistic Partners Programme, and one under the CapitaLand China Data Centre Partners Fund. These collaborations with leading global institutions are achievements which highlight our expertise in navigating the Chinese investment landscape and our strong network with both local and foreign investors in this core market.

As at 31 December 2022, CLI's private funds FUM was S\$28 billion. We will continue to leverage our extensive ground presence across our core and international markets to source for attractive opportunities to build up our private funds platform.

### FY 2022 Private Fund Launches

#### Student Accommodation Development Venture (SAVE)

In February 2022, CLI, through The Ascott Limited (Ascott), established a development venture totalling US\$150 million (S\$204.8 million) in committed equity to develop student accommodation properties in the USA. Ascott holds a 20% stake and manages the venture. As at 31 December 2022, there are two freehold student accommodation properties under development in its portfolio. They include a 779-bed property in Nebraska and a 264-bed property in Connecticut.

#### China Special Situation RMB Fund I

In June 2022, CLI established its first RMB703 million (S\$144 million) onshore RMB fund in China in partnership with a domestic asset management company. Capitalising on a special situation opportunity arising from China's market environment, the fund acquired an office building in Shanghai at an attractive price. The fund demonstrated CLI's ability to raise onshore capital to capitalise on favourable investment opportunities, and our commitment to growing our presence in China, one of our core markets.

#### CapitaLand Korea Private Real Estate Investment Trust No. 3 (Core)

In September 2022, CLI recapitalised the fund with a new investor base to acquire Jongro Place, an office building in Seoul's CBD in South Korea, from an existing CLI-managed fund. CLI remains as the fund and asset manager.

#### CapitaLand Korea No. 14 Real Estate General Private Investment Company

In September 2022, CLI incepted its third South Korean logistics fund with a total committed equity of about KRW108.6 billion (S\$129 million) to develop a logistics project in Yangsan, adding a valuable asset to our logistics portfolio in South Korea.



Student accommodation in Connecticut, USA, held under SAVE.



CLI and APG announced the establishment of an Asia-focused self-storage fund in October 2022.



Ascendas i-Link, a business park in Shanghai, China acquired by China Business Park Core RMB Fund I.



CLI, Ally Logistic Property and Pruksa Holding PCL jointly established CapitaLand SEA Logistics Fund to develop smart logistics infrastructure.

#### Self-Storage Venture

In October 2022, CLI partnered with APG Asset Management N.V. (APG), the investment manager for the largest pension provider in the Netherlands, to establish an Asia-focused self-storage fund and platform. The initial equity commitment of S\$570 million, with an option to increase the partners' investment to up to S\$1.14 billion, demonstrates CLI's ability to attract leading institutions to pursue investment opportunities with us.

#### China Business Park Core RMB Fund I

In November 2022, CLI set up its second onshore RMB fund with four new domestic investors in China, and total equity of RMB380 million (S\$76 million). The fund acquired Ascendas i-Link, a business park in Shanghai, from CLI.

#### China Business Park Core RMB Fund II

In November 2022, CLI launched its third onshore RMB fund with six new domestic investors in China,

and total equity of RMB3.6 billion (S\$720 million) to invest in a Leadership in Energy and Environmental Design (LEED) Gold-certified business park in China. CLI co-manages the fund with an asset management company, an affiliate of one of the anchor investors. This demonstrates CLI's ability to attract Chinese partners to collaborate and invest in the domestic market.

#### CapitaLand SEA Logistics Fund

In December 2022, CLI established CapitaLand SEA Logistics Fund (CSLF) with Ally Logistic Property and Pruksa Holding PCL. The three companies have committed an initial equity investment of S\$270 million with an option to increase their investment to up to S\$540 million, and a target to achieve assets under management of S\$1 billion. Under the strategic partnership, CLI will manage the fund, leveraging its well-established global real estate platform, fund management expertise and local operating presence, offering a competitive advantage in deal sourcing, investment, and execution.



# FY 2022 Performance Review

## Business Performance

### YTD 2023 Private Fund Launches<sup>1</sup>

#### CapitaLand China Opportunistic Partners (CCOP) Programme

In February 2023, CLI established the CCOP Programme with top tier global institutional investors to invest in special situation opportunities in China. The CCOP Programme comprises a S\$291 million single-asset fund and a S\$824 million programmatic joint venture (JV).

The single-asset fund acquired Beijing Suning Life Plaza, an integrated development in Beijing's CBD. The fund will reposition the asset by converting and upgrading the retail space into a Grade A office that will command higher rent.

The programmatic JV seeks to identify special situation opportunities in the current market environment and has made its first investment in a logistics development project in Foshan, Guangdong.

#### CapitaLand China Data Centre Partners (CDCP)

In February 2023, CLI announced the establishment of its first China data centre development fund to invest in two hyperscale data centre development projects in Greater Beijing. Upon completion of the projects, they will add approximately S\$1 billion to CLI's FUM.

<sup>1</sup> For the period 1 January 2023 to 22 February 2023.

### Continual Funds Build-up

#### CapitaLand Open End Real Estate Fund (COREF)

Since inception in September 2021, CLI's open-ended flagship fund has acquired four assets with a total gross asset value of approximately US\$676 million. The fund has announced investments in two office assets in 2022 - CapitaSky in Singapore in March 2022 and 120 Spencer Street in Melbourne, Australia in June 2022. These investments are in line with COREF's strategy of building geographic exposure to institutional grade, income-producing assets across developed markets in Asia Pacific early on before diversifying into other sectors.

#### Ascott Serviced Residence Global Fund (ASRGF)

Investments into four lodging assets, totalling S\$400 million. They include:

- Two serviced residences: Somerset Hangzhou Bay Ningbo China and Citadines Canal Amsterdam Netherlands
- First lyf-branded coliving properties in Sydney, Australia and Tokyo, Japan

As at 31 December 2022, ASRGF's FUM grew by 34% compared to FY 2021, to about S\$860 million. ASRGF has invested a total of close to US\$1.1 billion (S\$1.5 billion) in 13 properties, of which one property has been divested at returns that outperformed its expected underwritten returns.

### FY 2022 Private Fund Exits and Realisations

#### CapitaLand Vietnam Commercial Value-Added Fund

In January 2022, CLI successfully exited CapitaLand Vietnam Commercial Value-Added Fund, a private fund managed by CLI and owned by CapitaLand Development and MEA Commercial Holdings Pte. Ltd. to an unrelated party for S\$751 million. The fund held an international Grade A office building in Hanoi. The fund realised a net internal rate of return (IRR) of over 34% and equity multiple of 2.5x. The success was driven by our strong execution capabilities and deep local expertise in Vietnam.

#### Athena LP

In February 2022, CLI completed the recapitalisation of an existing value-add fund holding a freehold office property in the CBD of Singapore. The recapitalisation allowed the project to realise an IRR in excess of 60% with an equity multiple of 1.8x. The recapitalisation is a testament to investors' confidence in CLI's capabilities.

#### CapitaLand Korea Private Real Estate Investment Trust No. 3 (Core+)

In September 2022, CLI successfully exited CapitaLand Korea Private Real Estate Investment Trust No. 3 (Core+), a single-asset fund holding a freehold office property in Seoul's CBD. Realised returns were 300 bps above target.

### LOOKING AHEAD

CLI's fund management platform will continue to drive the growth of our listed and private funds by leveraging our ground expertise to proactively manage underlying assets and identify high-quality investment opportunities.

Our listed funds' strong operational performance and credit profiles will enable them to withstand economic challenges, while our capital management discipline and growth-focused approach will help mitigate risks as we explore new avenues for growth.

To support our private funds, we will enhance our fundraising and research capabilities and originate new product offerings, as well as expand our network of capital partners. These efforts will enable CLI to identify and capitalise on new investment opportunities, extend our reach and market share, and strengthen relationships with our partners and investors.

With over S\$10 billion of pipeline assets on our balance sheet and significant deal-sourcing and operating expertise, particularly in Asia Pacific, CLI is well-positioned to support the growth of our fund vehicles. Altogether, this builds a strong foundation for our fund management platform. We are committed to delivering long-term economic value to stakeholders and contributing to the environmental and social well-being of the communities where we operate, as reflected in 'CapitaLand Group's 2030 Sustainability Master Plan'.



CCOP's single-asset fund has acquired Beijing Suning Life Plaza, an integrated development comprising office and retail components in Beijing's CBD.



CDCP has committed to invest in two hyperscale data centre development projects. They are expected to be completed in 2025 and will deliver over 100 megawatts (MW) of power.



Jongro Place in Seoul, South Korea acquired by CapitaLand Korea Private Real Estate Investment Trust No. 3 (Core).

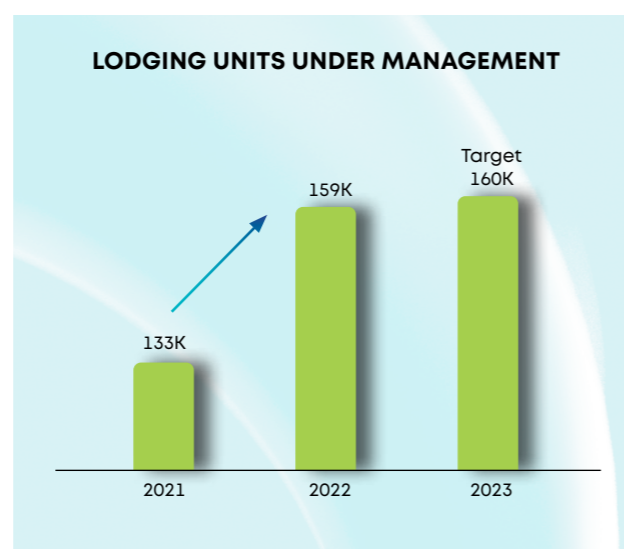
### Lodging Management

CLI's wholly-owned lodging business unit, The Ascott Limited (Ascott) is powered by two engines of growth comprising Lodging Management and Investment Management, enabling it to provide products and services across the lodging value chain.

As at 31 December 2022, its globally diversified portfolio comprises more than 159,000 lodging units across more than 900 properties, with majority of it being extended-stay products such as serviced residences, coliving properties, student accommodation and rental housing. More than 80% of these units are managed or franchised, allowing Ascott to focus on its core competencies in operating properties, and generating fee income through an asset-light strategy.

#### STRONG GROWTH MOMENTUM AS ONE OF THE WORLD'S TOP THREE EXTENDED-STAY SERVICED RESIDENCE PROVIDERS

Ascott achieved a major milestone in FY 2022 by adding a record of approximately 33,000 units across 160 properties, with about 15,000 units secured through the strategic acquisition of Oakwood Worldwide (Oakwood), a leading global serviced apartment provider. This acquisition fast-tracked Ascott's progress, bringing its total number of units under management to more than 159,000 by the end of the year, putting it within reach of its target of 160,000 units by 2023. The acquisition also cemented Ascott's position as one of the world's top three extended-stay serviced residence providers<sup>1</sup>, achieving a net room growth<sup>2</sup> of 20% in 2022.



Oakwood Premier Melbourne



La Clef Tour Eiffel Paris, one of the nine quality lodging properties that CapitaLand Ascott Trust acquired from Ascott.

Ascott's record-breaking year was further propelled by favourable tailwinds from the recovery of global travel. The company capitalised on the increasing demand for lodging by opening over 9,300 units across 45 properties. Moreover, the acquisition of Oakwood brought in approximately 8,000 operating units, contributing to the growth of lodging fee-related earnings (FRE). Together with a 40% year-on-year improvement in revenue per available unit (RevPAU) on the back of higher average daily rates and occupancies, Ascott saw a 36% increase in lodging FRE to S\$258 million in FY 2022, up from S\$190 million in FY 2021. This outstanding performance not only reflects Ascott's ability to adapt to changing market conditions but also demonstrates its commitment to delivering value to its stakeholders.

With a target of 160,000 units under management by 2023, Ascott expects to generate increasingly meaningful lodging FRE as more units turn operational. Ascott's coliving brand, lyf, has a growth target to achieve 150 properties with over 30,000 units by 2030.

#### DISCIPLINED BUILD-UP OF LODGING FUND VEHICLES

With a robust global presence and well-established business development teams, Ascott's Investment Management platform has the expertise and resources to facilitate connections with investors in the lodging space. The platform comprises CapitaLand Ascott Trust (CLAS), and two private lodging funds, namely the Ascott Serviced Residence Global Fund (ASRGF) and Student Accommodation Development Venture (SAVE), which was launched in 2022. As of 31 December 2022, these funds contributed S\$8.9 billion in lodging-related funds under management (FUM), representing a 7% increase from the previous financial year. This was the result of a disciplined build-up of our lodging investment vehicles during the year.

<sup>1</sup> Global Serviced Apartment Industry Report 2022.  
<sup>2</sup> Figure is based on total portfolio (operating and pipeline).

# FY 2022 Performance Review

## Business Performance

### ACCELERATING LODGING GROWTH THROUGH BRAND AFFINITY, CUSTOMER LOYALTY, DIGITAL TECHNOLOGY AND SUSTAINABILITY

#### Building stronger brand identity to bolster demand

With a portfolio of 14 lodging brands, Ascott initiated a strategic brand refresh exercise in FY 2022 with the objective of cultivating brand affinity and guest engagement through sharpened brand stories, signature experiences and programmes that are unique to each brand. The exercise, known as Brand360, was launched with Citadines in September 2022. As Ascott's fastest growing brand, Citadines has been positioned as the preferred accommodation for urban living with the tagline 'For the Love of Cities'. In a similar vein, the Somerset brand refresh was launched in November 2022 and emphasises its commitment to sustainability while providing an immersive, inclusive and harmonious experience. Ascott has plans to refresh its Ascott, The Crest Collection and Oakwood brands in 2023.

#### Cultivating customer loyalty

Loyalty remains a key driver of Ascott's business into the future. Ascott's long-standing relationships with many global corporations, which have been carefully nurtured over many years, continue to generate a large proportion of longer stay demand for its properties. Together with contribution from its loyalty programme, Ascott Star Rewards (ASR), Ascott delivered more than 70% of direct sales to the properties in 2022. ASR membership also grew 36%, with member revenue increasing five-fold from 2021.

Ascott's operational excellence is internationally recognised. In 2022, Ascott received 32 accolades

including 'Leading Serviced Apartment Brand' in Asia, Europe, Middle East and Oceania at the 2022 World Travel Awards; and 'Best Serviced Residence Brand' in Asia Pacific and the Middle East by Business Traveller magazine.

#### Creating unique experiences with immersive technology

Ascott's investment in emerging technologies is another key part of the company's strategy to provide cutting-edge experiences for its guests. One of these technologies is the interactive metaverse, with the lyf brand taking the lead. In April 2022, Ascott launched the lyf Innovation Lab. The lab was created in collaboration with Temasek Polytechnic's School of Informatics & IT to explore, design and test immersive virtual reality and augmented reality technologies and digital experiences for lyf. The lyf Innovation Lab will serve as a living lab at lyf one-north Singapore for field testing these digital innovations. Successful pilots will eventually be implemented across other lyf properties worldwide.

#### Committing to the gold standard in sustainable tourism through Ascott CARES

Ascott was conferred the Recognised Standard by the Global Sustainable Tourism Council (GSTC) in November 2022. As a member of GSTC, Ascott was one of the first hospitality groups to be conferred this GSTC-Recognised Standard status for its adoption of the GSTC Industry Criteria. Ascott CARES, a sustainability framework that aligns Ascott's growth strategy with environmental, social and governance considerations alongside GSTC Criteria, was launched in the same month. Aligned with CapitaLand's 2030 Sustainability Master Plan, Ascott CARES is centred around five pillars - Community, Alliance, Respect, Environment and Supply Chain.



Citadines Raffles Place Singapore

# FY 2022 Performance Review

## Business Performance

### Real Estate Investment Business

CLI's portfolio is globally diversified across multiple real estate sectors, with a focus on Asia, which accounts for over 90% of our real estate assets under management (RE AUM). Singapore, China and India are our core markets. With nearly three decades of experience in China and India and 40 years in Singapore, CLI has established a strong presence and expertise across the full real estate value chain. Furthermore, CLI expanded its footprint in key gateway cities in Australia, Japan and South Korea, as well as other strategic markets like Europe and the USA. Our strategy of focusing on Asia while expanding in other key markets balances opportunities and risks across different sectors and geographies, strengthening our global portfolio's resilience.

Our competitive edge in Asia enables us to connect real asset opportunities with investors seeking to invest in the region. This, in turn, allows us to build fund products tailored to investors' preferences and grow our funds under management (FUM). Additionally, we will utilise our strong balance sheet strategically to build an attractive asset pipeline for existing and new fund vehicles.

CLI's Core Markets	Retail	New Economy <sup>1</sup>	Integrated	Office	Lodging <sup>2</sup>	~90% of Assets Under Management are in Asia			
	RE AUM <sup>3</sup> (\$S'B)	% of Total	FUM <sup>4</sup> (\$S'B)	% of Total					
<b>Singapore</b>	•	•	•	•	•	42	32%	36	41%
<b>China</b>	•	•	•	•	•	47	36%	28	32%
<b>India</b>		•			•	4	3%	4	4%
<b>Other Asia<sup>5</sup></b>	•	•	•	•	•	27	20%	11	13%
<b>Non-Asian Markets<sup>6</sup></b>		•		•	•	12	9%	9	10%
<b>RE AUM (\$S'B)</b>	19	26	24	17	46	<b>RE AUM</b>		<b>FUM</b>	
<b>% of Total</b>	14%	20%	18%	13%	35%	<b>\$S132B</b>		<b>\$S88B</b>	
<b>FUM (\$S'B)</b>	16	24	22	16	9	<b>FY 2021: \$S123B</b>		<b>FY 2021: \$S86B</b>	
<b>% of Total</b>	18%	28%	25%	18%	11%				

Notes:  
 1 Includes business parks, industrial, logistics, data centres and self-storage.  
 2 Includes multifamily.  
 3 Includes residential & commercial strata, which comprises 0.2% of total RE AUM and is not reflected in chart.  
 4 Includes residential & commercial strata, which comprises 0.7% of total FUM and is not reflected in chart.  
 5 Includes Australia, Japan, South Korea, Malaysia, Vietnam, Indonesia, Thailand, Philippines and other Asian countries.  
 6 Includes USA, UK, Europe and other non-Asian countries.

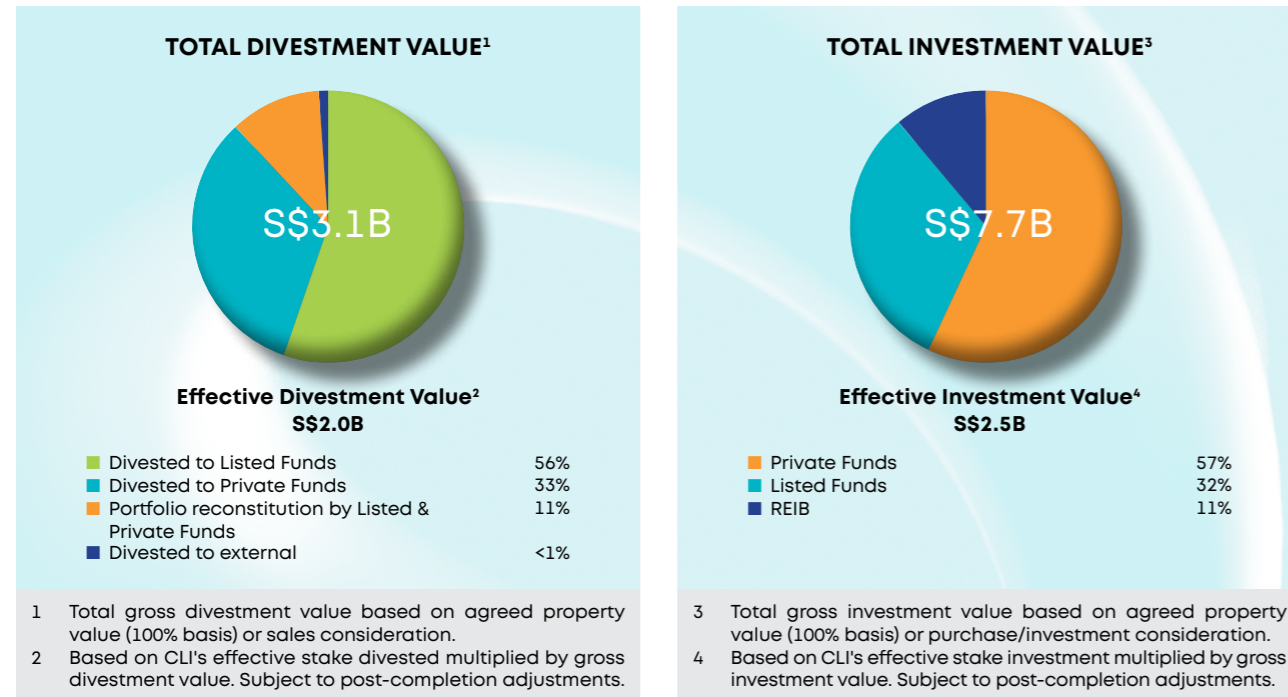
Our best-in-class in-house operating platform is the backbone of CLI's competitive advantage. We leverage our leasing and property management expertise, as well as our experience in operating longer-stay lodging, to provide high-quality services to our customers, tenants and guests. Additionally, we enhance the experience of our stakeholders through the use of in-house digital platforms like the CapitaStar rewards programme and payment platform app, as well as the Discover ASR mobile app for Ascott Star Rewards members. These platforms provide instant access to our product offerings and an interactive two-way customer experience.

# FY 2022 Performance Review

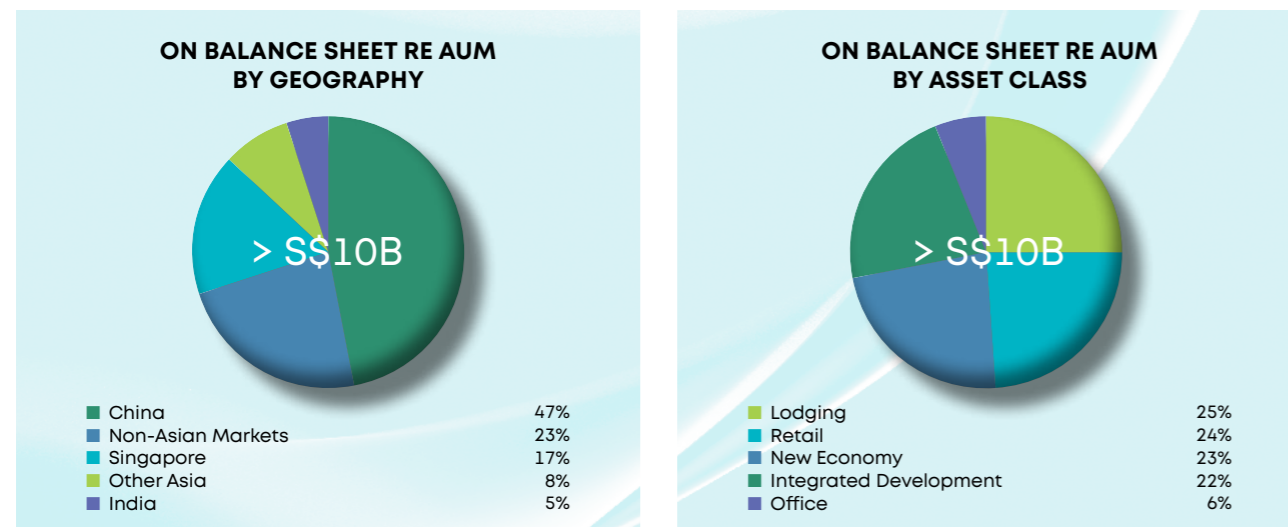
## Business Performance

### DISCIPLINED APPROACH TO CAPITAL RECYCLING

CLI adopts a proactive approach towards portfolio reconstitution to drive long-term growth and shareholder value. Since 2018<sup>1</sup>, we have set an annual target of recycling at least S\$3 billion of assets across the Group, unlocking value from investment properties portfolio and reinvesting in higher-growth opportunities. In FY 2022, CLI and our fund vehicles executed transactions<sup>2</sup> with a total gross value of more than S\$10 billion. Based on CLI's effective stakes in these transactions, the transacted value amounted to approximately S\$4.5 billion.



We generated healthy portfolio gains averaging 12% premium above carrying values in FY 2022. In addition, 89% of the divestment value was converted into or retained as FUM, demonstrating our commitment to supporting the growth of our listed and private funds. We also made 89% of our investments through our fund vehicles in 2022, contributing to our FUM and fee-related earnings (FRE) growth. Additionally, about S\$680 million of acquisitions were added to the ready pipeline of assets that can be seeded into our fund vehicles. As of 31 December 2022, CLI had more than S\$10 billion of RE AUM on our balance sheet that could serve as potential pipeline assets for continued portfolio reconstitution and support the growth of our fund vehicles.



1 Pre-restructuring, at CapitaLand Limited  
2 Total of investments and divestments made by CLI as well as CLI's fund vehicles.

### KEY CLI-OWNED INVESTMENT PROPERTIES

#### Singapore

ION Orchard  
ICON@IBP  
Pratt & Whitney Singapore Component Repair

#### China

Hongkou Plaza  
Minhang Plaza  
CapitaMall Westgate  
CapitaMall Daxing  
Capital Square Beijing



International Tech Park Gurgaon



Arlington Business Park



#### India

International Tech Park Chennai, Radial Road  
International Tech Park Pune, Hinjawadi  
International Tech Park Gurgaon

#### Other Markets

Arlington Business Park, UK  
Kokugikan Front, Japan  
A portfolio of multifamily properties in the USA

# Singapore



622 Toa Payoh Lorong 1, Singapore



1 Buroh Lane, Singapore



UBIX, Singapore

CLI is a leading real estate investment manager in Singapore, where we have an ownership interest in 120 properties (excluding Lodging) across various asset classes, including integrated developments, shopping malls, Grade A offices in the Central Business District (CBD), business parks, industrial buildings, data centres and logistics assets. With close to 40 years of operating expertise, CLI has a significant advantage in Singapore's real estate market, being the leading private landlord and asset manager. Our properties in Singapore are largely held through our listed funds, CapitaLand Integrated Commercial Trust (CICT) and CapitaLand Ascendas REIT (CLAR).

In FY 2022, CLI's fee income from Singapore business grew in line with the post-pandemic recovery of Singapore's economy. As the workforce returned to the office, shoppers to malls, and business and leisure travellers to Singapore, the increase in economic activities benefited all real estate asset classes.

## FY 2022 HIGHLIGHTS



In line with CLI's strategy to actively recycle capital and maximise asset potential by matching them with the right investors, the company executed several significant transactions in Singapore in FY 2022. They were as follows:

### Divestment of JCube in March 2022

CICT divested JCube, a shopping mall in Jurong Lake District, to our sister company CapitaLand Development (CLD) for S\$340 million. CLD subsequently announced its plans to redevelop the site into a 40-storey residential development with commercial space on the first and second storeys. This transaction exemplifies the benefits of the CapitaLand Ecosystem, where CLI was able to recycle an asset through CLD, which then uses its development expertise to create a new and attractive residential project at a prime location.

<sup>1</sup> Excludes value of undisclosed transactions.

### Divestment of CapitaSky to CLI fund vehicles in April 2022

CLI divested its majority-owned CapitaSky (formerly known as 79 Robinson Road), a 29-storey Grade A office building in the CBD, to CICT and CLI's open-end private fund, CapitaLand Open End Real Estate Fund (COREF) at an agreed property value of S\$1.26 billion.

### Acquisition<sup>2</sup> of 622 Toa Payoh Lorong 1 by CLAR in August 2022

CLAR acquired the industrial building for S\$104.8 million.

### Acquisition<sup>3</sup> of 1 Buroh Lane by CLAR in September 2022

CLAR acquired its first cold storage logistics facility in Singapore for S\$191.9 million.

## FY 2022 KEY TRANSACTIONS

	Value (S\$ million)	Entity (Buyer)
<b>FY 2022 Investments</b>		
CapitaSky at 79 Robinson Road	1,260	CICT and COREF
622 Toa Payoh Lorong 1	105	CLAR
1 Buroh Lane, a cold storage logistics facility	192	CLAR
Acquisition of Extra Space Asia	Undisclosed <sup>1</sup>	Self Storage Venture (JV with APG)
<b>FY 2022 Divestments</b>		
JCube	340	CICT
CapitaSky at 79 Robinson Road	1,260	CLI
ABI Plaza	25	CLI

<sup>1</sup> Undisclosed due to confidential clauses.

<sup>2</sup> Transaction completed in January 2023.

<sup>3</sup> Transaction completed in February 2023.

## ENSURING OUR ONGOING RELEVANCE THROUGH ASSET REJUVENATION

With an extensive portfolio in Singapore, we have been able to continually add value to our existing assets through asset enhancement initiatives (AEI), including the following:

### Completions of various redevelopment and AEI projects by CLAR

The redevelopment of UBIX, a five-storey premium industrial building located in the Ubi industrial hub, was completed in January 2022. The AEIs of Changi Logistics Centre, a logistics development with prime storage facilities and 17 Changi Business Park Central 1 (formerly known as Honeywell Building), a building within Changi Business Park, were also completed in April 2022 and November 2022 respectively.

# FY 2022 Performance Review

## Business Performance



Artist's impression of CQ @ Clarke Quay, Singapore

### Rejuvenating CICT's retail offerings

In July 2022, CICT announced a S\$62 million AEI for CQ @ Clarke Quay, a dining and lifestyle hub located along the Singapore River. The goal of the AEI is to transform CQ @ Clarke Quay into a day-and-night destination with a broad range of lifestyle and F&B offerings, set against the backdrop of a beautiful riverfront and heritage site. As of February 2023, over 70% of CQ @ Clarke Quay's net lettable area had received pre-commitment from tenants or was in advanced lease negotiations, and the AEI is on track to be completed by the end of 2023.

In addition, the reconfiguration of about 111,000 square feet of retail space at Raffles City Singapore, a renowned integrated development owned by CICT in the Civic District, was completed in December 2022. More than 60 new brands were introduced to Raffles City Singapore, transforming the retail area into a contemporary hub of luxury beauty brands with multiple flagship boutiques, some of which are the first of their kind in Singapore.

### FY 2022 OPERATING PERFORMANCE

CLI's Singapore portfolio performed strongly in FY 2022, driven by the country's steady post-pandemic recovery. The retail, office, and new economy assets all achieved positive rental reversion<sup>1</sup> and occupancy growth. The retail sector, in particular, registered significant improvement, with tenant sales per square foot surpassing 2019 levels and increased shopper traffic, especially in downtown malls due to the return of the office community and relaxation of border controls.

CLI's office properties<sup>2</sup> enjoyed healthy occupancy and high single-digit rental reversion<sup>1</sup>, driven by limited Grade A CBD office supply and resilient tenant demand. The new economy properties also performed well, especially logistics assets which had close to full occupancy and double-digit rental reversion.

1 Based on average incoming and outgoing gross rent.  
2 Refers to CICT office properties.

To build up the inflation resilience of the Singapore portfolio, CLI incorporated fixed step-up rents or CPI-indexation into the majority of leases in our Singapore properties. We also rolled out an increase in services charges for most office and new economy properties and implemented electricity rate pass-through for the large majority of our Singapore properties to mitigate rising costs. CLI accelerated the installation of rooftop solar panels in our new economy properties, with a total of 17 properties having solar panels installed as at end 2022, up from seven properties as at end 2021.

### STRATEGIC PARTNERSHIPS

In June 2022, CLI announced our first partnership with the Singapore Tourism Board (STB), the national tourism agency. This partnership aims to enhance Singapore's appeal as a travel destination to international visitors by curating fun, meaningful and differentiated events and retail experiences at CapitaLand malls. Through this partnership, CLI and STB will jointly curate 20 events and experiences in Singapore, and profile home-grown brands through various showcases at our malls in China. With international travel gradually resuming in China, this partnership will enable us to increase awareness of Singapore and CapitaLand malls as an attractive lifestyle destination for this key target tourist group.

In April 2022, CLI partnered with SkillsFuture Singapore as a SkillsFuture Queen Bee to uplift the skills and capabilities of Singapore's retail sector. The partnership aims to enable upskilling of at least 400 employees from no less than 80 small- and medium-sized enterprises in areas such as innovation and digitalisation adoption, workplace coaching, and mentoring to build workplace learning capabilities.

### OMNICHANNEL CAPABILITIES SUPPORT CLI'S REAL ESTATE PLATFORM



CLI continues to ramp up the omnichannel offering of CapitaStar, our key digital engagement platform, which serves more than 3,000 retail tenants across 23 participating CapitaLand properties in Singapore. The CapitaStar programme continues to grow steadily, with a total membership base of more than 1.35 million members (a 12% YoY increase) who made more than 42 million visits to the CapitaStar app (a 3% YoY increase). The CapitaStar programme also powered more than S\$1.14 billion of tenant sales, an increase of 12% YoY.

Building on this strong foundation of the CapitaStar ecosystem in Singapore, CLI also launched CapitaStar For Business – an enterprise paid loyalty subscription programme which avails holistic digital solutions for clients to reach out to an established database of members, reward their stakeholders, cultivate consumer loyalty and optimise sales conversions.

CLI continues to grow the CapitaStar ecosystem through strategic partnerships with key industry partners, including American Express as a payment partner through the co-branded American Express CapitaCard; DBS Bank on a payment platform integration; and ShopBack on a platform partnership to drive co-created omnichannel marketing campaigns. CapitaStar also has two-way points conversion arrangements with complementary lifestyle industry leaders, including KrisFlyer, KrisPay, Ascott Star Rewards (ASR) and UNI\$ with UOB.

**CapitaVoucher** In 2022, the sales of eCapitaVoucher (digital CapitaVoucher) registered a 29% YoY increase. eCapitaVoucher is now accepted as a payment method at more than 95% of tenants across 23 participating CapitaLand properties, reflecting market recognition of eCapitaVoucher as a popular digital payment mode and gifting option for consumers or corporate gifting solution for corporate partners.



CapitaStar@Work, CLI's workspace tenant experience app that delivers an elevated and integrated user experience, also saw continued growth. CapitaStar@Work supports more than 62 locations in Singapore (56 workspace properties and six coworking spaces) with property-tech and utility solutions that include contactless access to workspaces via facial recognition, booking of meeting rooms and event spaces as well as registration for tenant engagement activities.

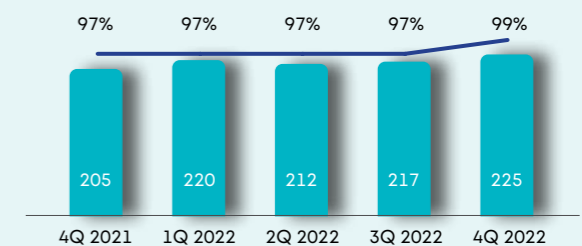
### PORTFOLIO SNAPSHOT

FY 2022  
**S\$38.4 billion**  
Portfolio value<sup>1</sup>

**120**  
Number of properties<sup>2</sup>

**4.8 million sqm**  
Gross floor area<sup>2</sup>

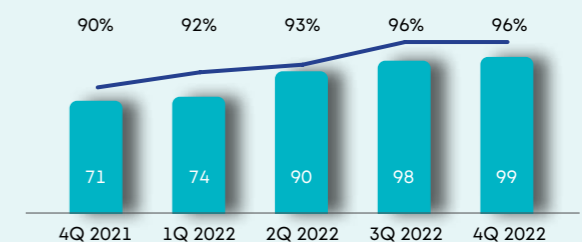
#### RETAIL



**Shopper traffic<sup>3</sup>**  
**+28.6%**

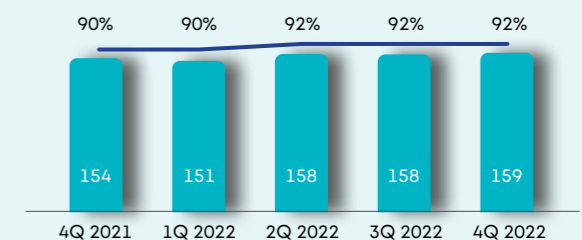
**Tenant sales<sup>3</sup>**  
(per sqm)  
**+29.4%**

#### OFFICE<sup>4</sup>



#### Positive rental reversion

#### NEW ECONOMY



■ NPI (S\$ million) — Occupancy (%)

1 Refers to total sum of CLI's owned properties' valuations as at 31 December 2022 and excludes Lodging.  
2 CLI's owned properties excludes Lodging.  
3 FY 2022 vs FY 2021.  
4 Includes CICT offices and excludes offices under funds.

# FY 2022 Performance Review

## Business Performance

### China

With nearly three decades of successful operations in China, CLI has established a robust track record as a leading real estate investment manager. We continue to focus on creating value for our stakeholders by offering a full suite of real estate capabilities across diverse real estate sectors. Our robust on-the-ground experience and strong fund and asset management track record enable CLI to capitalise on investment and fund opportunities. Despite the challenges faced by China in FY 2022, CLI demonstrated resilience and adaptability, which allowed us to swiftly reposition ourselves and capture strategic opportunities for future growth.

#### FY 2022 OPERATING PERFORMANCE

COVID-19 lockdowns, social distancing measures and travel restrictions during China's implementation of zero-COVID strategy, had disrupted tenants' businesses, resulting in them struggling to meet their financial obligations. The retail sector was comparatively hard-hit by the various measures and restrictions which resulted in a year-on-year decline in shopper traffic and tenant sales on a same-mall basis. Notwithstanding the challenges, occupancy remained relatively resilient at 90%.

In the office sector, the tenant retention rate remained stable at 73%. Net property income (NPI) also improved on a year-on-year basis, with healthy demand for high-quality office space. We also continued to expand our Bridge+ product line to provide flexible workspace solutions to our office and business park users. In FY 2022, we worked with three coffee brands to launch Bridge+ GO!, a chic sharing meeting space in the office lobbies of Shanghai Raffles City, Shanghai Hongkou Plaza and Shanghai Innov Center. The space provides customers with more diversified meeting space options and provides a pleasant user experience for remote working and business gatherings.

Performance of the new economy asset class remained resilient, with positive rental reversion and improvement in NPI on a year-on-year basis.



CapitaMall Wangjing, China



CapitaMall Yuhuating, China

Despite China facing a challenging year with headwinds from stringent pandemic controls, CLI's diversified presence across asset classes and regions in the country kept the overall total portfolio NPI steady in FY 2022.

#### ACCELERATION OF DIGITAL TRANSFORMATION AND VALUE EXTRACTION THROUGH ASSET ENHANCEMENT INITIATIVES (AEI)

Recognising the importance of digital technology in improving customer experiences and driving business growth, we accelerated our digital transformation initiatives such as the CapitaStar Super Membership Programme, which provides exclusive benefits and privileges for loyal customers. By year-end, more than 200,000 customers of the loyalty programme became our super members, who in turn generated over RMB1.3 billion of spending across our offline and online platforms.

Notwithstanding the challenges of FY 2022 across our China portfolio, we continued to drive operational excellence with AEIs to better extract value from our assets. We made good use of the operational downtime during COVID-19 restrictions to elevate the retail experience for our customers, positioning us well when China began to reopen in December 2022. Examples of assets that underwent AEIs in FY 2022 include CapitaMall Wangjing in Beijing and CapitaMall Yuhuating in Changsha.

#### CapitaMall Wangjing

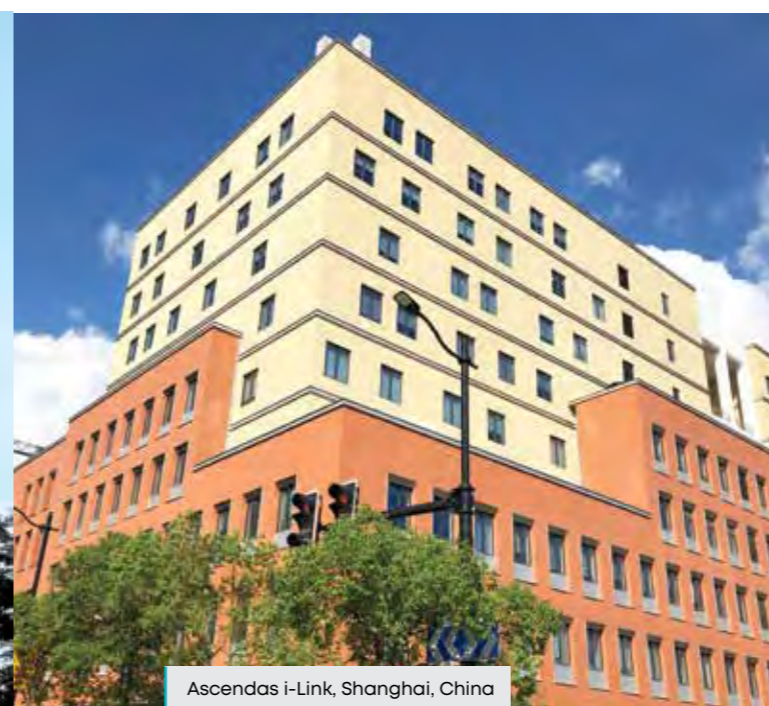
- Recovered department store space and transformed it into approximately 7,100 sq m of high-quality experiential space that feature more than 70 new shops
- Completed in 3Q 2022
- Achieved approximately 140% rental reversion for the area

#### CapitaMall Yuhuating

- Recovered about 8,900 sq m of anchor supermarket space and created specialty tenant space, injecting more lifestyle offerings and experiences
- To be completed in 1Q 2023
- Target return of investment of more than 15%

# FY 2022 Performance Review

## Business Performance



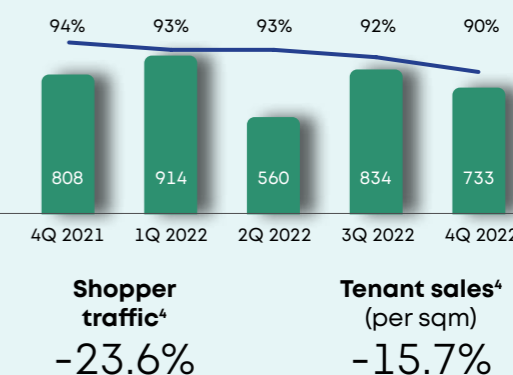
## PORTFOLIO SNAPSHOT

FY 2022  
RMB 173.5 billion  
Portfolio value<sup>1</sup>

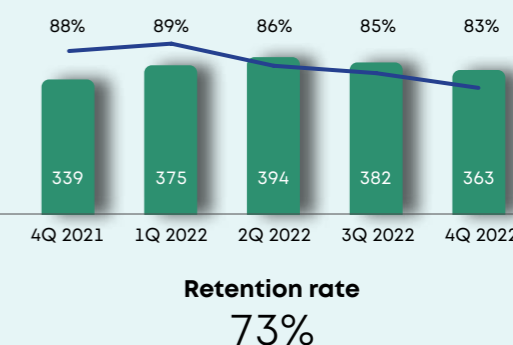
62  
Number of properties<sup>2</sup>

6.8 million sqm  
Gross floor area<sup>3</sup>

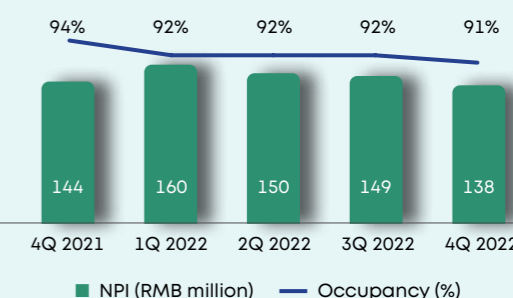
### RETAIL



### OFFICE



### NEW ECONOMY<sup>5</sup>



### STRONG ON-THE-GROUND EXPERTISE TO BUILD OUR DOMESTIC CAPITAL NETWORK

In FY 2022, CLI continued to leverage our strong on-the-ground expertise to source attractive assets, structure attractive deals and in turn build up our domestic capital network. The opportunistic acquisition of Borui Plaza (now renamed as Capital Square Beijing), a Grade A office in Beijing's CBD, is a prime example. The asset was acquired through a court auction process, which saw the asset tendered out at 30% discount to its latest valuation. The asset now forms part of our asset recycling pipeline, which can be seeded into one of our fund vehicles.

In addition, as one of a select few wholly foreign-owned enterprises to have obtained registered status as a Private Equity Fund Manager, we have built up a strong reputation amongst domestic Chinese investors of our ability to deal source and raise domestic capital. Our three newly launched Renminbi (RMB) denominated funds in FY 2022 brought 10 new investors including securities firms, trust companies, state-owned enterprises and insurers into CLI's network of high-quality capital partners.



### KEY TRANSACTIONS IN FY 2022

#### Acquisitions of undervalued opportunities

- In October 2022, CLI successfully bid for Capital Square Beijing, a Grade A office in Beijing, China, for RMB2.04 billion (S\$404 million) via court auction
- Transacted value represents 30% discount to its September 2021 valuation of RMB2.9 billion

#### Robust asset pipeline for divestment differentiates CLI

- CLI divested Ascendas i-Link, a business park in Zhangjiang Hi-Tech Park in Shanghai to our newly launched fund, China Business Park Core RMB Fund I (CBPCF I), at RMB502.8 million
- Zhangjiang Hi-Tech Park, one of China's first state-level hi-tech zones approved by the State Council, houses many top Chinese technology enterprises and Fortune 500 companies
- CLI will continue to manage the asset

### FY 2022 KEY TRANSACTIONS

	Value (\$ million)	Entity (Buyer)
<b>FY 2022 Investments</b>		
A logistics development in Foshan, Guangdong	157	CapitaLand China Opportunistic Partners Programme
An office building in Shanghai	144	China Special Situation RMB Fund I
Ascendas i-Link in Shanghai	100	CBPCF I
A business park in Shanghai	1,468	CBPCF II
Capital Square Beijing	404	CLI
Two hyperscale data centre development projects in Greater Beijing, China	Undisclosed <sup>1</sup>	CLI
<b>FY 2022 Divestments</b>		
Ascendas i-Link in Shanghai	100	CLI
A logistics warehouse in Beijing	8	CLI
A logistics development in Foshan, Guangdong	157	CLI

<sup>1</sup> Undisclosed due to confidential clauses.

<sup>1</sup> Excludes value of undisclosed transactions.

Note: Same-basket basis excludes apartment and hotel  
<sup>1</sup> Refers to total sum of CLI's owned properties' valuations as at 31 December 2022 and excludes Lodging.  
<sup>2</sup> CLI's owned properties excludes Lodging.  
<sup>3</sup> CLI's owned properties excludes Lodging and carpark area.  
<sup>4</sup> FY 2022 vs FY 2021.  
<sup>5</sup> Excludes logistics.



# FY 2022 Performance Review

## Business Performance

### India

CLI has a strong presence in India, spreading across six key cities including Bangalore, Chennai, Gurgaon, Hyderabad, Mumbai and Pune. Our portfolio largely comprises International Tech (IT) parks and logistics spaces which are India's most dynamic and attractive sectors. The majority of our properties in India are owned through CLI's India-focused listed fund, CapitaLand India Trust (CLINT). In 2022, we made significant progress in diversifying our portfolio by entering the new economy asset classes of industrial facilities and data centres. These attractive, scalable and resilient asset classes provide CLI with new growth and revenue generation opportunities.



Artist's impression of Data Centre in Chennai, India



Artist's impression of Casa Grande - Phase 1, India

### FY 2022 HIGHLIGHTS



Despite macroeconomic uncertainties affecting much of the world in FY 2022, CLI has maintained a strong foothold in India, leveraging our significant experience and ground presence to execute our growth strategy. Through CLINT, we made about S\$343 million in acquisitions, expanding our portfolio and increasing our market share.

The following are the key transactions made during the year:

#### Acquisition of warehouse at the Arshiya Free Trade Warehousing Zone

In March 2022, CLINT announced the acquisition of its seventh warehouse at the Arshiya Free Trade Warehousing Zone (FTWZ), Panvel, Navi Mumbai, a newly constructed 0.33 million sq ft operational warehouse. This acquisition is part of the forward purchase agreement with the Arshiya Group and will enable CLINT to expand its presence in the logistics sector and capitalise on the growing demand in this space.

#### Foray into industrial facility in Mahindra World City, Chennai

In May 2022, CLINT acquired its first industrial facility (Casa Grande - Phase 1), which is located in Mahindra World City, Chennai. This 0.42 million sq ft mobile phone manufacturing facility is fully leased to a leading international electronics manufacturer. In July 2022, CLINT announced the proposed acquisition of Phase 2 of the same project. Phase 2 comprises two industrial facilities with a total leasable area of approximately 0.31 million sq ft. These acquisitions provide CLINT with an excellent opportunity to scale

up its exposure in this sector and expand its presence in Mahindra World City, a prime industrial corridor in Chennai.

#### Continue build-up of data centre portfolio

In December 2022, CLINT announced its plan to acquire a 4-acre land site in Chennai to develop a greenfield data centre which will yield a power capacity of approximately 54 Megawatts (MW)<sup>1</sup>. Additionally, CLINT will develop two more data centres in its existing IT parks – International Tech Park Hyderabad and International Tech Park Bangalore, with power capacities of approximately 41 MW and 42 MW respectively. With four<sup>2</sup> well-located data centres under CLINT's portfolio, CLI is well-positioned to capitalise on the growth potential of this exciting asset class.

#### Supporting the growth of CLINT through CLI's divestment of International Tech Park Pune – Hinjawadi

In December 2022, CLI proposed the divestment of International Tech Park Pune – Hinjawadi (ITPP-H) to CLINT, as part of our ongoing commitment to grow our fund vehicles. ITPP-H is a fully leased IT park spanning 2.3 million sq ft and is occupied by prominent IT/ITES tenants such as Infosys Ltd., Synechron Technologies Pvt. Ltd. and Tata Consultancy Services Ltd. This acquisition by CLINT is subject to the approval of CLINT's unitholders at an extraordinary general meeting to be held on 17 April 2023.

<sup>1</sup> 54 MW refers to power load. Approximate IT load capacity is 34 MW.

<sup>2</sup> Acquisition of the land site for the development of CapitaLand DC Navi Mumbai 1 was completed in October 2021.



Warehouse at the Arshiya Free Trade Warehousing Zone, India

#### DEVELOPMENT OF PRIME OFFICE SPACES IN BANGALORE, CHENNAI AND MUMBAI

In November 2022, CLINT signed a non-binding term sheet with L&T Realty, a renowned Indian developer, to collaborate on developing approximately 6 million sq ft of prime office spaces in Bangalore, Chennai, and Mumbai. Under this arrangement, L&T Realty will construct the buildings while CLINT will market them. This platform presents an opportunity for CLINT to scale up its portfolio significantly in three major cities in India, where we already have an established presence and customer base.

## FY 2022 KEY TRANSACTIONS

	Value (S\$ million)	Entity (Buyer)
<b>FY 2022 Investments</b>		
A 0.33 million-sq ft warehouse in Arshiya FTWZ in Panvel, Navi Mumbai	39 <sup>1</sup>	CLINT
A 0.42 million-sq ft industrial facility in Mahindra World City, Chennai	39	CLINT
Forward purchase of two industrial facilities in Mahindra World City, Chennai	29 <sup>2</sup>	CLINT
Freehold land (for the proposed development of a data centre) in Ambattur, Chennai	14 <sup>3</sup>	CLINT
International Tech Park Pune in Hinjawadi <sup>4</sup>	222	CLINT
2.14 acre land in Kona, Kolkata	1	CLI India Logistics Fund II
37-acre land in Talegaon, Pune	10	CLI India Logistics Fund II
<b>FY 2022 Divestments</b>		
International Tech Park Pune in Hinjawadi <sup>4</sup>	222	CLI

- 1 Refers to estimated gross consideration, including deferred consideration that is contingent on the achievement of certain performance milestones.
- 2 Includes the funding that has been used to complete the development of Phase 2A project.
- 3 Land cost indicated only. Estimated total cost to acquire the site and develop a data centre is S\$329 million.
- 4 Subject to approval of unitholders of CLINT at an extraordinary general meeting to be held on 17 April 2023.

## FY 2022 OPERATING PERFORMANCE

In FY 2022, CLI maintained strong tenant engagement, resulting in the leasing and renewing approximately 4.6 million square feet of space. As of 31 December 2022, our committed occupancy remained healthy at 89%. Additionally, physical occupancy significantly increased to 60% across our IT parks as India returned to normalcy.

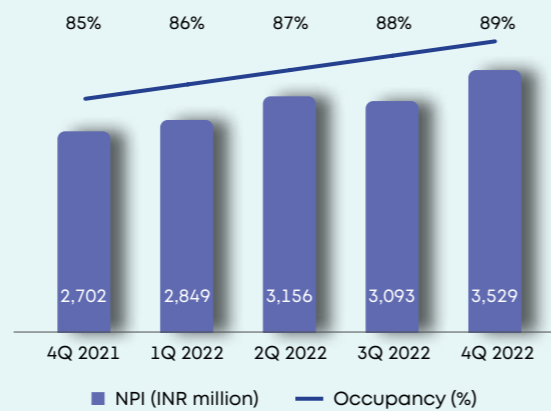
Despite these challenges, our India portfolio's total NPI improved by 5% in FY 2022, largely due to contributions from acquisitions made by CLINT during the year. We remain committed to delivering sustainable growth and creating value for our stakeholders.

## PORTFOLIO SNAPSHOT

FY 2022  
**INR 223.0 billion**  
 Portfolio value<sup>1</sup>

**21**  
 Number of properties<sup>2</sup>  
**25.7 million sq ft**  
 Net leasable area of operating  
 IT parks and logistics parks

### NEW ECONOMY



### Positive rental reversion

### Improved physical occupancy for business park portfolio

- Physical park population for business parks stands at about 60% across parks

### Increased leasing momentum

- Approximately 4.6 sq ft renewed/newly leased for FY 2022

- 1 Refers to total sum of CLI's owned properties' valuations as at 31 December 2022 and excludes Lodging.
- 2 Includes operational IT parks and logistics parks, as well as properties under development/to be developed. Excludes Lodging.

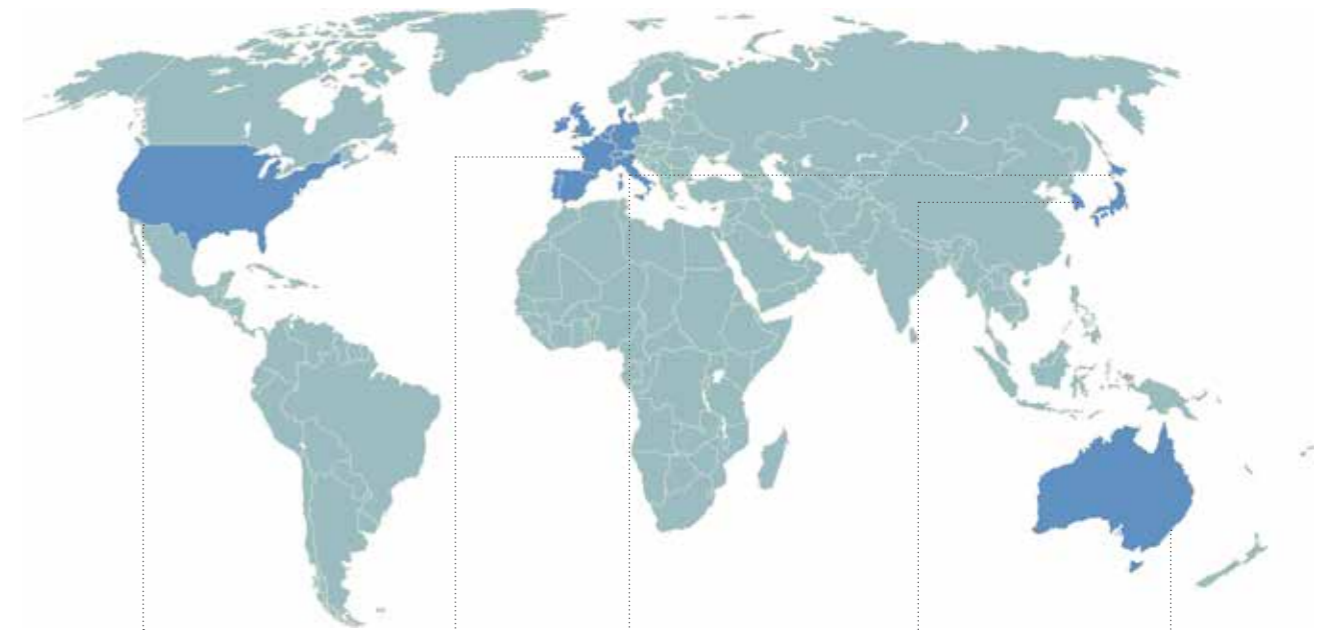
## FY 2022 Performance Review

### Business Performance

## Other Key Markets

CLI is steadily expanding its presence in key Asia-Pacific markets, namely Japan, South Korea and Australia, as well as other strategic markets including UK, Europe and the USA. Our international portfolio covers diverse asset classes, including multifamily, business parks, offices, logistics and data centres.

### CLI INTERNATIONAL'S KEY MARKETS



#### United States of America

- Business parks
- Logistics properties
- Offices
- Multifamily properties

#### UK & Europe

- Business park
- Data centres
- Logistics properties
- Offices

#### Japan

- Logistics properties
- Offices

#### South Korea

- Data centres
- Logistics properties
- Offices

#### Australia

- Integrated development
- Logistics properties
- Offices

## FY 2022 HIGHLIGHTS

FY 2022 TOTAL INVESTMENTS

S\$979M<sup>1</sup>

FY 2022 TOTAL DIVESTMENTS

S\$352M

- 1 Excludes value of undisclosed transactions due to confidentiality clauses.

# FY 2022 Performance Review

## Business Performance



501 South Steward Road, USA

As part of our strategy to expand FUM, CLI has been proactively developing our investment pipeline to support the growth of our listed and unlisted fund vehicles. As a result of this effort, CLI and our fund vehicles were able to make investments totalling approximately S\$979 million<sup>1</sup> in FY 2022. These investments included:



### A logistics facility in Hamura City, Tokyo, Japan

In January 2022, CLI acquired a freehold site in Hamura City, Tokyo, for JPY9.4 billion to develop a modern logistics facility. This is CLI's third logistics facility in Japan. It is strategically located within the proximity of Central Tokyo and near the main expressways that connect to major cities in Japan.



### A portfolio of seven logistics properties in Chicago, USA

In May 2022, CapitaLand Ascendas REIT (CLAR) acquired this portfolio for US\$99.0 million. This followed CLAR's successful inroads in the USA logistics market in November 2021. The portfolio is located on freehold land in Chicago, a major logistics hub in the USA supported by a superior combination of transportation modes and infrastructure.



### A freehold CBD office tower in Melbourne, Australia

In June 2022, CLI's first regional open-end fund, CapitaLand Open End Real Estate Fund (COREF) acquired a 22-storey freehold office tower in the Western Core of Melbourne's CBD.



### A logistic facility in Yangsan, South Korea

In September 2022, CapitaLand Korea No 14 (Logistics Fund III), CLI's third South Korean logistics private fund invested in a greenfield logistics development in Yangsan, South Korea. This marked CLI's fourth logistics facility in South Korea.

## FY 2022 KEY TRANSACTIONS

	Value (S\$ million)	Entity (Buyer)
<b>FY 2022 Investments</b>		
Seven logistics properties in Chicago, USA	133	CLAR
Jongro Place in Seoul, South Korea	352	CLK 3 (Core)
A logistics facility in Yangsan, South Korea	382 <sup>1</sup>	CLK 14 (Logistics Fund III)
A logistic facility in Hamura City, Tokyo, Japan	112 <sup>1</sup>	CLI
120 Spencer Street, an office building in Melbourne, Australia	Undisclosed <sup>2</sup>	COREF
<b>FY 2022 Divestments</b>		
Jongro Place in Seoul, South Korea	352	CLK 3 (Core+)

<sup>1</sup> Project development expenditure basis.  
<sup>2</sup> Undisclosed due to confidential clauses.

## PORTFOLIO SNAPSHOT

FY 2022  
**S\$12.1 billion**  
Portfolio value<sup>1</sup>

**175**  
Number of properties<sup>2</sup>



120 Spencer Street, Melbourne, Australia

<sup>1</sup> Excludes value of undisclosed transactions.

<sup>1</sup> Refers to CLI's owned properties' total sum of valuations as at 31 December 2022 and excludes Lodging.  
<sup>2</sup> CLI's owned properties excluding Lodging.

# FY 2022 Performance Review

## Business Performance



Artist's impression of a logistic facility in Yangsan, South Korea

### FY 2022 OPERATING PERFORMANCE HIGHLIGHTS



#### USA multifamily and new economy portfolios exhibited strong operating fundamentals

Our portfolio of 16 operating multifamily assets achieved stable operating performance in FY 2022, with occupancy of 94% and net property income (NPI) increasing 15% YoY. As part of our multifamily value-add programme, we continued with the phased renovation of the units' interior in FY 2022. This yielded a strong return on investment of 17% in FY 2022 and rental uplifts for the renovated units completed. The new economy portfolio of 48 properties, mainly owned through CLAR, achieved a stable occupancy of 94% and an increase of more than 10% in the portfolio NPI YoY.



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

Our new economy portfolio of 36 operating properties, all owned through CLAR, maintained healthy operating performance in FY 2022, with occupancy of 99.4% and positive rental reversion. This is resulting from the positive leasing momentum for business space properties in Sydney. The two operating office assets and one integrated development, which CLI owns through CICT, exhibited steady performance in a challenging leasing environment, with increasing occupancy to 84% as at 31 December 2022 since the completion of the acquisitions in 1H 2022.



#### South Korea office portfolio delivered stable performance

The two operating office assets, which CLI owns through our private funds, demonstrated strong operating performance. The portfolio recorded a stable occupancy of 97% as at 31 December 2022. The FY 2022 portfolio NPI also increased 12% YoY.



#### Japan office portfolio showed resilience despite macroeconomic headwinds

Our three operating office assets in Japan maintained a healthy portfolio occupancy rate of 91%, even amid an increasing vacancy rate in the Tokyo office market. We remain watchful of the vacancy rate and will continue with our active marketing and leasing efforts.



#### UK/Europe new economy portfolio maintained steady performance

Our portfolio of about 50 properties continued to maintain a high occupancy of around 98%. NPI increased slightly by 3% in FY 2022 compared to FY 2021.

# Our Stakeholders

At CapitaLand Investment (CLI), we believe that active stakeholder engagement is vital to achieving our business objectives, and to upholding our environmental, social and governance commitments. Our stakeholders play an essential role in shaping our business, and we actively engage with them to gain a better understanding of their concerns, needs, and expectations. By fostering continuous collaborative dialogue, we can build stronger relationships with our stakeholders and work together to create value in the markets and communities that we operate in.

Our four stakeholder groups are:

**Our People,**  
**Our Investors,**  
**Our Customers,**  
**and Our Communities.**

Each of these groups play a pivotal role in our success, and we strive to engage with all of them regularly to adapt and improve our business practices to serve their interests better while making a positive and lasting impact for our communities.



## Our Stakeholders

### Our People

It is often said that human capital is the greatest asset for any company. This holds true for CLI as we continue to strengthen the foundation for our purpose-driven initiatives that make a positive and meaningful impact not just within the company but also in the communities we serve. We hold steadfast to our shared vision and mission that drives us to think big, to do right by our people, communities and investors, and to make our concerted efforts last. Our core values of a winning mindset, enterprising spirit, respect for one another and uncompromising integrity serve as the bedrock of our high-performing and diverse teams.

Riding on post-COVID-19 recovery, we focused on elevating our employee experience globally, and ensuring that our people are at the centre of all our activities. We conducted regular global, as well as in-country and business unit specific townhalls to ensure that our employees' voices are heard. Additionally, we launched a 360° Leadership survey with our senior leadership team and an organisation-wide Employee Engagement survey. The 360° Leadership survey allows the management to gain invaluable insights into how their peers and direct subordinates perceive them. The Employee Engagement survey, which measured employees' well-being amongst other drivers, recorded an engagement score of 83%, a positive indicator of our efforts to elevate the employee experience.

Through our commitment to empowering our future-ready workforce, we invested close to S\$1.8 million in learning and development globally, delivering over 370,000 hours of training in 2022. Organised in collaboration with our India and China business offices, the quarterly Learning CAREnival covered 36 talks across trending topics across four focused streams: digital, well-being, power skills for career resilience and sustainability.

Our employees' well-being and mental health continue to be our focus. In 2022, we refreshed our CapitaLand Wellbeing Programme to offer a more holistic focus on six dimensions of wellness. They are emotional (mental), financial, purposeful (community involvement), social, career, and physical wellness. To support the six dimensions of wellness, we conducted employee wellness events and "Guarding Your Mental Wellness and Your Peers' Too" workshops,



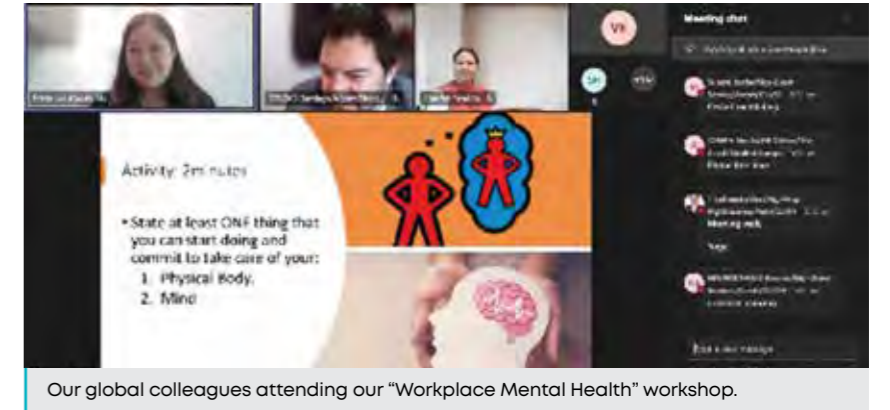
Singapore colleagues with their handmade wreaths at our Christmas Wreath Making workshop.

both in-person and virtually for our employees. We also launched Voice of Employees (VoE), a platform that allows our employees to give feedback on any work-related topics confidentially. Additionally, we trained over 100 colleagues globally and invited them to join the larger community of Mental Wellness Ambassadors.

To recognise and reward inspiring individuals and teams who have strongly demonstrated CapitaLand's Core Values, we organised the CapitaLand Core Values Ambassador Awards that garnered over 300 inspiring employee stories globally. In Singapore, we hosted our first in-person Staff Appreciation Dinner since the pandemic with close to 2,000 employees, celebrating together as ONE CapitaLand.



In-person Staff Appreciation Dinner in Singapore, featuring the winners for Best Dressed Table.

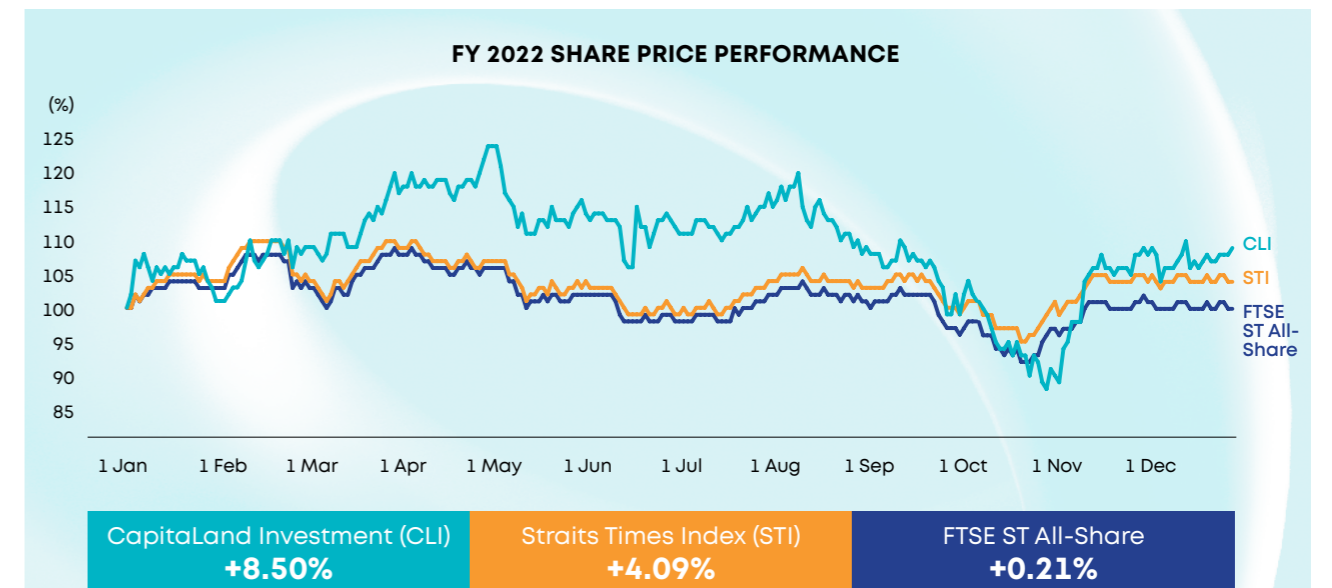


Our global colleagues attending our "Workplace Mental Health" workshop.

At CLI, we are at our best when our employees are at theirs. We are committed to bringing out the best in our team members and building a resilient, high-performing and empowered workplace culture that facilitates open communication, supports flexible work arrangements and continues to inspire, innovate and motivate our people.

### Our Investors

At CLI, we prioritise building strong relationships with our shareholders and the broader investment community as we recognise their critical role in our success as a leading listed real estate investment manager (REIM). Since our listing in September 2021, we have focused on understanding the markets' needs and expectations to communicate who we are and what we stand for effectively. Despite the market volatility in 2022, our stock's positive performance (see chart below) attests to our investors' trust in us.



## Our Stakeholders

### SEEKING INVESTORS' INSIGHTS TO IDENTIFY KEY PRIORITIES

To ensure that we meet the needs and expectations of our investors, we conducted two surveys at the beginning of 2022, with more than 30 institutional investors and sell-side analysts. The first survey aimed to gauge their perception of CLI's transformation, our management team, and our engagement efforts. The second survey focused on understanding investors' interest in Environmental, Social and Governance (ESG) factors and where they are in their sustainability journey, enabling us to assess the relevance of CLI in their portfolios and how we can do better.

Our senior management team is actively involved in our engagements with our shareholders and the investor community to provide them with updates and insights into our business operations and performance.



1H 2022 Financial Results Briefing.



Briefing for analysts on acquisition of Oakwood Worldwide in July 2022.

Based on the findings from these surveys, we identified key areas of interest and concerns among investors and have focused on addressing them in our communications. They include:

1. Progress of growing CLI's private funds business
2. Disciplined capital recycling and capital redeployment
3. How our Lodging platform increasingly contributes to fee income growth
4. Measurable targets in ESG
5. Our commitment to sustainable shareholder returns

### CULTIVATING INVESTOR RELATIONS WITH PROACTIVE ENGAGEMENT

Our senior management team actively engages with our shareholders and the investor community to provide them with updates and insights into our business operations and performance. We utilise multiple touchpoints to achieve this goal, which includes:

#### (a) Regular briefings for investors, analysts, and the media

These briefings are held whenever we have announcements relating to significant corporate actions as well as our regular financial performance and business updates. These briefings are led by our senior management team, comprising CLI's Group CEO, Group CFO, Group COO, and CEOs of our key businesses. The briefings are broadcast 'live' to the public via our website and are also open to investors, sell-side analysts, and the media to attend in-person.



CLI management and staff at its flagship CLI Investor Day 2022.

### Institutional conferences and roadshows

We place a high priority on engaging with investors and providing them with access to our senior management and investor relations team. In FY 2022, we participated in a total of 13 investor conferences organised by various brokerage houses. On average, each session was attended by over 30 participants.

To further our engagement efforts, we organised our own events to deliver a more targeted approach to communications and engagement. A flagship event during the year was *CLI's inaugural Investor Day* held in October 2022. This two-day conference included expert panel discussions and breakout seminars that covered topics related to our businesses and markets. Esteemed speakers, including our Chairman, Mr. Miguel Ko, CLI's Lead Independent Director, Mr. Anthony Lim, and the Chairman of CapitaLand Integrated Commercial Trust (CICT), Ms. Teo Swee Lian, provided invaluable views on how they are guiding management teams in the current challenging operating environment (the recording of the panel discussion can be found on CLI's website). To conclude the conference, we also arranged a half-day property tour of our newer assets such as lyf one-north Singapore, CapitaSpring, and Bugis Town.



(From left to right): Mr. Miguel Ko (CLI Chairman), Mr. Anthony Lim (CLI Lead Independent Director) and Ms. Teo Swee Lian (CICT Chairman) spoke in a panel during CLI Investor Day.



Participants visited lyf one-north Singapore, CapitaSpring and Bugis Town (pictured above) during the CLI Investor Day property tour.

## Our Stakeholders

As international travel borders re-opened in 2022, we resumed our physical non-deal roadshows, travelling to key financial cities such as London, Tokyo, Kuala Lumpur, Sydney, and New York to meet our investors. These visits allowed us to receive valuable feedback and insights directly from our investors, which virtual meetings cannot replace. We thank investors who hosted us during these visits. Finally, we ended the year with our first in-person **"CLI and CLI REITs Corporate Day"** in Bangkok since 2019. This one-day conference cum non-deal roadshow provided CLI and all our listed funds the opportunity to connect with over 40 Thai investors face-to-face.

### (b) Retail investor outreach

We value our retail investors and regularly engage with them through partnerships with organisations such as the Securities Investors Association (Singapore) (SIAS) and the SGX Academy. In April 2022, we held our flagship **"Kopi With CapitaLand Investment"**, a dialogue session moderated by SIAS to discuss CLI's strategy and growth. The event attracted more than 170 viewers, many of whom interacted with CLI via a vibrant questions and answers session.

In November 2022, we organised a sustainability-themed education session, the **"SGX Green Field Trip"**, for research analysts, the press, and financial influencers to update them on ESG developments. The event began with a presentation by our Chief Sustainability Officer, Mr. Vinamra Srivastava, on CLI's sustainability efforts, followed by a tour of Funan's green features. More than 40 attendees participated in this outreach event.

### (c) Annual General Meeting

CLI prioritises upholding of shareholders' rights and ensuring they are well-informed. For our 2022 Annual General Meeting (AGM), we ensured that AGM resources were accessible through our corporate website and emails providing voting instructions. At the 2022 AGM, we also introduced "live" voting for the first time, enabling shareholders to vote on the spot.

In addition to answering pre-submitted questions, we also took questions from our virtual audience "live". The AGM had a virtual attendance of more than 300 shareholders.

CLI is pleased to be resuming physical attendance for our AGM in 2023. We look forward to welcoming shareholders at Raffles City Convention Centre on 25 April 2023. Shareholders can also register and watch the event via webcast at their convenience. Please refer to the Notice of AGM on our website for further details.

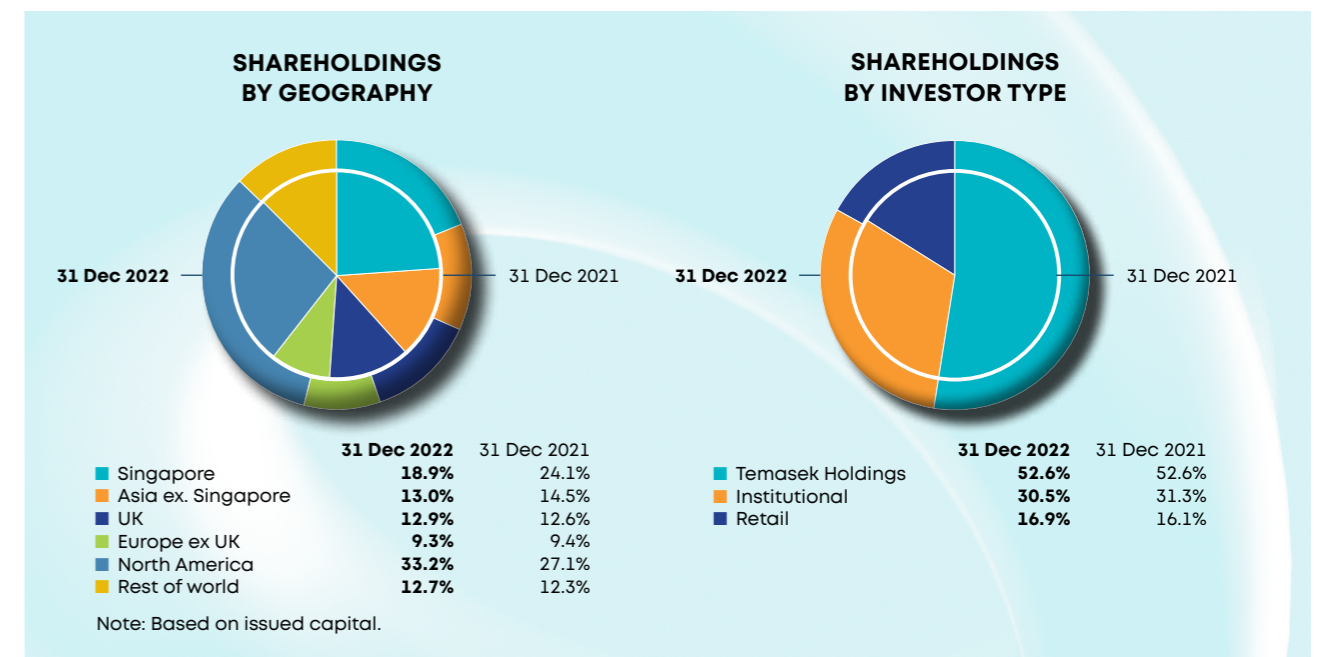
### (d) Timely and accessible information for stakeholders

Our robust media and public communications strategy ensures that we promptly communicate material information to our stakeholders. We achieve this through proactive, timely updates via announcements posted on SGXNet, news releases and social media platforms. Additionally, we also provide access to our Group Communications and Investor Relations departments through the "Contact Us" page on our website at [www.capitalandinvest.com](http://www.capitalandinvest.com), where shareholders can also find our Investor Relations policy.

### SHAREHOLDER BASE ANALYSIS

As CLI transitions from a real estate developer to a REIM, there have been notable changes in our shareholding structure. We have observed increased interest in CLI from investors in North America, mostly comprising long-only real estate investors and investors of REIMs, which were not previously present in CLI's shareholder register.

Despite these changes, Temasek Holdings remains the majority stakeholder in CLI with approximately 52% stake. Excluding Temasek, institutional investors and retail shareholders are in a balanced proportion of 60:40.



### ACCOLADES

In 2022, the Group CEO and Group CFO of CLI were recognised for their exceptional leadership and financial management skills through two prestigious business awards in Singapore, further solidifying the company's position as a leading company in the region.

The Group CEO of CLI, Mr. Lee Chee Koon, was awarded the "Best CEO of the Year" award at the Singapore Business Awards 2022. The award recognised Chee Koon's leadership and contributions to CLI's growth and success as a leading real estate company in Singapore and the Asia-Pacific region.

Additionally, CLI's Group CFO, Mr. Andrew Lim (appointed Group Chief Operating Officer in January 2023), was also recognised for his outstanding performance and financial expertise with the "Best CFO of the Year" at the Singapore Corporate Awards 2022.

Key Investor Relations Events in FY 2022	Dates
CLI FY 2021 Financial Results Briefing	25 Feb 2022
Kopi With CapitaLand Investment (Virtual dialogue session facilitated and moderated by SIAS)	20 Apr 2022
CLI 2022 Annual General Meeting	29 Apr 2022
CLI 1Q 2022 Business Updates	12 May 2022
CLI 1H 2022 Financial Results Briefing	11 Aug 2022
CLI Investor Day 2022	13 – 14 Oct 2022
CLI 3Q 2022 Business Updates	4 Nov 2022
CLI and CLI REITs Corporate Day 2022 in Bangkok	11 Nov 2022
SGX Green Field Trip	28 Nov 2022



## Our Stakeholders

### Our Customers

We serve diverse customers, including tenants, shoppers and lodging guests. Although most countries around the world reopened their borders and eased COVID-19 restrictions in 2022, the indelible impact of the pandemic on consumer behaviour continued to drive our customer engagement strategy. We repositioned our existing assets to enhance user experience and rolled out digital initiatives to capture new opportunities and delight our customers.

As we celebrated the return of shoppers and tourists in Singapore, downtown malls such as Raffles City Singapore and Bugis Town welcomed a slate of new brands that offer unique, experiential concepts and an extended merchandise range. CQ @ Clarke Quay also embarked on a S\$62 million asset enhancement initiative that will transform it into a day-and-night destination by 3Q 2023.

Riding on the momentum of global travel recovery, CLI's wholly-owned lodging business unit, The Ascott Limited (Ascott), embarked on a group-wide exercise, Brand360, to strengthen its brand portfolio through sharpened brand stories and the introduction of signature experiences and programmes to elevate guests' stay. In 2022, Citadines and Somerset unveiled their brand refresh while lyf announced curated local experiences for guests. There will be new brand signatures and programmes by the Ascott brand, Oakwood and The Crest Collection in 2023.

In 2022, Ascott upgraded its loyalty programme, Ascott Star Rewards (ASR), to offer more rewards for members' bookings made via direct channels and authorised travel agents. Members can now also earn points from walk-in bookings. In addition, ASR was expanded to include more exclusive benefits such as priority check-ins, birthday discount e-vouchers and brand-specific arrival experiences. With Ascott's acquisition of Oakwood in July 2022, ASR members can look forward to a broader network of ASR participating properties worldwide.



More than 60 new brands were added to the revamped Raffles City Singapore, as part of the rejuvenation of CapitaLand's downtown properties in Singapore to welcome the return of shoppers and tourists.

#### ENHANCING CUSTOMER EXPERIENCE THROUGH TECHNOLOGY

In tandem with the rising popularity of digital channels, we enhanced our digital touchpoints to increase the attractiveness of our products and services. In 2022, we ventured into the metaverse and became the first mall operator in Singapore to throw a 24-hour experiential party in Decentraland. The inaugural CapitaVerse was attended by close to 1,700 attendees, with over 1,200 exclusive non-fungible tokens (NFTs) claimed.

CapitaStar, our key omnichannel engagement platform for shoppers, now serves more than 3,000 retail tenants across 23 participating CapitaLand retail and workspace properties<sup>1</sup> in Singapore. In 2022, CapitaStar increased membership by 12% year-on-year to more than 1.35 million members. It also powered more than S\$1.14 billion of tenant sales, up 12% year-on-year. The sales of eCapitaVoucher grew by 29% year-on-year, a positive sign as we ceased the sale of physical CapitaVoucher, in line with the company's sustainability and digitalisation efforts.



CapitaVerse featured unique virtual spaces for visitors to explore, participate in an array of activities as well as score exclusive rare wearables for users' Decentraland avatars.



ASR expanded to include more exclusive benefits such as priority check-ins, birthday discount e-vouchers, brand-specific arrival experiences, welcome amenities and signature gifts.



The lyf Innovation Lab explores, designs and tests immersive virtual reality, and augmented reality technologies and digital experiences for lyf. Pictured is a virtual reality-enabled game showcased at lyf one-north Singapore's official opening.

Building on this strong foundation, we launched CapitaStar For Business – a paid loyalty subscription programme that provides holistic digital solutions for retailers to reach an established database of members, reward their stakeholders and cultivate consumer loyalty. We expanded the CapitaStar ecosystem through tie-ups with industry partners, such as partnering with DBS Bank to allow members to earn instant STAR\$® when transacting using DBS/ POSB payment modes. With ShopBack, we co-created omnichannel marketing campaigns and provided more avenues for shoppers to earn instant STAR\$®.

In China, we intensified our digitalisation efforts and capitalised on the potential of CapitaStar to improve customer engagement and drive retailers' sales amidst COVID-19 restrictions. This led to a year-on-year increase of 50% in gross merchandising value achieved digitally, which reached RMB660 million (S\$128 million) in 2022. New initiatives supporting

the growth included the launch of the CapitaStar Card, a prepaid shopping card and the CapitaStar Super membership programme which targets high spenders. Continuing our journey into the metaverse, we issued a limited edition of NFTs featuring the architectural designs of nine Raffles City properties in China. All sales proceeds from the NFTs were donated to various beneficiaries through the CapitaLand Hope Foundation.

On the lodging front, Ascott launched its @discoverasr TikTok channel to better connect with next-generation travellers. It also started the lyf Innovation Lab, which explores, designs and testbeds immersive virtual reality, augmented reality technologies and digital experiences for lyf, Ascott's coliving brand. lyf one-north Singapore will serve as a living lab for field testing these digital innovations and successful pilots will eventually be implemented across other properties worldwide.

<sup>1</sup> Through various digital solutions availed across the total portfolio (including managed malls and Joint Ventures – ION Orchard, SingPost Centre, Jewel Changi Airport).



## Our Stakeholders

### Our Communities

CLI supports and contributes towards the initiatives by CapitaLand Group's philanthropic arm, CapitaLand Hope Foundation (CHF). Our community development efforts are aligned with the Foundation's three key focus areas – nurturing and inspiring the young, improving the quality of life of seniors and protecting the environment for future generations. We find a sense of purpose in contributing to our communities' environmental and social well-being.

Collaboration is crucial to drive positive changes and create meaningful social impact. CHF works closely with our community partners to understand the needs of various groups requiring support and identify areas where we can contribute meaningfully through our initiatives. Beyond donations, CHF also advocates volunteerism as it is integral to building a caring and inclusive community. Leveraging our global resources and networks, we galvanise our employees, business partners and tenants to join our activities and do good together. By doing so, we amplify the impact of our contributions to the communities we serve.

Through volunteering and various initiatives, we uplifted the lives of vulnerable groups and supported the environment in communities where CapitaLand operates.



A staff volunteer befriended a senior from COMNET Senior Service under AMKFSC Community Services through an outing at IMM in Singapore.



Under the signature CapitaLand 'My Schoolbag' programme, staff volunteers visited the children at Xuzhou, China to distribute schoolbags.

A staff volunteer cared for the seniors in Beijing, China by providing free haircuts.



In 2022, CHF donated more than S\$4.2 million globally, benefitting over 30,000 beneficiaries. More than 1,000 CLI employees contributed over 10,860 volunteer hours to support community activities globally. They took part in activities such as delivering essential care packs, meals and bread to seniors; distributing school essentials; rejuvenating spaces to provide a safe and conducive learning environment and conducting environmental awareness programme for children.

Through CHF's #LoveOurSeniors initiative, we worked with various charity and community partners to rally over 1,650 CLI staff, tenant and community volunteers to improve the quality of life of about 5,000 seniors by providing them with better nutrition, enhanced well-being and improved living conditions. One of the key activities we conducted was to support the low-income seniors at Sin Ming 26 in Singapore who had to undergo a relocation exercise. CLI supported the initiative by packing, unpacking and arranging new furniture at their new homes.



**>S\$4.2 million** donated globally through CHF to support communities where we operate, such as providing children with access to education, helping seniors to age in place, and promoting environmental awareness.



**>1,000 CLI employees** and **>10,860 volunteer hours** contributed to delivering meals and bread to seniors; distributing school essentials; rejuvenating spaces and conducting environmental awareness programmes for children.



**>30,000 beneficiaries** including children and seniors in need.

## Our Stakeholders



Staff volunteers visited the four primary schools and kindergartens in Vietnam, where CapitaLand Development (Vietnam) kickstarted the Nutrition Programme, under the CapitaLand Hope School Programme.

We also reinforced our sustainability commitment through the CapitaLand Environmental Education Programme which aims to educate children on the importance of protecting our planet and adopting sustainable practices such as reducing, recycling and upcycling food waste. CapitaLand staff volunteers are trained to impart green knowledge and practices through engaging storytelling and interactive activities. The programme successfully reached out to over 700 children and their parents in 2022.

From September to October 2022, the second edition of "CapitaLand #GivingAsOne" global campaign was held for employees, business partners and customers to do good together. Through volunteering and various initiatives, we uplifted the lives of vulnerable groups and supported the environment in communities where CapitaLand operates. Over 980 volunteers put in more than 5,900 volunteer hours, benefitting over 12,700 beneficiaries.

CHF aims to improve the social growth and development of children in need. Through the CapitaLand Hope School Programme, we supported a second school in Bangalore, India, giving over 400 children from underserved families access to quality education. CHF contributed INR50 million (\$850,000) to its construction. CapitaLand staff volunteers and partners collaborated and built the



A staff volunteer interacting with seniors at the Mid-Autumn Festival celebration in Singapore.



A staff volunteer distributing educational school kits to students at Bangalore, India supported under the CapitaLand Hope School Programme.

school, and CapitaLand staff from International Tech Park Bangalore provided their real estate expertise to Karnataka Education Department including designing and managing the development of the school. Since 2005, we have supported 31 schools in the programme. Additionally, CHF partnered with an international non-profit organisation, Room to Read, to set up 14 libraries across Bangalore to benefit close to 2,000 children.

At the group level, CapitaLand was conferred the Champion of Good status by the National Volunteer & Philanthropy Centre in 2022. At the 14th REALTY+ Excellence Awards 2022 (SOUTH), CLI in India clinched the CSR Excellence Awards for its support towards refurbishing schools under the CapitaLand Hope School Programme.

### NURTURING AND INSPIRING THE YOUNG

- As part of Camp Cacti under CHF's CapitaLand Empowerment and Resilience Programme, staff volunteers facilitated activities for around 60 children from Singapore Children's Society, NeuGen Fund and Life Community Services Society to help them acquire skills to manage their emotions better and build positive relationships with others.
- Staff volunteers packed and distributed over 1,000 schoolbags with school essentials such as stationery, lunch boxes and water bottles among others for graduating pre-school children from My First Skool under CapitaLand-Bright Horizons Fund Ready-For-School Programme.
- In partnership with National Library Board and NTUC First Campus- My First Skool, over 50 staff and tenant volunteers engaged more than 700 children and their parents through 49 online and physical sessions to educate them on reducing food waste.
- Through the CapitaLand Kids Programme @ Education Bursary, CHF supported the academically gifted and underserved students in China under the CapitaLand Hope School Programme in their academic pursuits from Grade 4 to university. In 2022, over 520 students benefitted from the assistance.
- CHF supported 2,400 students from 37 schools across China with schooling essentials under the 'My Schoolbag' initiative.
- Staff volunteers in India distributed 2,500 care kits to children under the CapitaLand Hope School Programme in Bangalore, and to children across Chennai and Hyderabad.
- CHF supported a nutrition project for 1,400 students at four schools under the CapitaLand Hope School Programme in Vietnam. Launched in October 2022, students would receive monthly milk packets till end of school year in May 2023 under the initiative to supplement their nutritional needs essential for their developmental growth.

### SUPPORTING SENIORS IN THE COMMUNITY

- More than 1,350 staff, tenant and community volunteers delivered over 21,000 specially curated meals and wholemeal bread loaves, as well as packed and distributed about 5,000 essential care packs to vulnerable seniors through #LoveOurSeniors in Singapore.
- During Chinese New Year, Hari Raya and Mid-Autumn Festival, CHF partnered with our retail tenant, Polar Puffs & Cakes (Polar), to distribute goodies to socially-isolated senior beneficiaries in Singapore. CLI's staff volunteers and Polar's tenant volunteers were also rallied to engage more than 60 seniors through mooncake tasting, lantern making and calligraphy lessons during the Mid-Autumn Festival celebration.
- Through our Home Improvement Project, staff volunteers spruced up 19 homes of vulnerable seniors from TOUCH Community Services across Singapore.
- Over 200 staff and tenant volunteers assisted around 130 low-income senior beneficiaries from COMNET Senior Service under AMKFSC Community Services in relocation efforts at Singapore's Sin Ming estate. The volunteers befriended and accompanied them on an outing to IMM, a CapitaLand Mall.
- In China, over 50 volunteers improved the quality of life of seniors by conducting home visits, smartphone workshop and spring cleaning.

# Sustainability is at the Core of Everything We Do

52%  
of carbon emissions  
reduced<sup>1</sup> since 2008

58%  
of global portfolio<sup>2</sup>  
achieved green building  
certification

About  
40%  
of senior management  
were women

Over  
37  
training hours per staff

CapitaLand Sustainability X  
Challenge (CSXC) 2022 received over  
340  
entries from over 50 countries

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

24  
sites within CapitaLand  
properties in  
Singapore, China, India,  
Thailand, and the USA

For more information on our other performance metrics, please refer to page 86 to 88.

<sup>1</sup> Figure represents reduction in carbon emissions intensity (scope 1 and 2) from Jan to Dec 2022 (with 92% coverage) compared to baseline year of 2008. One of the dominant causes is the drop in activities at some of our properties amid COVID-19.

<sup>2</sup> This refers to CLI's owned and managed properties by m<sup>2</sup>.

## BOARD STATEMENT

At CapitaLand Investment, sustainability is at the core of everything we do. We are committed to growing in a responsible manner, delivering long-term economic value, and contributing to the environmental and social well-being of our communities. The material environmental, social and governance (ESG) factors have been identified and encapsulated in the CapitaLand 2030 Sustainability Master Plan (SMP), which was launched in 2020, and will be reviewed by the Board of Directors together with Management every two years.

The CapitaLand 2030 Sustainability Master Plan steers our efforts on a common course to maximise impact through building a resilient and resource efficient real estate portfolio, enabling thriving and future-adaptive communities, and accelerating sustainability innovation and collaboration. Ambitious ESG targets have been set which include carbon emissions reduction targets validated by the Science Based Targets initiative (SBTi). During the first scheduled review in 2022, CapitaLand Investment revised its SMP targets to elevate its SBTi-approved targets in line with a 1.5°C scenario, incorporate its Net Zero commitment, and enhance focus on social indicators.

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

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

## BOARD, TOP MANAGEMENT AND STAFF COMMITMENT AND INVOLVEMENT

The CLI Board recognises the importance of sustainability as a business imperative, and ensures that sustainability considerations are factored into CLI's strategy development to ensure CLI remains competitive and resilient in an increasingly challenging business environment.

The Board is kept informed on a regular basis through the Strategy and Sustainability Committee (SSC)<sup>1</sup> on the Group's sustainability management performance, key material issues identified by stakeholders, and the planned follow-up measures. Additionally, the Board is typically updated by the Risk Committee and Audit Committee at least once a year and at ad hoc Board meetings on matters relating to sustainability risks, and relevant performance metrics, which include carbon emissions performance, progress on achieving the reduction targets, green certification, human capital development, as well as stakeholders' expectations on climate change and/or other social matters. They are also informed of any work-related safety incidents, business malpractice incidents and

environmental incidents, which may include climate-related damage or disruptions.

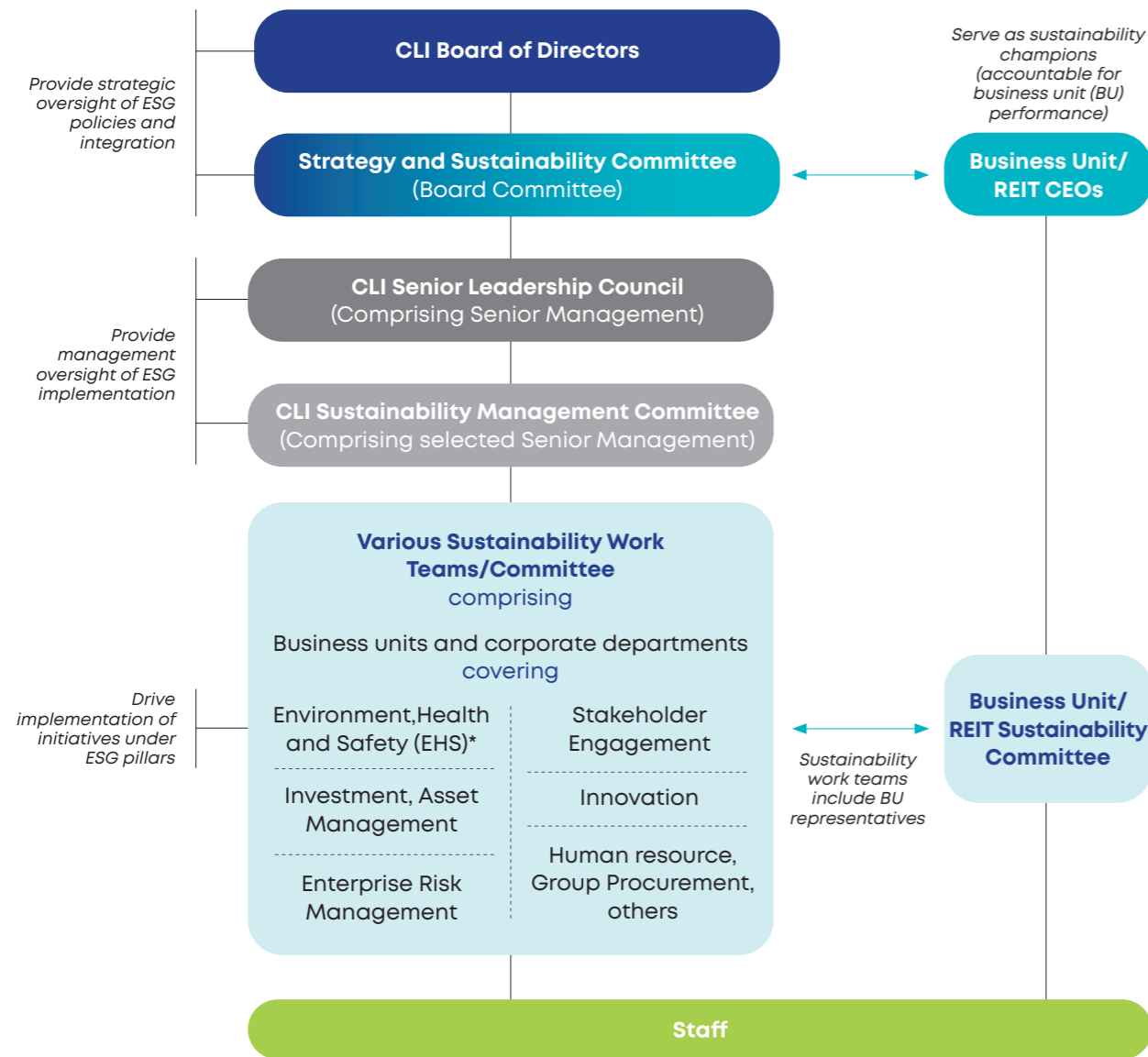
Lead Independent Director Mr Anthony Lim chairs the SSC which is a Board Committee. The SSC is responsible for overseeing CLI's sustainability strategies and goals, including providing guidance to Management and monitoring progress against achieving the goals of sustainability initiatives. The SSC typically meets twice a year, with additional meetings convened as necessary. These responsibilities are also detailed under Corporate Governance Board Matters Principle 1 in page 99 and 105 of this report.

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

<sup>1</sup> With effect from 1 January 2023, the CapitaLand Investment Board Committee, Strategy Committee, was renamed to Strategy and Sustainability Committee.

# Sustainability

## CLI SUSTAINABILITY MANAGEMENT STRUCTURE



\* Includes EHS Internal Audit and Environment Tracking System (ETS)

### Maintaining Diversity on the Board

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

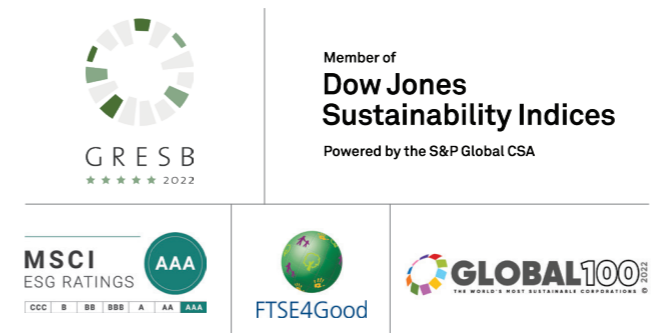
Our Board Diversity Policy, targets, plans and progress are detailed under Corporate Governance Board Matters Principle 2 in page 105 to 111 of this report.

## RECOGNITION BY GLOBAL BENCHMARKS

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

We have been a signatory to the United Nations (UN) Global Compact since 2015 and our Communication on Progress for FY 2022 will be made available at [www.unglobalcompact.org](http://www.unglobalcompact.org) when published. In February 2023, we also became a signatory of the UN-supported Principles for Responsible Investment (UN PRI), as part of our commitment to investing responsibly.

For our efforts, we are listed on the Global 100 Most Sustainable Corporations Index, Dow Jones Sustainability World Index and Asia-Pacific Index, GRESB, FTSE4Good Index Series, MSCI Global Sustainability Indexes and The Sustainability Yearbook. Our CLI Global Sustainability Report 2022 will be published by 31 May 2023 on the [CLI website](http://cli.com.sg).



CLI's sustainability reporting has evolved into a uniquely hybrid model using the Global Reporting Initiative (GRI) Standards and Greenhouse Gas (GHG) Protocol (operational control method) since 2009, CDP since 2010, GRESB since 2013, Value Reporting Foundation's Integrated Reporting Framework since 2015, UN SDG Reporting since 2016, Taskforce

for Climate-related Financial Disclosures (TCFD) framework since 2017, and Sustainability Accounting Standards Board (SASB) Standards since 2020.

We will continue to enhance our disclosures in accordance with these standards, and will be reporting in accordance with the updated GRI Universal Standards 2021 which came into effect for reports published on or after 1 January 2023. The report will continue to be externally assured to AA1000 Assurance Standard, and will cover the Group's global portfolio and employees, including our listed real estate investment trusts (REITs) and business trusts - CapitaLand Integrated Commercial Trust, CapitaLand Ascendas REIT, CapitaLand Ascott Trust, CapitaLand China Trust, CapitaLand India Trust and CapitaLand Malaysia Trust, unless otherwise indicated.

## MATERIALITY

CapitaLand has a regular review, assessment and feedback process in relation to ESG topics. The annual Group-wide Risk and Control Self-Assessment exercise<sup>1</sup> is a key component of this process, as it helps to identify, assess and document material risks and the corresponding internal controls to manage those risks. These material risks include fraud and corruption, environmental (e.g. climate change), health and safety, and human capital risks which are ESG-relevant.

Guided by our 2030 SMP to elevate the Group's commitment to global sustainability, CLI identifies and reviews material ESG issues that are most relevant and significant to the Company and its stakeholders. These material ESG issues are assessed and prioritised based on the likelihood of and its potential impact on CLI's business continuity. For external stakeholders, priority is given to issues important to the community and applicable to CLI. For more information on stakeholder engagement and our sustainability strategy, please refer to the CLI Global Sustainability Report 2022.

<sup>1</sup> For more information on CLI's Enterprise Risk Management and Group-wide Risk and Control Self-Assessment exercise, please refer to page 92 of this report.



# Sustainability

## PRIORITISATION OF MATERIAL ESG ISSUES









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





CLI's material ESG issues and the value created, aligned to CapitaLand's 2030 SMP focus areas and commitments<sup>1</sup>, are mapped to six integrated reporting Capitals – Environmental, Manufactured, Human, Social and Relationship, Organisational, and Financial. This is further mapped against eight UN SDGs that are most aligned with CapitaLand's 2030 SMP focus areas, and where CLI can achieve the greatest positive impact.

The UN SDGs call on companies everywhere to advance sustainable development through the investments they make, the solutions they develop, and the business practices they adopt. In doing so, the goals encourage companies to reduce their negative impacts while enhancing their positive contributions to the sustainable development agenda.

For more information, please refer to the CLI Global Sustainability Report 2022.


<sup>1</sup> CapitaLand's 2030 SMP is regularly reviewed where necessary to ensure that it remains relevant to the Group's business strategy and alignment with climate science. The first scheduled review in 2022 is in progress and will be published before end May 2023.

Our Commitments	2022 Value Created
<b>Environment</b> <ul style="list-style-type: none"> <li>• Transit to low-carbon business and reduce energy consumption through improved energy efficiency and increase use of renewable energy.</li> <li>• Reduce water consumption, reuse water and prevent water pollution, especially in countries where the availability of clean water and sanitation are of concern.</li> <li>• Green our global operational portfolio by 2030.</li> <li>• Strengthen our portfolio's climate resilience by addressing climate related risks and opportunities throughout the real estate lifecycle.</li> </ul>	<ul style="list-style-type: none"> <li>• 52% reduction in carbon emissions intensity since 2008<sup>1</sup>.</li> <li>• 42% and 51% energy and water reduction (per m<sup>2</sup> from base year 2008) respectively<sup>1</sup>.</li> <li>• Achieved green building certifications for 58% of global portfolio<sup>2</sup>.</li> <li>• Continued to implement the recommendations of the TCFD and improve TCFD reporting. In the midst of conducting detailed climate risk assessment and scenario analysis for our portfolio<sup>3</sup>.</li> </ul> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Environmental Capital</p>   </div> <div style="text-align: center;"> <p>Manufactured Capital</p>   </div> <div style="text-align: center;">   </div> </div>

Our Commitments	2022 Value Created
<b>Environment (Cont'd)</b> <ul style="list-style-type: none"> <li>• Actively embrace innovation to ensure commercial viability without compromising the environment for future generations.</li> <li>• Influence our supply chain to operate responsibly in the area of environmental management through CapitaLand's Supply Chain Code of Conduct.</li> </ul>	<ul style="list-style-type: none"> <li>• From the submissions received through CapitaLand Sustainability X Challenge 2021 and 2022, 20 innovations are being piloted or planned at 24 sites within CapitaLand properties in Singapore, China, India, Thailand, and the United States of America, with focus on improving building energy and water efficiency as well as indoor air quality.</li> <li>• Retained ISO 14001 certification in 15 countries for more than a decade.</li> </ul>
<b>Social</b> <ul style="list-style-type: none"> <li>• CapitaLand believes staff can make a significant contribution based on their talent, expertise and experience, regardless of ethnicity, age or gender. We adopt consistent, equitable, and fair labour policies and practices in rewarding as well as developing staff under CapitaLand's direct hire.</li> <li>• CapitaLand aims to provide a safe work environment that contributes to the general well-being of our staff, tenants, contractors, suppliers and the communities that use our properties.</li> <li>• CapitaLand's Supply Chain Code of Conduct influences its supply chain to operate responsibly in the areas of human rights, and health and safety.</li> <li>• CapitaLand is committed to activities that are aligned with our focus on community investment. We engage our stakeholders to raise awareness in the areas of philanthropy, environment, health and safety, as well as promote sustainability within the tenant community.</li> </ul>	<ul style="list-style-type: none"> <li>• Global workforce (more than 9,000 staff). <ul style="list-style-type: none"> <li>- More than 85 nationalities working within the Group.</li> <li>- Males and females at a ratio of about 47:53.</li> <li>- About 69% of CapitaLand's global workforce was aged between 30 and 50.</li> </ul> </li> <li>• About 40% of Senior Management were women.</li> <li>• 83% staff engagement score, with 91% survey participation.</li> <li>• Over 37 training hours per staff.</li> <li>• More than 83% staff attended at least 1 ESG training.</li> <li>• Zero staff work-related fatality and permanent disability.</li> <li>• One contractor work-related fatality<sup>4</sup> and zero contractor work-related permanent disability.</li> <li>• No reported incidents relating to discrimination, child labour or forced labour in CapitaLand.</li> <li>• Retained ISO 45001 certification in 15 countries for more than a decade.</li> </ul> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Human Capital</p>   </div> <div style="text-align: center;"> <p>Social and Relationship Capital</p>   </div> </div>

<sup>1</sup> Data provided is as of 31 December 2022 (with 92% coverage). The full year data from 1 January 2022 to 31 December 2022 will be available in the CLI Global Sustainability Report 2022.  
<sup>2</sup> Covers CLI owned and managed properties (by m<sup>2</sup>).  
<sup>3</sup> For more information, please refer to the CLI Global Sustainability Report 2022.  
<sup>4</sup> Despite CapitaLand's best efforts to assure site safety, there was one workplace fatality involving CLI's contractor staff in Singapore. Detailed investigations were undertaken, and remedial, as well as improvement actions, were implemented by the contractor. Lessons learnt from the incident were shared across business units globally, and the Group's commitment to strengthen its safety standards was further reinforced.

# Sustainability

Our Commitments	2022 Value Created	
<b>Governance</b> <ul style="list-style-type: none"> <li>CapitaLand has in place a Board Diversity Policy which provides for the Board to comprise talented and dedicated Directors with a wide mix of expertise (including industry, domain and functional expertise), skills, experience (including international experience) and perspectives, with due consideration to diversity in gender, age, tenure, ethnicity and culture, and geographical background including nationality, as well as any other relevant aspects of diversity.</li> <li>CapitaLand is committed to meeting high standards of risk management in the way it conducts its business. All employees are required to understand and be responsible for ensuring that risks are managed effectively in their day-to-day work.</li> <li>CapitaLand requires third-party service providers and vendors to adhere to anti-bribery and anti-corruption provisions.</li> <li>CapitaLand's Supply Chain Code of Conduct influences its supply chain to operate responsibly in the area of anti-corruption.</li> </ul>	<ul style="list-style-type: none"> <li>About 20% of the Board were women.</li> <li>Close to 90% of staff attended Fraud, Bribery &amp; Corruption awareness online training.</li> <li>More than 80% of staff attended Whistle-blowing training.</li> <li>More than 60% of staff attended Cybersecurity training.</li> <li>100%<sup>5</sup> of CLI's supply chain agreed to abide by CapitaLand's Supply Chain Code of Conduct.</li> </ul>	Organisational Capital  Human Capital  
<b>Economic</b> <ul style="list-style-type: none"> <li>Integrate CapitaLand's ESG performance with financial metrics.</li> </ul>	<ul style="list-style-type: none"> <li>CLI and its listed REITs and business trusts raised S\$4.7 billion of sustainable financing in FY 2022.</li> <li>Please refer to the following sections in the CLI Annual Report 2022:               <ul style="list-style-type: none"> <li>Performance Highlights, page 7</li> <li>Three-Year Financial Summary &amp; Performance Review, pages 33 to 37</li> <li>Value Added Statement, page 276</li> </ul> </li> </ul>	Financial Capital

5 Property maintenance and project related contracts for owned and managed properties and projects. This includes supply chain complying with their own code of conduct which is equivalent or more stringent than CapitaLand's Supply Chain Code of Conduct.

## LEVERAGING SUSTAINABLE FINANCE FOR DECARBONISATION

Since 2018, over S\$11.6 billion has been raised in sustainable finance by CLI Group including its listed REITs and business trusts.



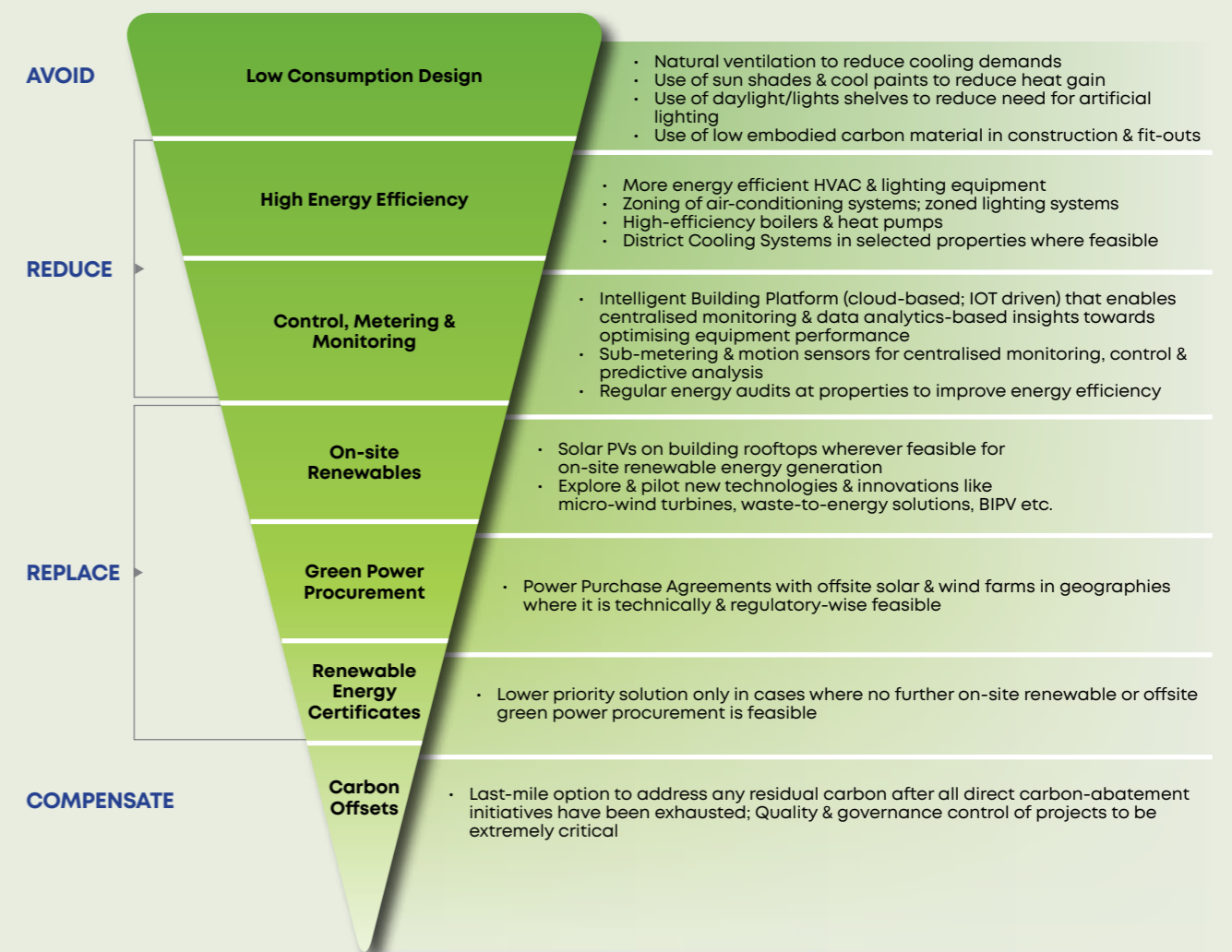
## COMMITTING TO NET ZERO BY 2050 AND ELEVATING CAPITALAND'S CARBON EMISSIONS REDUCTION TARGET TO 1.5°C SCENARIO

In 2022, CapitaLand Group elevated its scope 1 and 2 carbon emissions reduction targets which were validated by SBTi to be in line with a 1.5°C trajectory<sup>1</sup>, currently the most ambitious designation available through the SBTi process. This will translate to Net Zero by 2050.

Aligned with the Group's elevated science-based target, CLI commits to reducing its absolute scope 1 and 2 emissions by 46% by 2030 from a 2019 base year and aims to achieve Net Zero by 2050, consistent with the effort required to limit global temperature increase to below 1.5°C.

To operationalise its SBTi-approved carbon emissions reduction target for scope 1 and 2 emissions, CLI is reviewing its carbon intensity reduction targets and other environment targets, including changing reference to 2019 as the baseline year instead of 2008<sup>2</sup>. CLI also aims to conduct a comprehensive review of its scope 3 emissions to better track and disclose its material scope 3 emissions, and is committed to developing scope 3 emission goals aligned to science-based targets.

Over the next decade, as part of CLI's roadmap to Net Zero, CLI will prioritise the decarbonisation levers below, and in particular, continue to source globally for new ideas and technologies to achieve higher energy efficiency and intensify its renewable energy integration efforts.



<sup>1</sup> The carbon emissions reduction target in line with a 1.5°C trajectory was elevated from its target of a "well-below 2°C" trajectory set in 2020.

<sup>2</sup> It is reviewed as part of the scheduled review of CapitaLand's 2030 SMP in 2022 and will be published before end May 2023.

# Pushing the Boundaries for a Sustainable Built Environment with Innovation

The CapitaLand Sustainability X Challenge (CSXC) is a global platform to advance innovation and collaboration in sustainability within the built environment. Through CSXC, CapitaLand aims to source for emerging solutions and technologies globally to solve sustainability challenges impacting the built environment.

**20\***  
innovations being piloted or planned at  
**24\***  
sites within CapitaLand properties in  
**5\***  
countries

\* As at 28 February 2023

CSXC 2021:  
**>270**  
entries from  
**25**  
countries

CSXC 2022:  
**>340**  
entries from  
**>50**  
countries

## SUCCESSFUL CSXC 2021 PILOT



**NEW GENERATION BIO WATER SAVING STICK**  
Irrigation via transfer of humidity from air to ground

› One landscape zone in Aperia, Singapore (Integrated development)

**ACHIEVED** › Up to **33%** irrigation water savings

## CSXC 2022 PILOTS

IN PROGRESS



**CLEANAIR.AI**  
ALVI CleanAir Safety System™: sensors & active polarisation provide buildings with HEPA-class air quality



› Perimeter Four (USA)  
› 6 Battery Road (SG)



› **10%** Improvement in IAQ  
› Up to **6,000kWh** energy savings per AHU



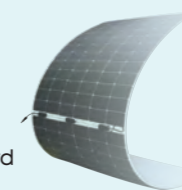
**SUNMAN ENERGY**  
World's first glass-free, lightweight & flexible solar panel, can be used on roofs that are unable to support glass modules for structural reasons



› Jiangsu Kunshan Logistics Park (CN)



› Comparable performance to standard glass solar panel with **70% reduced** weight of panel



**ECOFLOW**  
Air-compression valve to improve water meter accuracy



› Ascott Sathorn (TH)  
› 9 Tai Seng (SG)  
› Funan (SG)



› **▼ 10%** water cost



**HYDROLEAP**  
On-site electro-oxidation to reduce cooling tower blowdown



› 9 Tai Seng (SG)



› **▼ 40%** blowdown water



**SLIDELUVRE**  
Smart voltaic louvres



› 6-20 Clunies Ross Street (AU)



› Solar energy yield up to **200 kWh/m<sup>2</sup>** slat area/year



**WI.PLAT**  
Intelligent building leak detection system



› CQ@Clarke Quay (SG)



› **More than 2** detection & locations of unobserved water leaks



IN PLANNING



**ENEXOR BIOENERGY**  
Renewable energy system: converts organic, biomass, or plastic waste into onsite renewable electricity & thermal power while offsetting significant volumes of carbon dioxide



› **▼ 20%** energy and waste cost



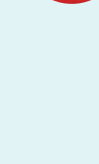
**LOH AND SONS PAINT CO (In partnership with SolCold)**  
Nanoparticle material using sunlight for active cooling



› **▼ 10%** energy consumption



**PASSIVE EDGE TECH**  
Phase-change material for thermal control and storage



› **▼ 25%** air-conditioning energy consumption



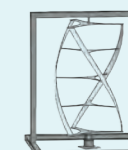
**MAINI RENEWABLES**  
Efficient micro wind turbine



› ITPP- Cyprus (IN)



› **15,000 kWh** energy generation



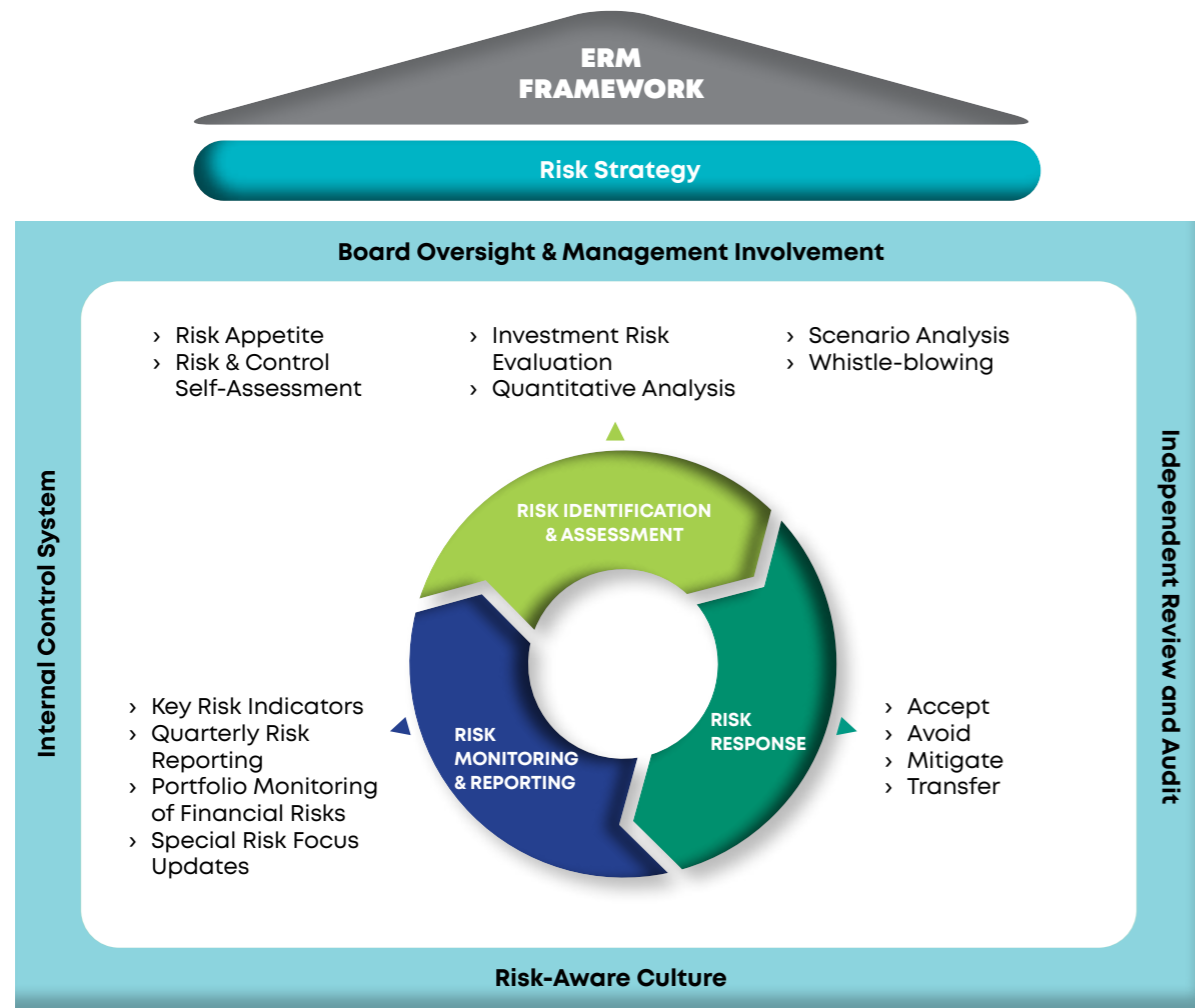
Note: Targets as provided by investors & CLI is currently working with them to establish the pilot savings targets for the pilots at CapitaLand assets. Depending on nature of innovation & control/comparisons required, not all innovations are initially tested at full building or project level.

# Risk Management

CapitaLand Investment (CLI) maintains a robust risk management framework that allows us to proactively identify, assess and respond to material risks that can impact our objectives of generating sustainable returns as a global real estate investment manager (REIM) and creating long-term value for our stakeholders. We position CLI for long-term sustainable results by pursuing a risk strategy of optimisation of opportunities within approved risk appetite levels.

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

CLI's Enterprise Risk Management (ERM) Framework is adapted from the International Organisation for Standardisation 31000 International Risk Management Standards. It is benchmarked against other relevant best practices and guidelines and reviewed annually to ensure its continued relevance and practicality. It sets out the required environmental and organisational components needed to identify, assess, respond to, monitor and report material risks in an integrated, systematic and consistent manner as depicted below.



### BOARD OVERSIGHT AND SENIOR MANAGEMENT INVOLVEMENT

The CLI Board (the Board), assisted by the Risk Committee, approves the Group's risk appetite (risk tolerance) which determines the nature and extent of material risks the Group is willing to take to achieve its strategic objectives.

The Board also regularly reviews the Group's risk profile, material risks and mitigation strategies, and ensures the adequacy and effectiveness of the risk management framework and policies.

The Senior Management team directs and monitors the implementation and practice of risk management across the Group, including monitoring the risk exposure through key risk indicators.

Optimise Risk      Create Value



### ROBUST INTERNAL CONTROL SYSTEM

CLI's ERM Framework operates within a risk governance structure based on three lines of defence. The first and second line of defence are responsible for the design and implementation of effective internal controls using a risk-based approach.

Employees play an important role as the first line of defence and are accountable for the effective management of risks that arise from their business activities.

The risk management and compliance departments as part of the second line of defence provide oversight and governance over risk management and compliance practices, promote and embed a culture of risk ownership and accountability.

### A STRONG CULTURE OF RISK AWARENESS

The first line of defence, comprising employees, risk champions or representatives from business units and corporate functions, work closely with the second line of defence to ensure risk management practices are implemented effectively and consistently across the Group.

Risk workshops are conducted regularly to ensure these practices are embedded in our decision-making and business processes.

Senior Management reinforces the culture by setting the right 'tone at the top', leading by example, and communicating our risk management strategy.

### REGULAR INDEPENDENT REVIEW AND AUDIT

Internal and External Audit as the third line of defence reviews the adequacy and effectiveness of risk management and internal control systems design and implementation so as to provide reasonable assurance to the Board.



# Risk Management

## CLI'S MATERIAL RISKS AND OPPORTUNITIES

A Group-wide Risk and Control Self-Assessment (RCSA) is conducted annually by all business units and corporate functions to identify key material risks, which include new and emerging risks, that CLI faces in delivering our strategic objectives, our respective mitigating measures and any opportunities that we can leverage on. Based on the 2022 RCSA results, the measures that we have taken to mitigate the material risks and opportunities that we can capitalise on are set out below:

Material Risks	Key Mitigating Actions	Opportunities
<p><b>Climate Change</b></p> <p>Physical risks such as rising sea levels, violent storms, long intense heat waves, flash floods and fresh water depletion.</p> <p>Transitional risks including potentially more stringent regulations and increased expectations from stakeholders.</p>	<ul style="list-style-type: none"> <li>Detailed assessment of the physical risks in the evaluation of any new acquisitions.</li> <li>Incorporate shadow internal carbon price in the evaluation of new investment/capital expenditure decisions. This helps to price in climate-related costs and opportunities, support low-carbon investments, prepare for stringent climate legislation, and avoid stranded assets.</li> <li>Regularly review the Group's mitigation and adaptation efforts, which include               <ul style="list-style-type: none"> <li>future-proofing our portfolio against changing climatic conditions from the design stage; and</li> <li>improving the operational efficiency of our properties, setting targets for carbon emissions, water, energy and waste management efficiency.</li> </ul> </li> <li>Well-established Group environmental management system which is externally certified to ISO 14001 in 15 countries.</li> <li>For more information, please refer to CLI's Global Sustainability Report (SR) 2022, to be published by 31 May 2023.</li> </ul>	<ul style="list-style-type: none"> <li>Enhance our positive reputation and build a strong track record in our sustainability efforts as a competitive advantage for the Group.</li> <li>Accelerate sustainability innovation and collaboration with tenants, supply chain contractors, vendors and suppliers.</li> <li>Capture opportunities that may arise in related fields or sectors.</li> </ul>
<p><b>Fraud, Bribery &amp; Corruption (FBC)</b></p> <p>Any forms of fraud, bribery and corruption that could be perpetuated by employees, third parties or collusion between employees and third parties.</p>	<ul style="list-style-type: none"> <li>Foster a culture of ethics and integrity in the Group.</li> <li>Adopt a zero-tolerance stance against FBC across our businesses.</li> <li>Communicate our commitment to integrity from the top through policies and practices, such as FBC Risk Management Policy, Whistle-blowing Policy, Ethics and Code of Business Conduct Policies and Anti-Money Laundering and Countering the Financing of Terrorism Policy and mandatory eLearning.</li> </ul>	
<p><b>Safety, Health &amp; Well-being</b></p> <p>Increased expectations from stakeholders to provide a safe and healthy environment, including well-being, at our assets and operations.</p>	<ul style="list-style-type: none"> <li>Assess health and safety-related risks in the evaluation of any new acquisitions.</li> <li>Entrench a sustainable safety culture through deep safety capabilities, disciplined safety practices, and a progressive and pervasive safety mindset that drives key safety performance targets for both CLI and our supply chain.</li> <li>Well-established Group occupational health and safety management system which is externally certified to ISO 45001 in 15 countries.</li> <li>For more information, please refer to CLI's Global SR 2022, to be published by 31 May 2023.</li> </ul>	

Material Risks	Key Mitigating Actions	Opportunities
<p><b>Competition</b></p> <p>Keen industry competition from established REIMs who are able to attract and manage more capital by meeting investors' expectations or reacting aptly to market trends.</p>	<ul style="list-style-type: none"> <li>Dedicated focus with three synergistic growth drivers in Fund Management, Lodging Management and Capital Management for focused growth and sustainable returns.</li> <li>Leverage ONE CapitalLand ecosystem for development partnerships and ensuring assets pipeline with CapitalLand Development.</li> <li>Leverage CLI's strong network of investment and asset management professionals with deep knowledge in multi-sector assets to source for opportunities in local markets.</li> <li>Rely on deep experience in multi-sector asset classes and portfolios, best-in-class operating platforms and proven track record in growing funds under management.</li> <li>Leverage in-house team of industry analysts to keep the Group on top of latest market trends.</li> </ul>	<ul style="list-style-type: none"> <li>Build a leading global listed REIM with strong presence in Asia to tap into growing interest in Asia real estate.</li> </ul>
<p><b>Cyber Security &amp; Information Technology</b></p> <p>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.</p>	<ul style="list-style-type: none"> <li>Execute CLI's Cyber Security Strategy through ongoing review against existing/evolving threat landscapes, and institute measures to minimise vulnerability exposure and manage threat vectors.</li> <li>Ongoing mandatory staff IT Security Awareness Training to counter human intervention in the information security chain.</li> <li>Periodically review and update Group-wide IT Security Policy and Data Protection Framework to ensure relevancy.</li> <li>Maintain and test IT Security Incident Management Procedure to ensure prompt response and timely remediation to cyber security incidents.</li> <li>Conduct annual Disaster Recovery Plan exercise to ensure timely recoverability of business-critical IT systems.</li> <li>Put in place enhanced protection controls for systems that hold personal data.</li> <li>Board oversight with regular updates to Risk Committee on the state of Cyber Security risk activities and key control improvements.</li> </ul>	<ul style="list-style-type: none"> <li>Build a cyber resilient infrastructure and network to harness the full potential of innovation and digital transformation of our business processes.</li> </ul>
<p><b>Economic</b></p> <p>Economic instability or changes in macro-economic factors such as inflation or unemployment, which results in challenging business conditions.</p>	<ul style="list-style-type: none"> <li>Diversify CLI's portfolio across asset classes and geographies in accordance with Board-approved country limits.</li> <li>Focus on CLI's core markets in Asia where the Group has operational scale and the underlying economic fundamentals are more robust.</li> <li>Actively monitor macroeconomic trends, policies and regulatory changes in CLI's key markets.</li> <li>Perform scenario analysis using an in-house developed 'Value-at-Risk' model.</li> </ul>	<ul style="list-style-type: none"> <li>Leverage our strong experience and network in Asia to access investment opportunities globally while maintaining focus on our core markets in Asia.</li> </ul>

# Risk Management

Material Risks	Key Mitigating Actions	Opportunities
<p><b>Financial</b></p> <p>Exposure to financial risks involving liquidity, foreign currency and interest rates and their volatility.</p>	<ul style="list-style-type: none"> <li>Measure and evaluate financial risks using multiple risk management models, such as conducting stress testing and 'Value-at-Risk' modelling.</li> <li>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 244.</li> </ul>	<ul style="list-style-type: none"> <li>Manage our financial risks to give confidence to our investors and enhance our fund management track record.</li> <li>Leverage our strong balance sheet to capture opportunities that may arise in this rapidly changing market.</li> </ul>
<p><b>Investment &amp; Divestment</b></p> <p>Deployment of capital into loss-making or below-target return investments due to wrong underwriting assumptions or poor execution.</p> <p>Inadequate planning to identify suitable divestment opportunities.</p>	<ul style="list-style-type: none"> <li>Risk management department conducts a comprehensive independent risk evaluation for all projects above a stipulated investment value threshold.</li> <li>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 where necessary.</li> <li>All investment proposals are subject to a robust investment approval process and undergo comprehensive due diligence by engaging the support of an inter-disciplinary internal team, and/ or local independent consultants to advise on legal, tax, building design, quality, environmental, safety and security, and compliance with local laws and regulations.</li> </ul>	<ul style="list-style-type: none"> <li>Build on strong experience and track record in multi-sector assets and portfolios to increase our competitive advantage.</li> </ul>
<p><b>Political &amp; Policy Risk</b></p> <p>Instability or political changes in a country, changes in international policies or relations between countries as well as sudden changes in real estate related regulations in major economies and key markets where CLI operates.</p>	<ul style="list-style-type: none"> <li>Actively monitor the geo-political environment, government policies and regulatory changes to anticipate shifts in trade, growth and innovation in our key markets.</li> <li>Local management teams establish good working relationships with local authorities so as to be kept abreast of regulatory and policy changes, and lobby or engage with local authorities.</li> </ul>	<ul style="list-style-type: none"> <li>Access to investment opportunities globally with a focus on CLI's core markets in Asia to take advantage of shifts in asset classes, growth industries, and economies.</li> </ul>
<p><b>Regulatory &amp; Compliance</b></p> <p>Non-compliance to applicable laws and regulations, including tax, data protection and privacy, in the markets where CLI operates.</p>	<ul style="list-style-type: none"> <li>Maintain a framework that proactively identifies the applicable laws and regulations, including taxation, and embeds compliance into day-to-day operations.</li> <li>Leverage in-house specialised teams such as compliance and tax, and external consultants to provide advisory services and updates on changes to laws and regulations.</li> <li>Establish Group-wide policies and procedures to address the requirements of the applicable laws and regulations such as Personal Data Protection Policy and Anti-Money Laundering Policy.</li> </ul>	<ul style="list-style-type: none"> <li>Keep abreast of the changing regulatory landscape to identify opportunities for improvements in the various compliance areas.</li> </ul>

# Corporate Governance

## OUR GOVERNANCE FRAMEWORK

<b>Chairman</b>					
<b>MIGUEL KO</b>					
<b>KEY RESPONSIBILITIES</b>					
Leads the Board and facilitates the conditions for the overall effectiveness of the Board, Board Committees and individual Directors; provides oversight, direction, advice and guidance to the Group CEO					
<b>Board of Directors</b>					
<b>10 DIRECTORS (8 INDEPENDENT DIRECTORS AND 2 NON-INDEPENDENT DIRECTORS)</b>					
<b>KEY RESPONSIBILITIES</b>					
Fosters the success of the Company so as to deliver sustainable value over the long term; engages with stakeholders based on the principles of sustainability and sound governance					
Audit Committee	Executive Committee	Executive Resource and Compensation Committee	Nominating Committee	Risk Committee	Strategy and Sustainability Committee
<b>CHALY MAH CHEE KHEONG</b> (Chairman)	<b>MIGUEL KO</b> (Chairman)	<b>JUDY HSU CHUNG WEI</b> (Chairman)	<b>GABRIEL LIM MENG LIANG</b> (Chairman)	<b>KEE TECK KOON</b> (Chairman)	<b>ANTHONY LIM WENG KIN</b> (Chairman)
4 IDs	2 IDs and 2 Non-IDs	2 IDs and 1 Non-ID	2 IDs and 1 Non-ID	5 IDs	3 IDs and 2 Non-IDs

## INTRODUCTION

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

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

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

This corporate governance report (Report) sets out the corporate governance practices and structures in place for the financial year ended 31 December 2022 (FY 2022), and which are benchmarked against the Code of Corporate Governance 2018 (Code).

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

## BOARD MATTERS

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

#### Board's Duties and Responsibilities

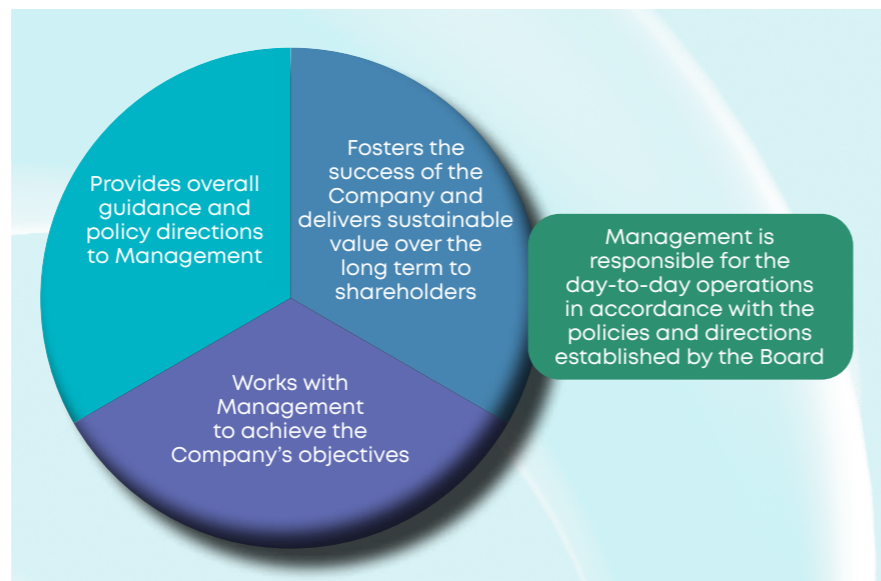
The Board has the primary responsibility to foster the success of the Company so as to deliver sustainable value over the long term, and to engage stakeholders based on the principles of sustainability and sound governance. It oversees the strategic direction, performance and affairs of the Group and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

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

- (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, and 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 succession plans, the remuneration policy and guidelines, and the general framework of remuneration for Directors, as well as approving the appointment of new Directors;
- (g) approving the succession plans, the overall remuneration policy and compensation framework, and the individual compensation package for Group CEO and other key management personnel positions, as well as approving the corporate organisational structure and the appointment of the Group CEO and other key management positions; and
- (h) reviewing any matter which involves a conflict of interest for a substantial shareholder or a Director.

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

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



culture, and ensures proper accountability within the Company. In line with this, the Board has incorporated in the Board Code of Business Conduct & Ethics a standing policy that each Director must not allow himself/herself to get into a situation where his/her duty to the Company conflicts with his/her own interests and, in this regard, a Director is required to disclose to the Board his/her interests in any transaction to which the Company is a party, and any other conflicts (including potential conflicts) of interest. Where a Director has an interest in a transaction or a conflict of interest in a particular matter, he/she is required to declare his/her interest to the Board, recuse himself/herself from the deliberations and abstain from voting on the transaction or matter. During FY 2022, every Director has complied with this policy and, where relevant, such compliance has been duly recorded in the minutes of meeting or, as the case may be, circular resolution. Consistent with the principle that Directors are fiduciaries of the Company, the Company also has a policy of not providing loans to Directors. Further, Directors are required to act with due diligence in the discharge of their duties and they are responsible for ensuring that they have the relevant knowledge (including understanding the business of the Company and the environment in which it operates) to carry out and discharge their duties as Directors. They are also required to dedicate the necessary effort, commitment and time to their work, and are expected to attend all meetings of the Board, except if unusual circumstances make attendance impractical or if a Director has to recuse himself/herself from the meeting in relation to the sole matter under consideration at such meeting. All Directors currently on the Board as at 15 March 2023 (and who also served as Directors during FY 2022) have attained a 100% attendance record for all Board and Board Committee meetings held in FY 2022.

#### Sustainability

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

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

In 2020, prior to the strategic restructuring of CapitaLand and its businesses, CapitaLand Limited (CL), which is now known as CapitaLand Group Pte. Ltd. (CLG), adopted the CapitaLand 2030 Sustainability Master Plan (SMP) to elevate the CapitaLand Group's commitment to global sustainability in built environments given its presence in more than 220 cities and over 40 countries. As part of its listing on the Mainboard of the Singapore Exchange Securities Trading Limited (SGX-ST) by introduction on 20 September 2021 (Introductory Listing), the Company adopted the same master plan. The SMP is a strategic blueprint which outlines the Company's goals and directs sustainability efforts towards a common purpose. The master plan sets out the Group's sustainability targets over the next decade and the pathways to achieve such targets. It focuses on the three key pillars of ESG to drive the Company's sustainability efforts. As part of its sustainability commitment, the Company embeds ESG considerations into its investment analysis, financing consideration and day-to-day business operations. The SMP is regularly reviewed where necessary to ensure that it remains relevant in terms of complementing the Group's business strategy and alignment with climate science. During the first scheduled review in FY 2022, the Company revised its sustainability targets to elevate its Science Based Targets initiative-approved targets in line with a 1.5°C scenario, incorporate its Net Zero commitment for scope 1 and 2 emissions, and enhance focus on social indicators.

For more information, please refer to the Sustainability section on pages 82 to 91 of this Annual Report.

## Directors' Development

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

Each newly-appointed Director is provided with a formal letter of appointment setting out the key terms of appointment, the time commitment expected, the Company's guidelines on the tenure of Directors and other relevant matters pertaining to the appointment. He or she also has access to the Director's Manual which includes information on a broad range of matters relating to the role, duties and responsibilities of a Director and the Company's policies relating to disclosure of interests in securities, conflicts of interests and securities trading restrictions. All Directors upon appointment 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. Conducted by the Group CEO and Senior Management executives, the induction programme also provides opportunities for the new Director to get acquainted with members of Senior Management which facilitates their interaction at Board meetings. Where a newly appointed Director has no prior experience as a director of an issuer listed on the SGX-ST, such Director will undergo training on the roles and responsibilities of a director of a listed issuer, as prescribed by the SGX-ST, unless the Nominating Committee determines that such training is not required because the Director has other relevant experience. As a first-time Director of a SGX-ST listed company, Tan Sri Abdul Farid bin Alias who was appointed on 1 January 2023 will undergo training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST in the financial year ending 31 December 2023 (FY 2023).

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

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

During the year under review, the members of the Board spent close to 140 hours in aggregate attending various training programmes, forums and workshops. The training programmes attended by the Directors include the SID Directors Conference 2022, the SID Environmental, Social and Governance Essentials (Core) programme, as well as various other webinars and seminars organised by the Singapore Institute of Directors and business partners in relation to board matters, audit committee matters, ESG matters and cybersecurity matters. Being first time Directors of a SGX-ST listed company when they joined the Board on 1 January 2022, Mr David Su Tuong Sing and Ms Helen Wong Siu Ming also underwent training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST during FY 2022.

During FY 2022, all the Board members at the time also attended the sustainability training as prescribed under the Listing Manual of the SGX-ST (Listing Manual). Arrangements will be made for Tan Sri Abdul Farid bin Alias, who was appointed as a Director after FY 2022, to attend such mandatory sustainability training in FY 2023.

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

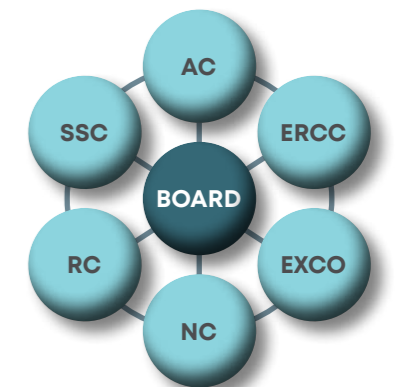
- (a) Real Estate Landscape and Asset Management Space;
- (b) New Balance of Power: 5 Lessons from the Ukrainian War;
- (c) European Investors' Sentiment and Thematic Focus; and
- (d) Current Macro Environment and Capital Allocation Outlook and Strategies.

In addition to the various training programmes, forums and workshops, the following research series by the Company's Group Research team were also shared with the Directors during the year under review:

- (a) China's Deleveraging Reform – Opportunities Ripe for Select Picking (June 2022);
- (b) An Opportune Time to Gain Exposure to Asia Pacific Real Estate (July 2022);
- (c) Serviced Residences (& Co-Living) Becoming a Mainstream Investment Asset Class (September 2022); and
- (d) The Journey to Net-Zero – Towards a Greener Investment Mandate (October 2022).

## Board Committees

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



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

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

The Board adopts a cross-Committee membership approach between the AC and the RC to facilitate more effective communication and sharing of information and ensure better coordination of risk oversight which is essential given the interconnectivity of the key risks that a company could be faced with. In this regard, as of 15 March 2023, there are two AC members, namely Ms Helen Wong Siu Ming and Tan Sri Abdul Farid bin Alias, who are also members of the RC.

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

# Corporate Governance

The composition of the various Board Committees as of 15 March 2023 is set out in the table below as well as in the Corporate Information section on page 289 of this Annual Report.

## COMPOSITION OF BOARD COMMITTEES AS AT 15 MARCH 2023

Committees	AC	EXCO	ERCC	NC	RC	SSC
<b>Board Members</b>						
<b>Miguel Ko</b> Non-independent Chairman	-	C	M	M	-	M
<b>Lee Chee Koon</b> Group CEO and Non-independent Director	-	M	-	-	-	M
<b>Anthony Lim Weng Kin</b> Lead Independent Director	-	-	M	M	-	C
<b>Chaly Mah Chee Kheong</b> Independent Director	C	M	-	-	-	-
<b>Kee Teck Koon</b> Independent Director	-	M	-	-	C	-
<b>Gabriel Lim Meng Liang</b> Independent Director	-	-	-	C	M	-
<b>Judy Hsu Chung Wei</b> Independent Director	-	-	C	-	M	-
<b>David Su Tuong Sing</b> Independent Director	M	-	-	-	-	M
<b>Helen Wong Siu Ming</b> Independent Director	M	-	-	-	M	M
<b>Tan Sri Abdul Farid bin Alias</b> Independent Director	M	-	-	-	M	-
<b>Total</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>5</b>	<b>5</b>
Legend: AC: Audit Committee ERCC: Executive Resource and Compensation Committee RC: Risk Committee C: Chairman EXCO: Executive Committee NC: Nominating Committee SSC: Strategy and Sustainability Committee M: Member						

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

In FY 2022, the Board, on the recommendation of the NC, approved the renaming of the Strategy Committee to the Strategy and Sustainability Committee (with effect from 1 January 2023) as well as amendments to the terms of reference of the SSC, to better reflect the remit of this Board Committee. In addition, in recognition of the RC's existing oversight of workplace safety and health (WSH) matters, the NC recommended and the Board approved amendments to the terms of reference of the RC to clarify as well as to accord greater attention to WSH matters in the RC's scope of responsibilities.

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

In FY 2022, in view of the then impending retirement of Mr Stephen Lee Ching Yen and Ms Goh Swee Chen upon the conclusion of the annual general meeting (AGM) of the Company held on 29 April 2022 (2022 AGM), the Board undertook a review of the Board Committee memberships in February 2022, following from which the Board approved the following changes, which took effect after the conclusion of the 2022 AGM:

- Mr Stephen Lee Ching Yen stepped down as chairman of both the ERCC and the NC;
- Ms Judy Hsu Chung Wei was appointed as chairperson of the ERCC;
- Mr Gabriel Lim Meng Liang was appointed as chairman of the NC and stepped down as a member of the AC;
- Ms Goh Swee Chen stepped down as a member of both the ERCC and the RC; and
- Mr Anthony Lim Weng Kin was appointed as a member of the ERCC.

As part of the review of the proposed appointment of Tan Sri Abdul Farid bin Alias as a Director with effect from 1 January 2023, the Board again undertook a review of the Board Committee memberships in November 2022, following from which the Board approved the following changes, which took effect on 1 January 2023:

- Mr David Su Tuong Sing was appointed as a member of the AC;
- Ms Helen Wong Siu Ming was appointed as a member of the RC;
- Tan Sri Abdul Farid bin Alias was appointed as a member of both the AC and the RC; and
- Mr Anthony Lim Weng Kin stepped down as a member of the AC.

The Board Committees mandated by the Listing Manual and/or recommended by the Code (namely, the AC, the ERCC and the NC) are each chaired by a different independent Director.

### Meetings of Board and Board Committees

The Board and the respective Board Committees meet regularly to discuss strategy, financial results as well as operational and governance matters. Board and Board Committee meetings are scheduled prior to the start of each financial year in consultation with the Directors with a view to ensuring that all the Directors would be able to participate in the meetings. The Constitution of the Company (Constitution) also permits Directors to participate via audio or video conference. In view of the safe management measures and/or travel restrictions imposed by various countries due to the COVID-19 pandemic, virtual participation was necessary for certain Board and Board Committee meetings held during FY 2022. With the recent lifting of such COVID-19 restrictions, Directors have begun to attend in person for Board and Board Committee meetings held since January 2023.

The Constitution provides for the quorum necessary for the transaction of the business of the Directors at each Board meeting (unless fixed by the Directors at any number) to be two. The quorum for the transaction of the business of each Board Committee, however, is a majority of its members (excluding any member who has a conflict of interest in the subject matter under consideration). Notwithstanding this, there is an expectation for Directors to attend scheduled Board and Board Committee meetings, except if unusual circumstances make attendance impractical or if a Director has to recuse himself or herself from the meeting in relation to the sole matter under consideration at such meeting. All Board and Board Committee meetings held during FY 2022 attained attendance by Directors in excess of the aforementioned quorum requirements.

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

The Board holds at least five scheduled meetings each year, with *ad hoc* Board meetings convened as required. During FY 2022, the Board held seven meetings, including one held offsite to discuss strategy.

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

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

# Corporate Governance

Presentations and updates given by key executives at the Board meetings allow the Board to develop a good understanding of the progress of the Group's business and the issues and challenges the Group is faced with, as well as promote active engagement between Board members and the key executives. Any risk management or other major issues, including taxation, that are relevant to the Company's performance or position are also highlighted to the Board. Further, any material variance between any projections in budget or business plans and the actual results from business activities and operations are disclosed and explained to the Board. To keep the Board abreast of investors' concerns, feedback and perceptions, the Board receives regular updates on analyst estimates and views. This includes updates and analyses of the shareholder register, highlights of key shareholder engagements as well as market feedback.

Through the meetings, the Board reviews, monitors and oversees the implementation of the Group's corporate strategy. The Board also meets at least annually (including in FY 2022) to review and deliberate on strategy and strategic matters with Senior Management. In the lead-up to the Board meeting to discuss strategy in FY 2022, Management met with the SSC several times to seek its guidance in Management's formulation of strategic options for the Company.

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

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

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

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

Although the Company has adopted semi-annual financial results reporting with effect from its Introductory Listing on 20 September 2021, the Board meets at least on a quarterly basis.

A record of the Directors' attendance at general meeting(s) of shareholders and Board and Board Committee meetings held in FY 2022 is set out on page 141 of this Annual Report.

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

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

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

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

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

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

## PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

### Board Independence

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

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

The Company has a significant majority of independent Directors – 8 out of 10 Directors are non-executive independent Directors. The non-executive Chairman and the Group CEO are the only non-independent Directors. This exceeds the requirements in the Listing Manual, the Code and the Board Charter.

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

# Corporate Governance

Profiles of the Directors and their respective designations and roles are set out on pages 14 to 21 of this Annual Report. Key information on Directors is also available on the Company's website.

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

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

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

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



The Board assesses the independence of each Director annually and it last refreshed its assessment in January 2023. The paragraphs below set out the outcome of the assessment.

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

ADDITIONAL CONSIDERATIONS		
Directorships (if any) in Temasek, the majority shareholder of the Company through CLG, and in organisations linked to Temasek	Appointments (if any) in organisations which have a business relationship with the Group	Employment (if any) with the Company or any of its related corporations in the year under review or any of the past three financial years

Based on the outcome of the assessment, other than Mr Lee Chee Koon, Group CEO, and Mr Miguel Ko, non-executive Chairman, both of whom are the only non-independent Directors, all members of the Board are considered to be independent Directors. Mr Lee, who is Group CEO of the Company, is considered non-independent by virtue of his employment by the Company. Mr Ko is considered non-independent because of his past employment with CLA Real Estate Holdings Pte. Ltd. (CLA), a related corporation of the Company, within the past three financial years look-back period. Although Mr Ko is non-independent due to the past employment relationship, he does not take instructions from CLA in performing his role and duties as Chairman and he acts with independent judgement in the discharge of his duties and responsibilities.

Further, none of the non-executive Directors has been a company's former CEO in the past two years.

### Mr Chaly Mah Chee Kheong

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

Mr Mah is chairman of Surbana Jurong Private Limited (SJ). SJ is a subsidiary of Temasek and therefore also a related corporation of the Company. It is predominantly focused on the provision of building and engineering consultancy services, which the Group may engage for some of its projects.

SJ was not engaged to provide any services to the Group in FY 2022. The Company will continue to monitor and track any engagements with regard to SJ and the value of such engagements thereof, for consideration in the review of Mr Mah's independence.

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

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

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

## Mr Kee Teck Koon

Mr Kee Teck Koon does not have any relationships and is not faced with any of the circumstances identified in the Listing Manual, the Code or the Practice Guidance, or any other relationships that may affect his independent judgement.

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

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

## Mr Anthony Lim Weng Kin

Mr Anthony Lim Weng Kin is a non-executive director of DBS Group Holdings Ltd (DBS), a financial services group headquartered in Singapore with multinational operations across the Asia-Pacific region. DBS is one of the banks the Group works with for its financing requirements. The magnitude of the fees and payments made to DBS in FY 2022 exceeded the threshold amount of S\$200,000 (which is provided as a general guide in the Practice Guidance). However, Mr Lim's role in DBS is non-executive in nature and he is not involved in the business operations of DBS. The decision to engage DBS was made by Management in the ordinary course of business and on normal commercial terms, based on merit and competitive terms negotiated by Management. Mr Lim was not involved in the process for or approval of the engagement of DBS. In the event of any engagement of DBS requiring the Board's approval, Mr Lim will have to recuse himself under the Company's standing policy, which requires each Director to declare and recuse themselves from any situation(s) where there may be conflicts of interest between his/her duty to the Company and his/her other interest(s).

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

Mr Lim, also an NC member, had recused himself from the NC's as well as the Board's deliberations, respectively, on the assessment of his independence.

## Mr Gabriel Lim Meng Liang

Mr Gabriel Lim Meng Liang does not have any relationships and is not faced with any of the circumstances identified in the Listing Manual, the Code or the Practice Guidance, or any other relationships that may affect his independent judgement. Mr Lim is presently Permanent Secretary of the Ministry of Trade and Industry. The Board noted that Mr Lim's public office duties neither require him to take, nor subject him to any obligation to follow, any instructions from any government authorities in relation to the corporate affairs of the Company. This role also generates no conflict of interest issues in respect of his role as a Director of the Company.

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

Mr Lim, also an NC member, had recused himself from the NC's as well as the Board's deliberations, respectively, on the assessment of his independence.

## Ms Judy Hsu Chung Wei

Ms Judy Hsu Chung Wei is CEO, Consumer, Private and Business Banking of Standard Chartered Bank (Singapore) Limited (StanChart). She is in charge of StanChart's consumer, private and business banking business. StanChart is currently not a principal banker of the Group. In any event, should the relationship between StanChart and the Group develop, Ms Hsu will recuse herself from any engagement involving StanChart.

Ms Hsu is also a member of the Urban Redevelopment Authority (URA) board since 1 April 2018. As the national urban development and planning authority, the URA oversees development planning and approvals, as well as state land sales. It is noted that Ms Hsu's role as a non-executive Board member of URA generally does not generate any conflict of interest issues.

The Board also considered the conduct of Ms Hsu in the discharge of her duties and responsibilities as a Director, and is of the view that the relationships set out above did not impair her ability to act with independent judgement in the discharge of her duties and responsibilities as a Director. The Board is of the view that Ms Hsu has exercised independent judgement in the discharge of her duties and responsibilities. Based on the above, the Board arrived at the determination that Ms Hsu is an independent Director.

Ms Hsu had recused herself from the Board's deliberations on her independence.

## Mr David Su Tuong Sing

Mr David Su Tuong Sing does not have any relationships and is not faced with any of the circumstances identified in the Listing Manual, the Code or the Practice Guidance, or any other relationships that may affect his independent judgement.

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

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

## Ms Helen Wong Siu Ming

Ms Helen Wong Siu Ming does not have any relationships and is not faced with any of the circumstances identified in the Listing Manual, the Code or the Practice Guidance, or any other relationships that may affect her independent judgement.

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

Ms Wong had recused herself from the Board's deliberations on her independence.

## Tan Sri Abdul Farid bin Alias

Tan Sri Abdul Farid bin Alias is a new member of the Board (appointed on 1 January 2023). A review was conducted for the purpose of his appointment as a Director of the Company. The outcome of the review was that he did not have any relationships and was not affected by any circumstances that might interfere with the exercise of his independent business judgement. The NC recommended and the Board approved his appointment as an independent Director on that basis.

The Board is not aware of any changes in circumstances since the abovementioned review, which may affect Tan Sri Abdul Farid's independence. The Board has had the opportunity of working with Tan Sri Abdul Farid since he came on board on 1 January 2023, and is of the view that he has exercised independent judgement in the discharge of his duties and responsibilities. Based on the above, the Board arrived at the determination that Tan Sri Abdul Farid is an independent Director.

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



# Corporate Governance

## Board Diversity

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

The Company values the benefits that diversity can bring to the Board in its deliberations by avoiding groupthink and fostering constructive debate. Diversity enhances the Board's decision-making capability and ensures that the Company has the opportunity to benefit from all available talent and perspectives, which is essential to the effective business governance and for ensuring long-term sustainable growth.

The Company's diversity targets, plans and timelines for achieving the targets and progress towards achieving the targets are described below. Further information on the progress achieved during FY 2022 can be found at "Board Composition and Renewal" under Principle 4 of this Report.

Diversity Targets, Plans and Timelines	Targets Achieved/Progress Towards Achieving Targets
<b>Gender</b>	
<p>To have at least 2 female Directors on the Board during the period leading up to 2025.</p> <p>The Company believes in achieving an optimum mix of men and women on the Board to provide different approaches and perspectives.</p>	<p><b>Achieved</b> – As at the end of FY 2022, 2 out of 9 Directors are female. This represents 22% of the Board.</p>
<b>Age</b>	
<p>To ensure that the Board comprises Directors across the following age groups:</p> <p>(a) 50 and below; (b) 51 to 60; and (c) 61 and above,</p> <p>and to maintain such level of age diversity during the period leading up to 2025.</p> <p>The Company believes that age diversity would provide a broad spectrum of thoughts and views in Board and Board Committee deliberations.</p>	<p><b>Achieved</b> – As at the end of FY 2022, the Board comprises Directors across all 3 age groups.</p> <p>In particular, 2 Directors are 50 years old and below, 2 Directors are between 51 to 60 years old, and 5 Directors are 61 years old and above.<sup>1</sup></p>
<p><sup>1</sup> Tan Sri Abdul Farid bin Alias, who was appointed as a Director on 1 January 2023, is 55 years old as at 15 March 2023.</p>	
<b>Tenure</b>	
<p>To ensure that the Board comprises Directors across the following tenure groups:</p> <p>(a) less than 3 years; (b) 3 to 6 years; and (c) more than 6 years,</p> <p>and to maintain such level of tenure diversity during the period leading up to 2025.</p> <p>The Company believes that tenure diversity would facilitate Board renewal progressively and in an orderly manner, whilst ensuring knowledge continuity about the Company and its business operations and sustainability of corporate performance.</p>	<p><b>Achieved</b> – As at the end of FY 2022, the Board comprises Directors across all 3 tenure groups.</p> <p>In particular, 3 Directors have been on the Board for less than 3 years, 5 Directors have been on the Board for 3 to 6 years and 1 Director has been on the Board for more than 6 years.<sup>2</sup></p>
<p><sup>2</sup> This takes into account the Directors' respective tenures on the board of CL (now known as CLG), if any. As disclosed on page 158 of the Company's Introductory Document dated 17 July 2021, in view that the appointment of the relevant independent directors of CL (now known as CLG) as the Company's independent Directors was a natural transition from such directors' appointments as independent directors of CL, for the purposes of compliance with Rule 210(5)(d)(iii) of the Listing Manual (repealed on 11 January 2023), the period served by such directors as independent directors of CL should be counted towards, and treated as part of, the cumulative period that such directors will serve as the Company's independent Directors.</p>	

Diversity Targets, Plans and Timelines	Targets Achieved/Progress Towards Achieving Targets
<b>Skills &amp; Experience</b>	
<p>To ensure that the Directors, as a group, possess:</p> <p>(a) a variety of skill sets, including in core competencies, domain knowledge and other fields of expertise, such as finance, banking, real estate, fund and investment management and technology; and</p> <p>(b) a mix of industry experience, management experience, business acumen and listed company board experience, in particular on organisational development, sustainability matters and ESG matters,</p> <p>by 2025, or (if applicable) to maintain such level of diversity in skill sets and experience during the period leading up to 2025.</p> <p>The Company believes that diversity in skill sets would support the work of the Board and Board Committees and needs of the Company, and that an optimal mix of experience would help shape the Company's strategic objectives and provide effective guidance and oversight of Management and the Company's operations.</p> <p>The Company continually endeavours to deepen the bench strength of the Board with complementary and relevant expertise, including in the areas of fund and investment management, organisational development, sustainability matters and ESG matters.</p>	<p><b>In Progress</b> – As at the end of FY 2022, the Board comprises Directors who, as a group, possess a significant majority of the identified core skills and experience. There are opportunities to strengthen certain skill sets including fund and investment management and technology.</p> <p>In terms of skill sets, the Board comprises Directors with a variety of skills and expertise in areas including finance, banking, real estate, fund management, international capital markets and technology.</p> <p>In terms of experience, the Board comprises Directors who are corporate and business leaders and who collectively have experience in general business management, have served on public listed company boards and have international or regional experience.</p> <p>In terms of industry experience, the Directors collectively have exposure in various sectors and markets, including the venture capital industry, the China market and the international capital markets networks.</p>

The Company remains committed to diversity in the Board and any further progress made towards attaining the targets set will be disclosed in future Corporate Governance Reports as appropriate.

The NC, in carrying out its duties of determining the optimal composition of the Board in its Board renewal process and addressing Board vacancies, considers candidates that bring a diversity of background and opinion with the appropriate background and industry or related expertise and experience. In identifying possible candidates and making recommendations of Board appointments to the Board, the NC's considerations include achieving an appropriate level of diversity in the Board composition having regard to diversity factors such as skills, experience, gender, age, tenure, ethnicity, culture, geographical background and nationality, as well as educational, business and professional background of its members. In its annual review of the Board's composition, the NC expressly considers and includes a commentary to the Board on the subject of diversity, including gender diversity, in the composition of the Board. In this regard, the Board, taking into account the views of the NC, is of the opinion that the Board's current size is appropriate with an appropriate balance and diversity of skills, experience, gender, age, tenure, ethnicity, culture, and geographical background including nationality, taking into account the Company's diversity targets, plans and timelines and objectives of the Board Diversity Policy and the Group's business needs and plans, for effective decision-making, quality discussions and constructive debate.

In line with the Board Diversity Policy, the Board comprises Directors who are corporate and business leaders, or professionals with varied backgrounds, expertise and experience in areas including finance, banking, real estate, fund management, general management and technology, who bring with them the combination of skills, talents, experience and diversity required to serve the needs of and achieve the plans for the Group.

For further information on the NC's work in this regard, please refer to "Board Membership" under Principle 4 of this Report.

## PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

The Chairman leads and oversees the performance of the Board and plays a pivotal role in creating the conditions necessary for overall Board and individual director effectiveness. This includes setting the agenda of Board meetings in collaboration with the Group CEO, ensuring that the agenda takes full account of the important issues facing the Company and that there is sufficient information and time at meetings to address all agenda items, as well as promoting open and constructive engagement and dialogue among the Directors as well as between the Board and Group CEO at meetings. The Chairman also guides the Board through its decision-making process and ensures that the Board operates effectively as a team.

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

The Chairman also presides at AGMs and other general meetings where he plays a crucial role in fostering constructive dialogue between shareholders, the Board and Management.

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

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

As the Chairman is non-independent, the Board has appointed Mr Anthony Lim Weng Kin as the LID. As LID, Mr Lim's main duties are to facilitate the functioning of, and provide leadership to, the Board if circumstances arise in which the Chairman may be (or is perceived to be) in conflict, to support effective Board objectivity in business judgement and oversight, and to serve as an independent leadership contact for shareholders, Directors and Management especially where contact through the normal channels of communication with the Chairman or Management (as the case may be) is inappropriate or inadequate.

## PRINCIPLE 4: BOARD MEMBERSHIP

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

NOMINATING COMMITTEE		
<b>MR GABRIEL LIM MENG LIANG</b> Committee Chairman & Non-Executive Independent Director	<b>MR MIGUEL KO</b> Non-Executive Non-Independent Director	<b>MR ANTHONY LIM WENG KIN</b> Lead Independent Director & Non-Executive Independent Director

A majority of the NC members, including the chairman of the NC, are non-executive independent Directors. In FY 2022, the NC met twice. Mr Gabriel Lim Meng Liang was appointed as chairman of the NC with effect from the conclusion of the AGM held on 29 April 2022.

The NC also reviewed and approved various matters within its remit via circulating papers. Under its terms of reference, the NC's scope of duties and responsibilities is as follows:

- review and make recommendations to the Board on the size and composition of the Board, the succession plans for Directors, and the structure and membership of the Board Committees;
- review and recommend an objective process and criteria for the evaluation of the performance of the Board, Board Committees and Directors;
- ensure continual training and professional development programmes are put in place for the Directors, including ensuring that new Directors are trained to understand their duties and obligations;
- consider annually, and as and when circumstances require, if a Director is independent and provide its views to the Board for consideration; and
- review whether a Director has been adequately carrying out his or her duties as a Director.

### Board Composition and Renewal

The Board, through the NC, strives to ensure that the Board has an optimal and diverse blend of backgrounds, experience and knowledge in business and general management, expertise relevant to the Group's business and track record, and that each Director can bring to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made in the interests of the Group.

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

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

Board succession planning is carried out through the annual review by the NC of the Board composition as well as when a Director gives notice of his or her intention to retire or resign. The annual review takes into account, among other things, the requirements in the Listing Manual and the Code, feedback from any individual Board member as well as the diversity targets and factors in the Board Diversity Policy. The outcome of that review is reported to the Board. The Board seeks to refresh its membership progressively and in an orderly manner, whilst ensuring continuity and sustainability of corporate performance. The Board also has in place guidelines on the tenure of Directors. The guidelines provide that a Director is appointed for two terms of a total of approximately six years and any extension of tenure beyond six years will be rigorously considered by NC in arriving at a recommendation to the Board.

The NC identifies suitable candidates for appointment to the Board. In this regard, external consultants are retained from time to time to assist the NC in identifying candidates, to ensure that a diverse slate of candidates is presented for the NC's and the Board's consideration.

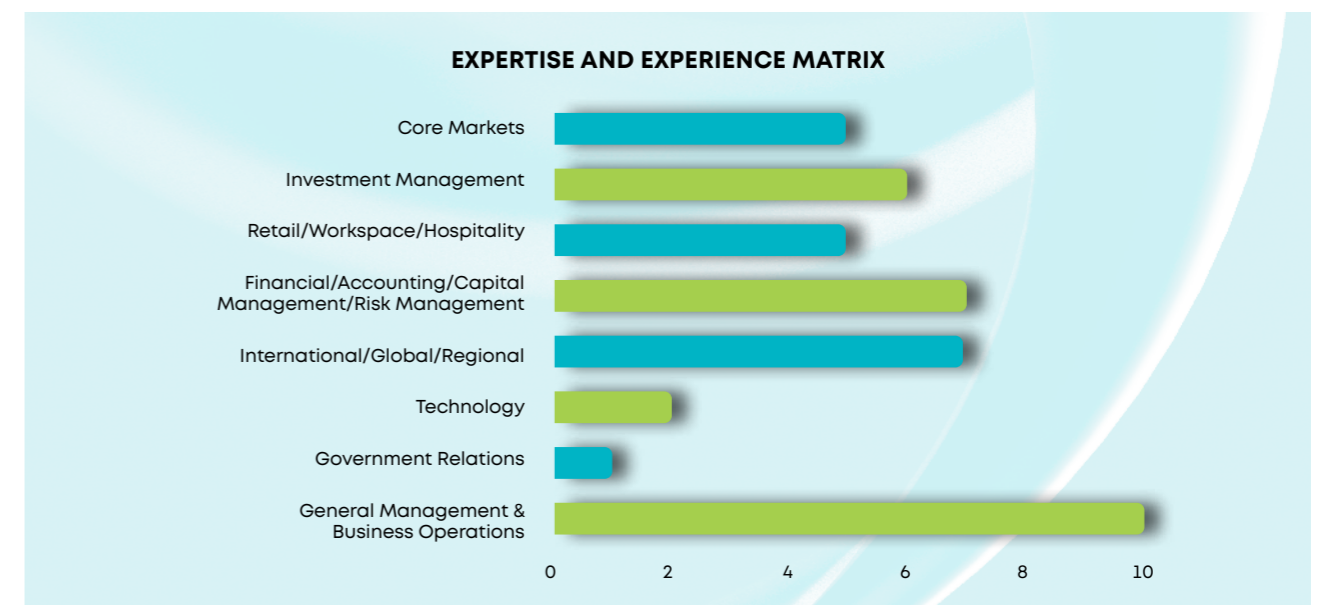
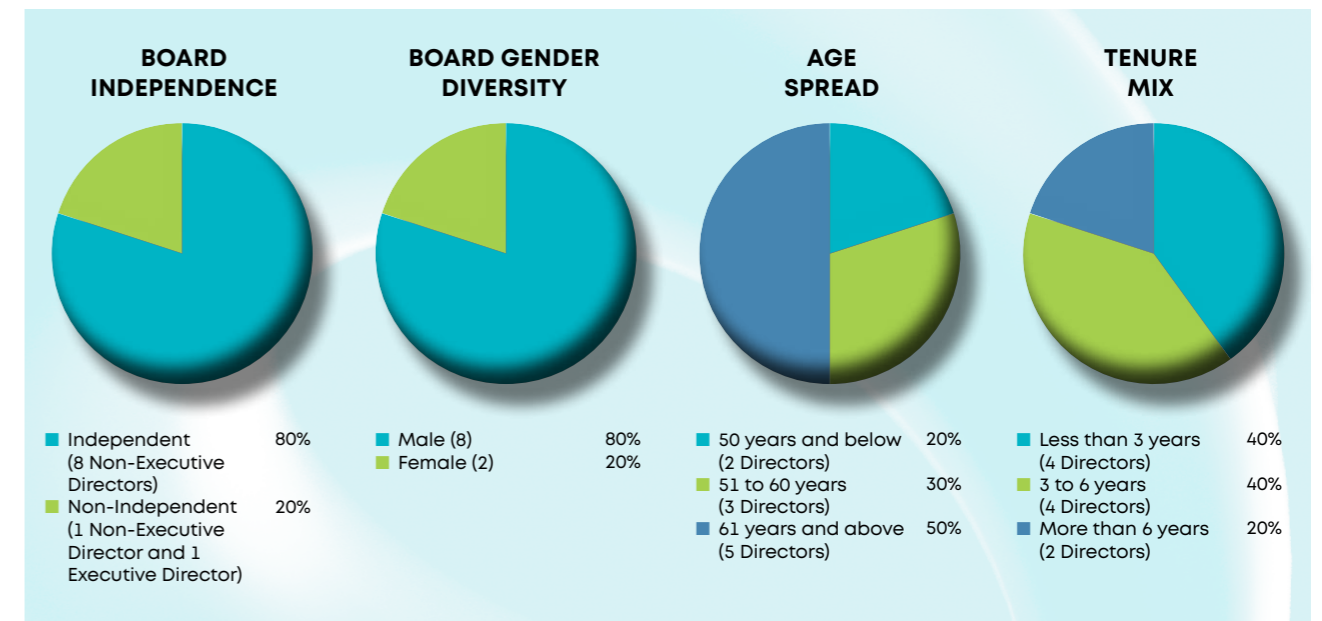
## Corporate Governance

Candidates are identified based on the needs of the Company, taking into account the strategic priorities of the Company and the relevant skills required. Those considered will be assessed against a range of criteria including the candidates' demonstrated business sense and judgement, skills and expertise, and market and industry knowledge (and may include elements such as financial, sustainability or other specific competency, geographical representation and business background) with due consideration to diversity, including but not limited to, diversity in business or professional experience, age and gender, ethnicity and culture, and geographical background (including nationality). The NC also considers the qualities of the candidate(s), in particular whether they are aligned with the strategic directions and values of the Company, while also assessing his or her ability to commit time to the affairs of the Company, taking into consideration the candidate(s)' other current appointments or commitments. The NC uses a skills matrix to determine the skills gaps of the Board and to assess if the expertise and experience of a candidate would complement those of the existing Board members.

Whilst the Board believes that it has an optimal blend of backgrounds, experience, knowledge in business and general management, and expertise relevant to help the Company deliver on its ambition and strategic priorities, it believes in planning for orderly succession as well as contingencies and is continually looking out for opportunities to fill future gaps in competencies and to renew the Board in a progressive manner. In FY 2022, Mr David Su Tuong Sing and Ms Helen Wong Siu Ming joined the Board. On 1 January 2023, Tan Sri Abdul Farid bin Alias joined the Board. These appointments augmented various aspects of Board diversity in terms of professional qualifications, ethnicity, industry and market knowledge, age and skills and experience. Mr David Su Tuong Sing brings considerable expertise and networks in the venture capital industry and the China market. Ms Helen Wong Siu Ming brings considerable fund management and international capital markets expertise and networks (including for the US). The appointment of Tan Sri Abdul Farid bin Alias, who brings considerable expertise and networks in the financial and banking sector and the ASEAN markets, also contributed to the ethnic diversity of the Board. In particular, these appointments enable the Board to achieve or, as the case may be, make significant progress towards achieving the following targets set for the Board:

- increase AC memberships;
- cross-Committee memberships between the AC and the RC;
- improve gender diversity; and
- improve ethnic diversity.

The NC remains focused on Board renewal and continues to identify opportunities for Board enhancement. In FY 2022, the NC also considered several other candidates (aside from Tan Sri Abdul Farid bin Alias), some of whom were female, but the process did not result eventually in appointments due to various reasons. The NC continues its efforts to search for and build its pipeline of possible Board candidates who are proven business leaders with complementary and relevant expertise. The need for ethnic and/or gender diversity, experience in overseeing sustainability matters and/or an appreciation of the fund management business are some of the considerations, taking into consideration some of the qualitative feedback from Directors and Management elicited from the Board evaluation exercise concluded for FY 2022. In this regard, the Board acknowledges that it may not be possible to find all the desired credentials and qualities in a single candidate and, therefore, it would be necessary to prioritise some of them, taking into consideration the current collective skill sets of the Board.



### Shareholders' Approval at AGM

Election of Board members is the prerogative and right of shareholders. The Constitution requires one-third of the Company's Directors (prioritised by the 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 earlier.

In addition, any Director who is newly appointed by the Board (whether as an additional Director or to fill a vacancy) will submit himself or herself for reelection at the AGM immediately following his or her appointment. Thereafter, he or she is subject to the one-third rotation rule. In this regard, Mr Miguel Ko, Mr Chaly Mah Chee Kheong and Mr Gabriel Lim Meng Liang, all of whom are retiring by rotation at the upcoming 2023 AGM, will be standing for reelection by shareholders. In addition, Tan Sri Abdul Farid bin Alias, who was newly appointed by the Board in January 2023, will be submitting himself for reelection at the upcoming 2023 AGM.

## Corporate Governance

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 that purpose, undertakes a review of the retiring Director's contributions to the Board's deliberations during the period in which the Director has been a member of the Board, taking into consideration also the collective skill sets of the Directors at that juncture and the near term targets and plans relating to Board renewal. The NC also considers the relevant Directors' attendance record and preparedness for and level of engagement at Board meetings, as well as their other appointments and commitments. Each member of the NC is required to recuse himself from deliberations on his own reelection. In this regard, the NC has carried out the requisite review and recommendation work in respect of the proposed reelection by shareholders of Mr Miguel Ko, Mr Chaly Mah Chee Kheong and Mr Gabriel Lim Meng Liang as Directors at the upcoming 2023 AGM. After taking into account their respective tenures on the board of CL, Mr Mah would have served as a Director for more than six years and Mr Lim, close to six years, as of the 2023 AGM. As required by the Board's guidelines that a Director be appointed for two terms of a total of approximately six years and any extension of tenure beyond six years be rigorously considered by the NC before arriving at a recommendation to the Board, the NC undertook a rigorous review of the proposed extension of Mr Mah's and Mr Lim's tenures beyond six years. Noting the respective contributions of Mr Ko, Mr Lim and Mr Mah, including as Board Chairman and/or chairman of the relevant Board Committees, the NC recommended to the Board to support their reelection at the upcoming 2023 AGM. The Board, after considering the NC's recommendation, has duly provided its support for their respective reelections. Tan Sri Abdul Farid bin Alias, who was newly appointed by the Board after the 2022 AGM, will also seek reelection at the upcoming 2023 AGM, and the Board has also duly provided its support for his reelection. Each Director seeking reelection at the upcoming 2023 AGM has recused himself from the Board's and, where applicable, the NC's deliberations on his reelection.

Shareholders elect the Directors or candidates put up for election and reelection at AGMs individually. Key information on the Directors or candidates who are seeking election or reelection at AGMs is provided in the Annual Report.

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

### Review of Directors' Ability to Commit Time

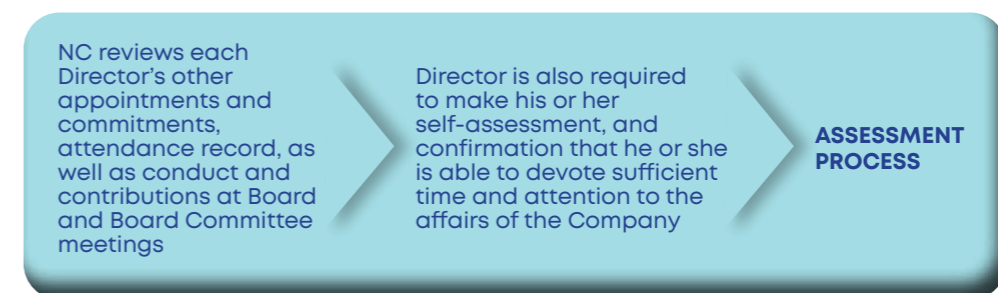
In view of the responsibilities of a Director, Directors need to be able to devote sufficient time and attention to adequately perform their duties and responsibilities. The NC reviews the other appointments and commitments of each Director on an annual basis and as and when there is a change of circumstances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

In reviewing whether a Director has adequately discharged his or her duties to the Company and a Director's ability to commit time to the affairs of the Company, the NC and the Board consider if the Director's total number of listed company board appointments is within the guidelines of major proxy advisor firms. In respect of the Directors' other appointments and commitments, the Board takes the view that the limit on the number of directorships and principal commitments that an individual may hold should be considered on a case-by-case basis, as a person's available time and attention may be affected by many different factors, such as his or her capacity, whether he or she is in full-time employment, the nature of his or her other responsibilities and near-term plan regarding some of the other appointments. A Director with multiple directorships is nonetheless expected to ensure that he or she can devote sufficient time and attention to the affairs of the Company. Directors are also required to consult the Chairman before accepting any invitation for appointment as a director of another entity or offer of a full-time executive appointment. Such a consultation will enable any concerns relating to the Director's ability to commit time to the affairs of the Company, as well as any potential conflicts of interests, to be shared and addressed. The Chairman will make the requisite assessment and consult with the NC as necessary.

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

Each of the Directors is required to make his or her self-assessment and confirm that he or she is able to devote sufficient time and attention to the affairs of the Company. For FY 2022, all Directors had undergone the self-assessment and provided the confirmation.

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



The Directors' listed company directorships and other principal commitments are disclosed on pages 16 to 21 of this Annual Report.

None of the Directors currently holds more than three listed company board appointments, which is within the guidelines of major proxy advisor firms. The Group CEO, who is the sole executive Director, does not serve on any listed company board outside of the Group.

The Directors' attendance record for FY 2022 is set out on page 141 of this Annual Report. Directors are informed of the expectation to attend scheduled meetings, unless unusual circumstances make attendance impractical or if a Director has to recuse himself or herself from the meeting in relation to the sole matter under consideration at such meeting. In this regard, the Directors currently on the Board as at 15 March 2023 (and who also served as Directors during FY 2022) achieved full attendance rate for Board and Board Committee meetings held in FY 2022. They have also contributed positively to discussions at Board and Board Committee meetings. In respect of any meetings for which any Director is unable to attend, arrangements will be made for such Director to provide his or her comments on the relevant matters to be discussed at such meetings to the Chairman or the relevant Board Committee chair prior to the relevant meetings. A separate briefing may be arranged to facilitate this if necessary. The Directors are also generally accessible to Management outside the formal environment of Board and/or Board Committee meetings.

Based on the foregoing, the NC (with each member recused from the deliberations in respect of himself) has determined that each Director has been adequately carrying out his or her duties as a Director of the Company notwithstanding any other listed company board representations and/or principal commitments he or she may have. The Board, taking into consideration the NC's assessment, has noted that each Director has met with the requirements under the NC's guidelines and has been adequately carrying out his or her duties and responsibilities as a Director of the Company.

## PRINCIPLE 5: BOARD PERFORMANCE

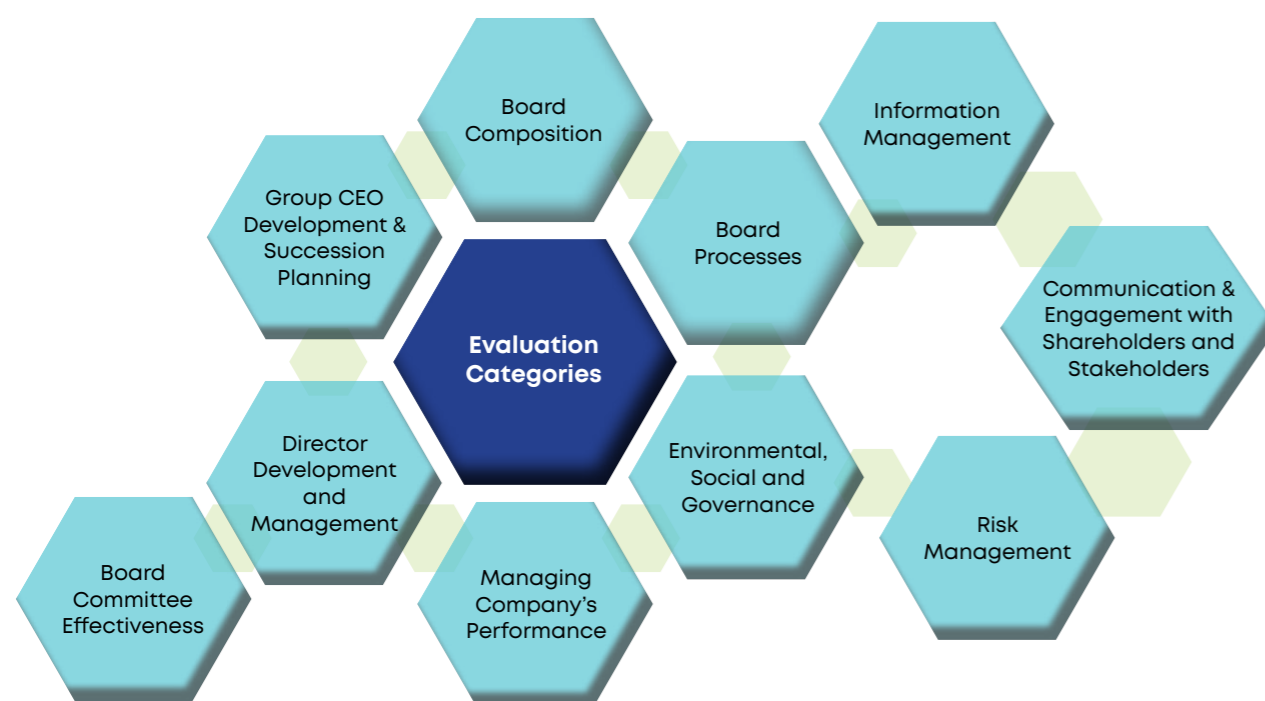
The Company believes that oversight from a strong and effective Board goes a long way in guiding the Company's success. Whilst Board performance is ultimately reflected in the long-term performance of the Group, the Board believes that engaging in a regular process of self-assessment and evaluation of Board performance provides an opportunity for the Board to reflect on its effectiveness including the quality of its decisions, as well as to clarify the individual and collective roles and responsibilities of the Directors and the Board to give the Directors better knowledge of expectations to help them become more effective. It also enables the Board to identify key strengths and gaps as well as areas for improvement which is essential to effective stewardship and attaining success for the Company, in addition to improving working relationships with Management.

Led by the NC Chairman and with respect to FY 2022, findings and practical suggestions were reviewed, considered and discussed first at an NC meeting, then at a Board meeting to formulate appropriate follow-up actions, where necessary. The Board evaluation process helps to identify where the Board has met its objectives, and indicate where it needs improvements. Such a process also facilitates greater interactions among the Board members and Senior Management.

### Board and Board Committees

The NC undertakes a tailored process to evaluate the effectiveness of the Board as a whole and the Board Committees every year. For an objective and independent evaluation, an external consultant is engaged to facilitate the evaluation process. The consultant engaged for the review for FY 2022, Aon, is independent of and is not related to the Company or any of its Directors.

As part of the process, questionnaires are sent by the consultant to the Directors and interviews are conducted where required. In addition to numerically scored multiple-choice items, the questionnaires use a mix of open-ended questions to solicit qualitative comments including suggestions for improvement. For the year under review, one-to-one interviews with each Board member were also conducted. 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, ESG, managing the Company's performance, Group CEO development and succession planning, Director development and management, communication and engagement with shareholders and stakeholders, risk management and Board Committee effectiveness.



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

The FY 2022 Board evaluation yielded a set of overall credible evaluation results, including when compared to market peers. The evaluation process found that the Board has been functioning well as a team with each of the Board members contributing to Board deliberations. There is quality in discussions between the Board and Management. The Board benefits from a culture of active, open, frank, rigorous and constructive discussions and debates at Board and Board Committee meetings. The Board also benefits from the diversity in views, perspectives and expertise. There is a positive and healthy professional relationship between the Board and Management. Board Committees were also assessed to work well with thorough robust debate, a good understanding of the issues and functional knowledge. There are no concerns or issues affecting any Board or Board Committee requiring attention or follow-up work.

### KEY FINDINGS FOR FY 2022 BOARD EVALUATION

Functioning well as a team	Quality in discussions between the Board and Management	Active, open, frank, rigorous and constructive discussions and debates	Diversity in views, perspectives and expertise	Good understanding of the issues and functional knowledge
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### Individual Directors

In respect of individual Directors, a formal evaluation is also carried out on an annual basis. For FY 2022, the Board Chairman and NC Chairman jointly evaluated each individual Director using an agreed evaluation framework as a guide. The evaluation criteria include Director's duties, contributions and conduct. Feedback from selected Senior Management members was also sought as part of the process. The NC Chairman also held one-to-one conversations with each of the Directors to discuss strengths and opportunities, which sessions were received positively by the Directors.

### KEY FINDINGS FOR FY 2022 INDIVIDUAL DIRECTOR EVALUATIONS

Contributes to Board deliberations	Participates actively and is fully engaged in Board deliberations	Works well with one another, and with Management	Generally accessible to Management
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The outcome of the evaluation is that every Director contributes to Board deliberations. Each one of them participates actively and is fully engaged in Board deliberations. Additionally, Directors work well with one another, and with Management, contributing to the overall smooth functioning of the Board. Whilst collegial, deliberations at meetings were open, constructive and robust, and conducted on a professional and respectful basis. Management has also provided positive feedback on the performance and contributions of the individual Directors, noting that the relationship between the Board and Management is healthy and good. Directors are also generally accessible to Management outside the formal environment of Board and/or Board Committee meetings. As with the outcome of the Board and Board Committee evaluations, there are no concerns or issues affecting any Director requiring attention or follow-up work.

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

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

## Board Evaluation as an Ongoing Process

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

## REMUNERATION MATTERS

### PRINCIPLES 6, 7 AND 8: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES, LEVEL AND MIX OF REMUNERATION AND DISCLOSURE ON REMUNERATION

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

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

EXECUTIVE RESOURCE AND COMPENSATION COMMITTEE		
<b>MS JUDY HSU CHUNG WEI</b> Committee Chairman & Non-Executive Independent Director	<b>MR MIGUEL KO</b> Non-Executive Non-Independent Director	<b>MR ANTHONY LIM WENG KIN</b> Lead Independent Director & Non-Executive Independent Director

A majority of ERCC members, including the chairman of the ERCC, are non-executive independent Directors. All ERCC members are non-executive Directors.

In FY 2022, the ERCC met four times.

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

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

The Company is committed to developing a strong talent pipeline to sustain its business growth. It has an established process to identify different talent segments to enable leaders of the Company to plan for the succession of key roles. The success of its approach to talent development and succession planning is evidenced by many examples of internal promotions into key leadership roles throughout the Group over the years (including those years when the Company was a subsidiary of the listed CL), even at the most senior levels of the organisation.

The Company also believes that learning is a continuous journey and is committed to developing employees to their fullest potential by equipping them with the right tools and knowledge to stay relevant and ahead of the competition. The Company provides learning opportunities to employees so that they will consistently deliver to high standards of performance and be able to perform their job roles competently.

## Remuneration Policy for Key Management Personnel

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

<p><b>BUSINESS ALIGNMENT</b></p> <ul style="list-style-type: none"> <li>• Create sustainable value and drive dollar returns above the risk-adjusted cost of capital to align with long-term interests of its stakeholders</li> <li>• Provide sound and structured funding to ensure affordability and cost-effectiveness in line with performance goals</li> <li>• Enhance retention of key talents to build strong organisational capabilities</li> <li>• Strengthen alignment to sustainable corporate practices</li> </ul>	<p><b>FAIR &amp; APPROPRIATE</b></p> <ul style="list-style-type: none"> <li>• Ensure competitive remuneration relative to the appropriate external talent markets</li> <li>• Manage internal equity such that remuneration is viewed as fair across the Group</li> <li>• Significant and appropriate portion of pay-at-risk, taking into account risk policies of the Group, symmetric with risk outcomes and sensitive to the risk time horizon</li> </ul>
<p><b>MOTIVATE RIGHT BEHAVIOUR</b></p> <ul style="list-style-type: none"> <li>• Pay for performance – align, differentiate and balance rewards according to multiple dimensions of performance</li> <li>• Strengthen line-of-sight linking rewards and performance</li> <li>• Foster Group-wide interests to recognise the interdependence of the various businesses of the Group and drive superior outcomes</li> </ul>	<p><b>EFFECTIVE IMPLEMENTATION</b></p> <ul style="list-style-type: none"> <li>• Maintain rigorous corporate governance standards</li> <li>• Exercise appropriate flexibility to meet strategic business needs and practical implementation considerations</li> <li>• Facilitate employee understanding to maximise the value of the remuneration programmes</li> </ul>

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

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

The ERCC appointed an independent remuneration consultant, Willis Towers Watson, to provide professional advice on Board and executive remuneration in FY 2022. Willis Towers Watson is a global advisory, broking and solutions company with over 45,000 employees serving more than 140 countries and markets. The remuneration consultant is not related to the Company or any of its Directors and does not otherwise have any relationships with the Company that could affect its independence and objectivity.

## Remuneration of Key Management Personnel

The remuneration of key management personnel comprises fixed components, variable cash components, share-based components and employee benefits. A significant proportion of key management personnel's remuneration is in the form of variable compensation, awarded in a combination of short-term and long-term incentives, in keeping with the principles that the interests of the Group CEO and key management personnel should be aligned with those of the Company's shareholders and other stakeholders and that the remuneration framework should link rewards to corporate and individual performance.

# Corporate Governance

## A Fixed Components:

The fixed components comprise the base salary, fixed allowances and compulsory employer contribution to an employee's Central Provident Fund (CPF).

## B Variable Cash Components:

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

### Balanced Scorecard Bonus Plan

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

Under the Balanced Scorecard framework, the Group's strategy and goals are translated to performance outcomes comprising both quantitative and qualitative targets in the dimensions of Financial & Execution, Future Growth, Talent Management, Sustainability and Digitalisation & Innovation; these are cascaded down throughout the organisation, thereby creating alignment across the Group. The overall dimensions, performance measures and their relative weights are reviewed annually to reflect the Group's business priorities and focus for the relevant year.

Balanced Scorecard Dimension	Financial & Execution	Future Growth	Talent Management	Sustainability	Digitalisation & Innovation
<b>Key Objectives</b>	<ul style="list-style-type: none"> <li>Driving sustainable Return On Equity (ROE) growth</li> <li>Ensuring financial robustness</li> </ul>	<ul style="list-style-type: none"> <li>Growing assets/funds under management</li> <li>Growing the lodging platform</li> </ul>	<ul style="list-style-type: none"> <li>Building a future-oriented organisation</li> <li>Developing leadership bench strength</li> <li>Motivating and retaining talents</li> </ul>	<ul style="list-style-type: none"> <li>Building a responsible and sustainable organisation</li> <li>Ensuring workplace safety</li> </ul>	<ul style="list-style-type: none"> <li>Driving operational efficiency</li> <li>Improving customer experience</li> <li>Building data insights</li> </ul>

After the close of each year, the ERCC reviews the Group's achievements against the targets set in the Balanced Scorecard, determines the overall performance taking into consideration qualitative factors such as the quality of earnings, operating environment, regulatory landscape, industry trends and affordability to the Company, and approves a bonus pool that is commensurate with the performance achieved. For FY 2022, the bonus pool was smaller as compared to the bonus pool under the BSBP for the financial year ended 31 December 2021 (FY 2021), due to the targets set having only been partially achieved by the Group.

In determining the payout quantum for each key management personnel under the plan, the ERCC considers the overall performance of the Group, the performance of the business(es) specific to each key management personnel, as well as quantitative and qualitative aspects of individual performance, including but not limited to leadership behaviours and demonstration of core values.

### Economic Value-Added-based Incentive Plan

The EBIP is based on sharing with employees a portion of the EVA achieved, which varies according to the actual achievement of residual economic profit.

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

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

In determining the EBIP bonus declared to each participant, the ERCC considers the overall business performance, individual job responsibilities, performance and contribution, as well as the relevant market remuneration benchmarks. In respect of FY 2022, no EBIP bonus was paid as the Group's EVA was negative.

## C. Share-based Components:

The Company adopted the CapitaLand Investment Performance Share Plan 2021 (PSP) and the CapitaLand Investment Restricted Share Plan 2021 (RSP) (together, the Share Plans) on 17 July 2021 in connection with the Company's Introductory Listing in 2021.

Share awards were granted in FY 2022 pursuant to both the PSP and RSP. The total number of shares comprised in the awards granted under the Share Plans during FY 2022 did not exceed 1% of the total number of issued shares (excluding treasury shares) of the Company.

To foster a "founders' mindset" in driving the transformation of the Group into a REIM company, a one-time special contingent award (Special PSP Award) was granted pursuant to the PSP to selected key new-hire executives of the Group during FY 2021 and into FY 2022. This long-term share-based award with a five-year performance period will vest at the end of the third year and/or fifth year, subject to the achievement of the targets approved by the ERCC.

As previously disclosed in the Company's corporate governance report for FY 2021 (FY 2021 Report), awards were granted under the PSP to certain employees of the Group and certain employees of CL, its holding company and their subsidiaries (other than the Group) during FY 2021 (Replacement Awards) to replace awards previously granted to such employees pursuant to the performance share plans of CL. Further details on the Replacement Awards can be found in the FY 2021 Report.

The obligation to deliver shares pursuant to awards granted under the Share Plans is intended to be satisfied primarily out of treasury shares.

To promote the alignment of Management's interests with that of the Company's stakeholders, the ERCC has approved share ownership guidelines for Senior Management to instill stronger identification by senior executives with the long-term performance and growth of the Group. Under these guidelines, key management personnel are required to build up over time and hold shares of an aggregate value of at least the equivalent to, one, two or three times their annual base salary (depending on their seniority level).

In alignment with the Practice Guidance, shares awarded pursuant to the Share Plans may be clawed back in circumstances of misstatement of financial results, misconduct resulting in financial or other losses to the Company, or other misdemeanours.

Details of the Share Plans as well as awards granted under the Share Plans are given in the Share Plans section of the Directors' Statement on pages 148 to 151 of this Annual Report and the Equity Compensation Benefits section of the Notes to the FY 2022 Financial Statements on pages 215 to 222 of this Annual Report.

#### **CapitaLand Investment Performance Share Plan 2021**

The awards granted under the PSP in FY 2022 (except the Special PSP Award) are conditional on targets set for a three-year performance period. A specified number of shares will only be released to recipients at the end of the qualifying performance period if the threshold targets are minimally achieved.

Under the PSP (excluding Replacement Awards and the Special PSP Award), an initial number of shares (baseline award) is allocated according to the following performance conditions approved by the ERCC:

- (a) Absolute Total Shareholder Return (TSR) of the Group measured as a multiple of Cost of Equity;
- (b) Relative TSR of the Group measured by the percentile ranking of the Group's TSR relative to the constituents of a peer group comprising public-listed companies and REIM firms of comparable scale, scope and/or business mix in Singapore and other countries;
- (c) Average ROE of the Group; and
- (d) Carbon emissions intensity reduction of the CapitaLand Group.

The above performance measures have been selected as key measurements of wealth creation for shareholders and long-term environmental performance. The final number of shares to be released will depend on the achievement of pre-determined targets over the three-year qualifying performance period. No share will be released if the threshold targets are not met at the end of the qualifying performance period. On the other hand, if superior targets are met, more shares than the baseline award can be delivered up to a maximum of 200% of the baseline award. The ERCC has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors. Recipients will receive fully paid shares, their equivalent cash value or combinations thereof, at no cost.

Under the Special PSP Award, an initial number of shares (baseline award) is allocated according to the performance condition of the Company's share price expressed as a multiple of the Group's net asset value per share (Price/NAV) set for a five-year performance period. A specified number of shares will only be released to recipients at the end of the qualifying performance period, provided the minimum target is achieved.

The performance measure for the Special PSP Award has been selected as the key measure of sustainable value creation for shareholders through the execution of an asset-light strategy in fund management, lodging management and real estate investments. No share will be released if the minimum target is not met at the end of the qualifying performance period. On the other hand, if the superior target is met, more shares than the baseline award can be delivered up to a maximum of 300% of the baseline award. In the event of early achievement of the targets within the first three years of the qualifying performance period, a maximum of 20% to 50% of the baseline award can be released after the third year, with any balance in excess of 50% of the baseline award to be released only after the fifth year.

In respect of the share awards and Special PSP Award granted pursuant to the PSP during FY 2022, the respective qualifying performance periods have not ended as at the date of this Report.

#### **CapitaLand Investment Restricted Share Plan 2021**

In FY 2022, 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 if the threshold targets are minimally achieved.

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

- (a) Operating Earnings Before Interest and Taxes of the Group; and
- (b) Operating ROE of the Group.

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

In respect of the awards granted pursuant to the RSP in FY 2022, based on the ERCC's assessment that the performance achieved by the Group has partially met the pre-determined performance targets for FY 2022, the resulting number of shares released has been adjusted accordingly to reflect the performance level.

Time-vested restricted awards may also be granted, for example, as a form of deferral on the variable cash component of the remuneration packages of executives, or as a recruitment tool to compensate new senior executive hires for the share-based incentives that they may have had to forego when they leave their previous employer to join the Group.

#### **D. Employee Benefits:**

The benefits provided are comparable with local market practices.



Each year, the ERCC evaluates the extent to which the Group CEO and each of the key management personnel have delivered on the corporate and individual goals and objectives, and based on the outcome of the evaluation, approves the compensation for the key management personnel, and proposes the compensation for the Group CEO for the Board's approval. The appointed independent remuneration consultant advises the Board and the ERCC on the compensation of the Group CEO and key management personnel including, but not limited to, the reasonableness of compensation levels in relation to the performance achieved, the competitiveness of compensation levels against relevant industry peers, and compensation trends and practices around the world. The Group CEO who attends meetings of the ERCC on an *ex officio* basis does not participate in discussions relating to his performance and remuneration.

The details of the remuneration for the Group CEO in respect of FY 2022 are provided in the Directors' and Group CEO's Remuneration for FY 2022 section on page 142 of this Annual Report.

While the disclosure of, among others, the names, amounts and breakdown of remuneration of at least the top five key management personnel (who are not Directors or the Group CEO) in bands no wider than S\$250,000 and the aggregate of the total remuneration paid to these key management personnel, would be required for full compliance with Provision 8.1 of the Code, the Board has considered carefully and decided that such disclosure would not be in the interests of the Company and its shareholders due to the following reasons:

- in light of the intense competition for talents in the REIM industry, the Board is of the view that it is in the interests of the Company and its shareholders to not make such disclosures so as to minimise potential staff movement and undue disruption to its key management team;
- taking into account the need to balance the confidential and commercial sensitivities associated with remuneration matters, the Board is of the view that such disclosures could be prejudicial to the interests of the Company and its shareholders; and
- in view of the importance of retaining competent and experienced staff to ensure the Company's stability and continuity of business operations, the Board is of the view that such disclosures may subject the Company to undue risks, including, unnecessary key management turnover.

The Board is of the view that despite the abovementioned deviation from Provision 8.1 of the Code, the disclosures on the remuneration of key management personnel in this Report (including the detailed disclosures on the remuneration policy for key management personnel and the breakdown of the various components of the remuneration for key management personnel) are consistent with the intent of Principle 8 of the Code and would provide sufficient information and transparency to shareholders on the Company's remuneration policies, the level and mix of remuneration accorded to the key management personnel and the procedure for setting remuneration. These disclosures would enable shareholders to understand the relationship between the Company's performance, value creation and the remuneration of the key management personnel. The Board is of the view that there is no misalignment between the remuneration of the key management personnel and the interests of shareholders, and the interests of shareholders are not prejudiced by the abovementioned deviation from Provision 8.1 of the Code.

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

For FY 2022, there were no termination, retirement or post-employment benefits granted to Directors, the Group CEO and key management personnel. There was also no special retirement plan, 'golden parachute' or special severance package for any key management personnel.

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

## Non-Executive Director Remuneration

For FY 2022, the compensation policy for non-executive Directors (except the Chairman) is based on a scale of fees divided into basic retainer fees for serving as Director and additional fees for attendance and serving on Board Committees. The Chairman receives an all-inclusive fee (i.e., without any additional fee for attendance and serving on Board Committees). The Directors' fees are market-benchmarked on an annual basis, taking into account the effort, time spent and demanding responsibilities on the part of the Directors in light of the scale, complexity and international nature of the business. The remuneration of Directors is reviewed to ensure that it is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company. The remuneration of non-executive Directors does not include any performance-related elements, and no performance conditions are attached to the share awards granted under the RSP to non-executive Directors as part of their remuneration in lieu of cash.

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

No individual Director by himself or herself can decide his or her own remuneration. Directors' fees are reviewed and recommended by the ERCC to the Board for endorsement before the Directors' remuneration for the relevant financial year is put forward for shareholders' approval at the AGM. The Directors' remuneration is paid only following upon receipt of shareholders' approval at the AGM. These measures serve to assure that the independence of the non-executive Directors is not compromised by their compensation.

The fee structure for non-executive Directors for FY 2022, which remains unchanged from that for the previous financial year, is as follows:

Basic retainer fee	S\$
Board Chairman	750,000 <sup>1</sup>
Lead Independent Director	125,000
Director	90,000
<b>Fee for appointment to Audit Committee and Executive Committee</b>	
Committee Chairman	60,000
Committee member	40,000
<b>Fee for appointment to other Board Committees</b>	
Committee Chairman	45,000
Committee member	25,000
<b>Attendance fee for Board/Board Committee meetings (per meeting)</b>	
(a) Attendance in person	
BOARD MEETING	
Local	4,000
Overseas (in region <sup>2</sup> )	7,000
Overseas (out of region <sup>3</sup> )	14,000
BOARD COMMITTEE MEETING	
Local	2,200
Overseas (in region <sup>2</sup> )	7,000
Overseas (out of region <sup>3</sup> )	10,000
(b) Attendance via video conferencing, conference telephone or similar communications equipment	
Local and Overseas	1,700
<b>Attendance fee in person or otherwise for project committee meetings/verification meetings/other meetings where attendance of Directors is required (per meeting)</b>	
Local and Overseas	1,000

- The fee is all-inclusive and there will be no separate Board retainer fee, Board Committee fee or attendance fee for the Board Chairman.
- Up to 15 hours travel time (both ways) for travel within the region.
- More than 15 hours travel time (both ways) for travel beyond the region.

# Corporate Governance

In cases where there were travel restrictions imposed by various countries in FY 2022 due to the COVID-19 pandemic, attendance at Board and Board Committee meetings via video conferencing, conference telephone or similar communications equipment was treated as attendance in person.

The Directors' fees of the non-executive Directors for FY 2022 will be paid as to about 70% in cash and about 30% in the form of share awards under the RSP, save in the case of (a) Ms Goh Swee Chen (who retired from the Board at the conclusion of the 2022 AGM) and Mr Stephen Lee Ching Yen (who stepped down from the Board following the conclusion of the 2022 AGM), both of whom will, in accordance with the Company's current policy, receive their Directors' fees wholly in cash; and (b) Mr Gabriel Lim Meng Liang whose fees will be paid fully in cash to a government agency, the Directorship & Consultancy Appointments Council (DCAC). Mr Lim has requested, and the DCAC has concurred, that the Directors' fees for his services, upon approval by shareholders at the upcoming 2023 AGM, be donated by the Company in its entirety to a charitable organisation, the CapitaLand Hope Foundation.

The share awards under the RSP consist of the grant of fully paid shares, with no performance conditions attached and no vesting periods imposed. In order to encourage the alignment of the interests of the non-executive Directors with the interests of shareholders, a non-executive Director is required to hold shares in the Company worth at least one year of the basic retainer fee for a Director or the total number of shares awarded under the above policy, whichever is lower, at all times during his or her Board tenure. For the Chairman, the shares are required to be held for at least two years from the date of award, and the two-year moratorium shall continue to apply in the event of retirement. Other than this, the non-executive Directors do not receive any other share incentives under any of the Company's share plans. Details of the Directors' remuneration are provided in the Directors' and Group CEO's Remuneration for FY 2022 section on page 142 of this Annual Report.

The Company will be seeking shareholders' approval at the upcoming 2023 AGM for the remuneration to be paid to the non-executive Directors in respect of the Directors' fees for FY 2022.

The Company will also be seeking shareholders' approval at the upcoming 2023 AGM for the remuneration to be paid (on a current year basis) to the non-executive Directors in respect of the Directors' fees for FY 2023. Further information on this proposal (including the revised fee structure for the non-executive Directors with respect to FY 2023) is provided in the Notice of AGM dated 3 April 2023.

## 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, determining the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation and ensuring that Management maintains a sound system of risk management and internal controls.

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

- make recommendations to the Board on risk strategy, risk appetite and risk limits;
- review the risk management framework, including the processes and resources to identify, assess and manage material risks;
- oversee the design, implementation and monitoring of the risk management and internal controls systems;
- review the key risks facing the Group (including investment and divestment, competition, IT-related risks as well as workplace safety and health risks) and the management of risks thereof;
- review the adequacy and effectiveness of the risk management and internal controls systems covering material risks and the assurance given by Management, as well as the disclosures in the Annual Report; and
- consider and advise on risk matters referred to it by the Board or Management.

RISK COMMITTEE				
<b>MR KEE TECK KOON</b> Committee Chairman & Non-Executive Independent Director	<b>MR GABRIEL LIM MENG LIANG</b> Non-Executive Independent Director	<b>MS JUDY HSU CHUNG WEI</b> Non-Executive Independent Director	<b>MS HELEN WONG SIU MING</b> Non-Executive Independent Director	<b>TAN SRI ABDUL FARID BIN ALIAS</b> Non-Executive Independent Director

All RC members, including the chairman of the RC, are non-executive independent Directors. In FY 2022, the RC met twice. Ms Helen Wong Siu Ming and Tan Sri Abdul Farid bin Alias were appointed as members of the RC with effect from 1 January 2023.

The Company recognises that it is a good risk governance structure to ensure awareness among the members of the AC and RC of the respective risk-related activities of both committees, given the interconnectivity of the key risks the Company could be faced with. In this regard, the Company has put in place the following arrangements to facilitate sharing of information and knowledge, and to foster a common understanding of the risk management and internal controls systems, between the AC and the RC:

- an annual joint meeting between the RC and the AC;
- updates to be provided by the AC chairman and the RC chairman at the beginning of each Board meeting, so as to allow the AC and the RC to take cognisance of and consider the respective reports of the AC and the RC; and
- common membership between the AC and the RC. With effect from 1 January 2023, there are two members of the RC who are also members of the AC.

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

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

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

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

## Corporate Governance

More information on the Group's ERM framework, including the material risks identified, can be found in the Risk Management section on pages 92 to 96 of this Annual Report.

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

The Board has received assurance from the Group CEO and the Group CFO that the financial records of the Group have been properly maintained and the financial statements for FY 2022 give a true and fair view of the Group's operations and finances. It has also received assurance from the Group CEO and the relevant key management personnel who have responsibility regarding various aspects of risk management and internal controls that the systems of risk management and internal controls within the Group are adequate and effective in addressing the risks (including financial, operational, compliance (including sanctions-related risks) and IT risks) which the Company considers relevant and material to its current business environment.

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

In addition, for FY 2022, the Board received the relevant certification by Management on the integrity of financial reporting and the Board provided a negative assurance confirmation to shareholders as required by the Listing Manual.

Based on the ERM framework established and the reviews conducted by Management and both the internal and external auditors, as well as the assurance from the Group CEO, the Group CFO and the relevant key management personnel, the Board is of the opinion that the systems of risk management and internal controls within the Group are adequate and effective to address the risks (including financial, operational, compliance (including sanctions-related risks) and IT risks) which the Company considers relevant and material to its current business environment as at 31 December 2022. The AC and the RC concur with the Board in its opinion. No material weaknesses in the systems of risk management and internal controls were identified by the Board, the AC or the RC in the review for FY 2022.

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

### PRINCIPLE 10: AUDIT COMMITTEE

AUDIT COMMITTEE			
<b>MR CHALY MAH CHEE KHEONG</b> Committee Chairman & Non-Executive Independent Director	<b>MR DAVID SU TUONG SING</b> Non-Executive Independent Director	<b>MS HELEN WONG SIU MING</b> Non-Executive Independent Director	<b>TAN SRI ABDUL FARID BIN ALIAS</b> Non-Executive Independent Director

All members of the AC, including the chairman of the AC, are non-executive independent Directors. The chairman of the AC is not the Chairman of the Board. Mr David Su Tuong Sing and Tan Sri Abdul Farid bin Alias were appointed as members of the AC with effect from 1 January 2023. Mr Anthony Lim Weng Kin was a member of the AC up to 31 December 2022. The members of the AC bring invaluable recent and relevant managerial and professional expertise in accounting and related financial management domains. In particular, they have professional qualifications relating substantially to accounting or finance, experience in working within the areas of corporate finance, financial reporting or accounting, and/or experience gained through executive responsibilities for a sizeable business including having or having had responsibility for the finance function.

For FY 2022, the AC met four times. The Board calendar provides for the AC to meet at least four times a year, with two meetings to coincide with the half-year and full-year financial reporting cycles and the other two to coincide with the release of the Company's quarterly business updates.

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

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

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

- review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- review and report to the Board at least annually the adequacy and effectiveness of the Company's internal controls, and together with the RC, the risk management systems including financial, operational, compliance and information technology controls;
- review the assurances from the Group CEO and the Group CFO on the financial records and financial statements of the Company;
- review the scope and results of the internal audit, and the adequacy, effectiveness and independence of the Company's internal audit function;
- review the scope and results of the external audit, and the adequacy, effectiveness and independence of the external auditors;
- review the whistle-blowing reports and the policy and processes for the detection, independent investigation and follow-up action relating to possible improprieties in financial reporting or other matters; and
- make recommendations to the Board on the proposals to the shareholders on the appointment, reappointment and removal of the external auditors, and the remuneration and terms of engagement of the external auditors.

The AC also reviews and approves processes to regulate interested person transactions (as the term is defined in the Listing Manual) (IPT) to comply with the applicable regulations, including the Listing Manual.

The AC assesses the adequacy, effectiveness and independence of the external auditors. To assist the AC in carrying out this duty, in particular, to balance the independence and objectivity of the external auditors, the Company has developed policies regarding the types of non-audit services that the external auditors can provide to the Group and the related approval processes. The AC has reviewed the nature and extent of non-audit services provided by the external auditors in FY 2022 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.

# Corporate Governance

The total audit and non-audit fees paid to the external auditors for FY 2022 were as follows:

External Auditor Fees for FY 2022	S\$ Million	As a Percentage to Total Fees Paid
Total Audit Fees	8.5	91%
Total Non-Audit Fees	0.8	9%
<b>Total Fees Paid</b>	<b>9.3</b>	<b>100%</b>

At all pre-scheduled quarterly meetings of the AC in FY 2022, the Group CEO and all key management personnel were in attendance. The Company adopts the practice of announcing its financial statements on a half-yearly basis and provides quarterly business updates in between such announcements or as and when necessary. Accordingly, during the AC meetings scheduled for February and August each year, among other things, the AC reviews the half-yearly financial statements, including the relevance and consistency of the accounting principles adopted and any significant financial reporting issues and judgements, and recommends the half-yearly financial statements and corresponding announcements to the Board for approval. During the AC meetings scheduled for May and October/November each year, the AC reviews, among other things, the quarterly business updates prepared by Management, which will then be presented to the Board for approval.

In FY 2022, the AC also, together with the RC, reviewed and assessed the adequacy and effectiveness of the Company's internal controls and risk management systems to address the material risks faced by the Company, taking into consideration the outcome of reviews conducted by Management and both the internal and external auditors, as well as the assurance from the Group CEO and the Group CFO.

In FY 2022, the AC also met with the internal and external auditors, separately and without Management's presence, to discuss the reasonableness of the financial reporting process, the internal controls and risk management systems, and the significant comments and recommendations by the auditors. The AC meets with the internal and external auditors, separately and without Management's presence, at least once a year.

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

## Key Audit Matters

In its review of the financial statements of the Group and the Company for FY 2022, the AC had discussed with Management the accounting principles that were applied and their judgement of items that could affect the integrity of the financial statements. The AC also considered the clarity of key disclosures in the financial statements. The AC reviewed, among other matters, the following key audit matters as reported by the external auditors for FY 2022.

KEY AUDIT MATTER
<ul style="list-style-type: none"> <li>Valuation of investment properties</li> </ul>
HOW THIS ISSUE WAS ADDRESSED BY THE AC
<ul style="list-style-type: none"> <li>The AC reviewed the outcomes of the annual valuation process and discussed the details of the valuation with Management, focusing on properties which registered significant fair value gains or losses during FY 2022 and the key drivers for the changes.</li> <li>The AC considered the findings of the external auditors, including their assessment of the appropriateness of valuation methodologies and the underlying key assumptions applied by the valuer in the valuation of investment properties.</li> <li>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.</li> </ul>

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

The Company confirms that it complies with Rules 712, 715 and 716 of the Listing Manual in relation to the appointment of its external auditors.

## Internal Audit

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

The AC monitors and assesses the role and effectiveness of IA through the review of IA's processes from time to time, and the AC may make recommendations to the Board for any changes to IA's processes. The AC also reviews to ensure that IA is adequately resourced and skilled in line with the nature, size and complexity of the Company's business, and that an adequate budget is allocated to IA to ensure its proper functioning as internal auditors of the Company. The AC reviewed the internal audit function in respect of FY 2022, and is satisfied that the internal audit function performed by IA is adequately resourced, effective and independent.

IA formulates its internal audit plan in consultation with, but independently of, Management and its audit plan is submitted to the AC for approval prior to the beginning of each year. IA adopts a risk-based approach in formulating the audit plan that aligns its activities to the key strategies and risks across the Group's business. The reviews performed by IA are focused on assisting the Board in promoting sound risk management, robust internal controls and good corporate governance, through assessing the design and effectiveness of operating controls that govern key business processes and risks identified in the overall risk framework of the Group. IA also reviews compliance with the Group's policies, procedures and regulatory responsibilities, performed in the context of financial and operational and information system reviews.

For FY 2022, the AC reviewed the results of audits performed by IA based on the approved audit plan. All findings are reported to Senior Management and the AC with emphasis on the significant findings. IA also reviews the status of implementation of the audit recommendations and whether there are any past due items, and reports the same to Senior Management and the AC.

The AC also reviewed reports on whistle-blower complaints reviewed by IA to ensure independent and thorough investigation and adequate follow-up.

The AC also received reports on IPTs reviewed by IA, noting that the transactions were on normal commercial terms and were not prejudicial to the interests of the Company and its minority shareholders. A policy and appropriate procedures are in place to comply with the Listing Manual requirements relating to IPTs. All IPTs are reported to and monitored by the Finance department which also keeps tabs on the aggregate value of such IPTs (as necessary for the Company's compliance with the Listing Manual), prior to the review by IA. Legal advice is sought, if required, in respect of any issues relating to any specific IPT. In the year under review, there were no significant IPTs involving controlling shareholders or Directors requiring approval of the shareholders.

As required by the Listing Manual, details of IPTs entered by the Company in FY 2022 are disclosed in this Annual Report at page 277.

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

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

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

## SHAREHOLDER RIGHTS AND ENGAGEMENT

### PRINCIPLES 11 AND 12: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS AND ENGAGEMENT WITH SHAREHOLDERS

The Company is committed to treating all its shareholders fairly and equitably. All shareholders enjoy specific rights under the Constitution and the relevant laws and regulations. These rights include, among other things, the right to participate in profit distributions (including dividends) and, to approve any proposed amendments to the Constitution, the payment of Directors' remuneration, the transfer of all or substantially all assets of the Company, and the issue of new shares of the Company. Further, under the Companies Act 1967, two or more members holding not less than 10% of the total number of issued shares of the Company (excluding treasury shares) may call a meeting of the Company or alternatively, members holding not less than 10% of the total number of paid-up shares (excluding treasury shares) may requisition the Directors to convene an extraordinary general meeting of the Company.

#### General Meetings

The Company encourages and facilitates shareholder participation and voting at general meetings. Annual Reports of the Company are provided to shareholders within four months from the end of the Company's financial year and at least 14 days before the date of its AGM. Shareholders may download Annual Reports (printed copies are available upon request) and notices of general meetings from the Company's website at [www.capitalandinvest.com](http://www.capitalandinvest.com). These documents are also available on the SGXNet. More than the legally required notice period for general meetings is provided, and the rationale and explanation for each agenda item requiring shareholders' approval are provided in the notice of general meeting so as to enable shareholders to exercise their voting rights on an informed basis. To safeguard shareholder interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings, unless the issues are interdependent and linked so as to form one significant proposal. Where resolutions are bundled, the reasons and material implications are explained in the notice of general meeting to enable shareholders to make an informed decision. Further, if the resolution is in respect of an IPT (as defined in the Listing Manual), the interested person (as defined in the Listing Manual) will be required to abstain from voting on such resolution.

During the financial year under review and in light of the COVID-19 situation in Singapore at the time, the Company's 2022 AGM was convened and held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and the joint statement issued by ACRA, MAS and Singapore Exchange Regulation as updated on 4 February 2022 providing guidance to listed and non-listed entities on the conduct of general meetings amid the evolving COVID-19 situation. Alternative arrangements for the conduct of the Company's 2022 AGM included: (a) attendance at the AGM via electronic means (i.e., via live-audio visual webcast or live audio-only stream); (b) submission of questions to the Chairman of the Meeting in advance of, or live at, the AGM and addressing of substantial and relevant questions in advance of, or live at, the AGM; and (c) voting at the AGM (i) live by the shareholders or their duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to vote on their behalf at the AGM. Further information on the arrangements relating to the conduct of the 2022 AGM was provided in the Notice of AGM dated 5 April 2022.

As Singapore has progressively transitioned towards living with COVID-19 and meetings can now take place physically, the Company's upcoming 2023 AGM will be held in a wholly physical format. Shareholders may also submit questions to the Chairman of the Meeting, in advance of, or at the 2023 AGM, and the Company will address all substantial and relevant questions received from shareholders by the submission deadline by publishing the Company's responses to such questions on the Company's website and on the

SGXNet, prior to the 2023 AGM. Shareholders can vote at the AGM themselves or through duly appointed proxy(ies). Shareholders, who do not wish to, or are unable to, attend the 2023 AGM in person but who wish to only watch the AGM proceedings may do so remotely by accessing the Company's live webcast of the 2023 AGM if they have registered to do so. Further information on the arrangements relating to the conduct of the upcoming 2023 AGM is provided in the Notice of AGM dated 3 April 2023.

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

At general meetings, the Group CEO presents and updates shareholders on the Company's performance, position and prospects. The presentation materials are available to shareholders on the Company's website and the SGXNet. Shareholders are given the opportunity to communicate their views, raise questions and discuss with the Board and Management on matters affecting the Company. All Directors (including the chairpersons of the respective Board Committees), Management and external auditors, attend and are present for the entire duration of general meetings to address any queries that the shareholders may have, including queries about the conduct of the Company's audit, and preparation and contents of the auditors' report.

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

Provision 11.4 of the Code requires an issuer's Constitution to allow for absentia voting at general meetings of shareholders. The Company's Constitution currently does not permit shareholders to vote at general meetings in absentia (such as via mail or email). The Company will consider implementing the relevant amendments to the Constitution to permit absentia voting after it has carried out careful study and is satisfied that the integrity of information and authentication of the identity of shareholders will not be compromised through web transmission, and legislative changes to the Companies Act 1967 are effected to formally recognise absentia voting. The Company is of the view that despite its deviation from Provision 11.4 of the Code, shareholders nevertheless have opportunities to communicate their views on matters affecting the Company even when they are not in attendance at general meetings. For example, shareholders may appoint proxies to attend, speak and vote, on their behalf, at any general meeting.

Minutes of the general meetings, recording the substantial and relevant comments made, questions raised and answers provided, are prepared and available to shareholders for their inspection upon request. Minutes of general meetings are also uploaded to the Company's website at [www.capitalandinvest.com](http://www.capitalandinvest.com) and, where required, on the SGXNet.

#### Engagement with Shareholders

The Company actively engages with its shareholders to 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, catering to different global time zones. Since the beginning of the COVID-19 pandemic three years ago, the Company has participated in most of these engagements virtually. However, since economies began to reopen and global travel gradually resumed in FY 2022, the Company participated in these engagements which were held in a physical format in key global financial hubs such as New York, London, Tokyo, Sydney and Kuala Lumpur. In FY 2022, the Company also held a two-day Investor Day for institutional investors, which saw 250 physical attendees over two days.

## Corporate Governance

In addition, the Company conducts live webcast briefings in respect of key calendar events which include the Company's half-year and full-year financial results release, as well as important announcements including those relating to its investments, strategic and operational developments that could have a bearing on investor decisions. The Company conducted a total of five such briefings since 1 January 2022 up to the date of this Annual Report. Sell-side research analysts as well as members of the media were invited to pose questions to the Company's Senior Management in real-time, so that the sessions could be more informative for viewers.

For retail shareholders, the Company regularly hosts large-group dialogue sessions, often partnering with organisations such as Securities Investors Association (Singapore) as well as the SGX Academy, which have significant retail investor base. The Company's Group CEO, Group CFO and Head of Investor Relations are usually present at these sessions to attend to questions from the audience. The Company also proactively keeps retail investors informed through business media, website postings and other social media and publicity channels.

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

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

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

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

More information on the Company's investor and media relations efforts can be found in the Our Stakeholders section on pages 69 to 81 of this Annual Report.

### Dividends Policy

The Company has a policy on the payment of dividends. Barring unforeseen circumstances, the Company's policy is to declare a dividend of at least 30% of the annual cash profit after tax and minority interests (PATMI), defined as the sum of operating PATMI, portfolio gains/losses and realised valuation gains/losses, after considering a number of factors, including the Company's level of cash and reserves, results of operations, business prospects, capital requirements and surplus, general financial condition, contractual restrictions, the absence of any circumstances which might reduce the amount of reserves available to pay dividends, and other factors considered relevant by the Board, including the Company's expected financial performance. Upon approval by shareholders at the general meeting, dividends are generally paid to all shareholders within 15 market days after the record date.

### Timely Disclosure of Information

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

In FY 2022, the Company provided shareholders with the full-year financial statements for FY 2021 and the half-year financial statements for FY 2022 within the relevant periods prescribed by the Listing Manual. These were reviewed and approved by the Board prior to release to shareholders via announcement on the SGXNet. The Company provides shareholders with its half-year and full-year financial statements within the relevant periods prescribed by the Listing Manual. Such half-year and full-year financial statements would be reviewed and approved by the Board prior to release to shareholders via an announcement on the SGXNet. The releases of the half-year and full-year financial statements are accompanied by news releases issued to the media, which are also posted on the SGXNet. In presenting the half-year and full-year financial statements to shareholders, the Board seeks to provide shareholders with a balanced, clear and understandable assessment of the Company and the Group's performance, position and prospects. In order to achieve this, Management provides the Board with management accounts on a monthly basis and such explanation and information as any Director may require, to enable the Directors to keep abreast, and make a balanced and informed assessment, of the Group's financial performance, position and prospects.

In keeping with the Company's commitment to providing its shareholders with information promptly, the Company provides shareholders, on a voluntary basis, with quarterly business updates between the announcement of its half-year and full-year financial statements. Such business updates contain, among other things, information on the Group's key operating and financial metrics.

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

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

A written communications protocol has also been established to implement a control process within the Group for the management of communications with various internal and external stakeholders. Such protocol identifies the spokespersons who are authorised to provide information about the Group to the relevant stakeholders. As part of the employee on-boarding process, all employees are informed that they are required to comply with the obligation of maintaining the confidentiality of information relating to the Group and are prohibited from disclosing or communicating such information or discussing internal corporate matters or developments with anyone except where necessary and in the performance of regular corporate duties. On an annual basis, they also declare that, among other things, they are aware of and will comply with, their obligations to keep confidential information which they receive during their employment.

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

## MANAGING STAKEHOLDER RELATIONSHIPS

### PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

With the Company placing sustainability at the core of everything it does, the Board's role includes considering sustainability as part of its strategy formulation. The Company engages with its stakeholders based on the principles of sustainability and sound governance, in keeping with its commitment to sustainability with a view to enabling the Company to generate sustainable returns over time.

The Company adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders. Reflecting the Company's commitment to sustainability, the Group adopted the CapitaLand 2030 Sustainability Master Plan as part of its preparation for its Introductory Listing in 2021. The master plan articulates the Group's sustainability targets over the next decade and five pathways to achieve them. As part of its sustainability commitment, the Company embeds ESG considerations into its investment analysis, financing consideration and day-to-day business operations. The master plan is reviewed every two years. The Company has arrangements in place to identify and engage with its material stakeholder groups and, through such arrangements, engages with these stakeholder groups from time to

time to gather feedback on the sustainability issues most important to such groups and to manage its relationships with such groups. Such arrangements include maintaining and updating the Company's website at [www.capitalandinvest.com](http://www.capitalandinvest.com) with current information on its sustainability strategy and stakeholder engagements, so as to facilitate communication and engagement with the Company's stakeholders. Further information on the CapitaLand 2030 Sustainability Master Plan and stakeholder engagement can be found on pages 82 to 91 of this Annual Report.

The Company has received recognition for its efforts on sustainability. It is listed in the Global 100 Most Sustainable Corporations Index, Dow Jones Sustainability World Index and Asia-Pacific Index, GRESB (Highest 5-star rating), FTSE4Good Index Series, MSCI Global Sustainability Indexes and The Sustainability Yearbook. More information on the Company's efforts in sustainability management can be found on pages 82 to 91 of this Annual Report and in the CapitaLand Investment Global Sustainability Report 2022, which will be published by 31 May 2023.

## ADDITIONAL INFORMATION

### DEALINGS IN SECURITIES

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

In addition, Directors and certain employees identified as "Key Insiders" are prohibited from dealing in the securities of the Company, except during the open trading window (being the one calendar month commencing from the relevant date of announcement of the Company's half-year and full-year results), provided that they are not in possession of undisclosed material price-sensitive or trade-sensitive information. If a Key Insider intends to trade outside the open trading window, he or she is required to obtain the approval of, in the case of a Director, the Board, or in the case of an employee, the Group CEO. In addition, Key Insiders are required to notify the Group CEO of any intended trade prior to any trade of the Company's securities during the open trading window.

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

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

Under the policy, Directors and employees are also discouraged from trading on short-term or speculative considerations. They are also prohibited from using any information with respect to other companies or entities obtained in the course of their employment in connection with securities transactions of such companies or entities.

A Director is required to notify the Company of his or her interest in the Company's securities within two business days after (i) the date on which he or she becomes a Director; or (ii) the date on which he or she acquires an interest in the Company's securities. A Director is also required to notify the Company of any change in his or her interests in the Company's securities within two business days after he or she becomes aware of such a change. Any dealings by the Directors (including the Group CEO who is also a Director) in securities of the Company are disclosed, in accordance with the requirements of the Securities and Futures Act 2001.

During FY 2022, there were no dealings by the Directors in the securities of the Company (other than the award of shares to them under the RSP in part payment of their Directors' fees for FY 2021 (comprising the share component of their Directors' fees), and, in the case of Mr Lee Chee Koon, the contingent awards of shares to him as an employee pursuant to the Share Plans).

### Ethics And Code Of Business Conduct

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

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

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

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

These policies and guidelines are published on the Company's intranet, which can be easily accessed by all employees.

### Whistle-Blowing Policy

Consistent with its commitment to maintaining a high standard of integrity in its business conduct, the Company has put in place a whistle-blowing policy. The policy and the related procedures provide the Group's employees and parties who have dealings with the Group with well-defined, accessible and trusted channels to report to the Company any suspected fraud, corruption, dishonest practices, misconduct, wrongdoing and/or other improprieties relating to the Company and its officers, and provide for the independent investigation of any reported incidents and appropriate follow-up actions. The objective of the policy is to encourage the reporting of such matters – by ensuring that employees or external parties making any reports in good faith will be able to do so with the confidence that they will be treated fairly and, to the extent possible, be protected from reprisal and detrimental or unfair treatment. The policy provides that the identity of the whistle-blower will be kept confidential, and that an independent investigating committee will be formed for the purpose of investigating any reports made in good faith. It further provides that the Company will not tolerate the harassment or victimisation of anyone reporting a genuine concern and that it will ensure the protection of whistle-blowers against reprisal and detrimental or unfair treatment, even if they turn out to be mistaken.

## Corporate Governance

The AC is responsible for oversight and monitoring of whistle-blowing. Whistle-blowing reports can be made to the AC Chairman and the Company has designated an independent function to investigate whistle-blowing reports made in good faith. Internal Audit provides the staff function for the AC and reports directly to the AC on all reported cases. The AC reviews all whistle-blowing complaints at its quarterly meetings. Independent, thorough investigation and appropriate follow-up actions are taken. The outcome of each investigation is reported to the AC.

The whistle-blowing policy is publicly disclosed on the Company's website and made available to all employees on the Company's intranet. Further, as part of the Group's efforts to promote strong ethical values and fraud and control awareness, the whistle-blowing policy, including the procedures for raising concerns, is covered and explained in detail during periodic communications to all staff.

### Business Continuity Management

The Company has implemented a Business Continuity Management programme that puts in place the prevention, detection, response and business recovery and resumption measures to minimise the impact of adverse business interruptions or unforeseen events on the Company's operations and has in place a Business Continuity Plan (BCP). Under the BCP, Management has identified the critical business functions, processes and resources, and has a pool of employees trained under a Business Psychological Resilience Programme to provide peer support to colleagues following the occurrence of adverse events. As part of the BCP, periodic desktop exercises and drills, simulating different scenarios, are carried out to stress-test the effectiveness of the processes, procedures and escalation protocols. This holistic approach under the BCP serves to ensure organisational and staff preparedness and readiness to deal with adverse business disruptions such as acts of terrorism, cyber-attacks, data breaches and epidemics. This approach aims to minimise financial loss, allows the Company to continue to function and mitigates any negative effects that disruptions could have on the Company's reputation, operations and ability to remain in compliance with the relevant laws and regulations.

### Attendance Record of Meetings of Shareholders, Board and Board Committees in FY 2022<sup>1</sup>

	Board <sup>9</sup>	Audit Committee (AC)	Executive Committee (EXCO)	Executive Resource and Compensation Committee (ERCC)	Nominating Committee (NC)	Risk Committee (RC)	Strategy Committee <sup>10</sup> (SC)	General Meeting(s)
<b>No. of Meetings Held</b>	<b>7</b>	<b>4</b>	<b>8</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>5</b>	<b>1</b>
<b>Board Members</b>								
Miguel Ko	100%	-	100%	100%	100%	-	100%	100%
Lee Chee Koon <sup>2</sup>	100%	-	100%	-	-	-	100%	100%
Anthony Lim Weng Kin <sup>3</sup>	100%	100%	-	100%	100%	-	100%	100%
Chaly Mah Chee Kheong	100%	100%	100%	-	-	-	-	100%
Kee Teck Koon	100%	-	100% <sup>4</sup>	-	-	100%	-	100%
Gabriel Lim Meng Liang <sup>5</sup>	100%	100%	-	-	100%	100%	-	100%
Judy Hsu Chung Wei <sup>6</sup>	100%	-	-	100%	-	100%	-	100%
David Su Tuong Sing	100%	-	-	-	-	-	100%	100%
Helen Wong Siu Ming	100%	100%	-	-	-	-	100%	100%
Stephen Lee Ching Yen <sup>7</sup>	100%	-	-	100%	100%	-	-	100%
Goh Swee Chen <sup>8</sup>	50% <sup>8A</sup>	-	-	100%	-	100%	-	100%

- 1 All Directors are required to attend shareholders, Board and/or Board Committee meetings called, in person or via audio or video conference, unless required to recuse. Attendance is marked against the shareholders, Board and Board Committee meetings each Director is required to attend, and the percentage is computed accordingly.
- 2 Attended all Board Committee meetings on an *ex officio* basis.
- 3 Appointed as a member of the ERCC on 29 April 2022.
- 4 Recused from one EXCO meeting due to conflict of interest.
- 5 Ceased to be a member of the AC and appointed as chairman of the NC on 29 April 2022.
- 6 Appointed as chairman of the ERCC on 29 April 2022.
- 7 Stepped down from the Board, and ceased to be chairman of the ERCC and the NC, respectively, following the conclusion of the 2022 AGM.
- 8 Retired from the Board, and ceased to be a member of the ERCC and the RC, respectively, at the conclusion of the 2022 AGM.
- 8A Attended one out of two board meetings held before her retirement from the Board.
- 9 Includes a Board Strategy Meeting held over two days.
- 10 Renamed to Strategy and Sustainability Committee with effect from 1 January 2023, without any change to the composition of the Board Committee in connection therewith.



## Directors' and Group CEO's Remuneration for FY 2022

Directors and Group CEO of the Company	Salary inclusive of employer's CPF S\$	Bonus and other benefits inclusive of employer's CPF S\$	Share awards <sup>1</sup> S\$	Directors' fees		Benefits S\$	Total remuneration S\$
				Cash component S\$	Shares component S\$		
<b>Director and Group CEO</b>							
Lee Chee Koon	1,130,640	1,966,436	2,909,358	-	-	-	6,006,434 <sup>2</sup>
<b>Sub-Total</b>	<b>1,130,640</b>	<b>1,966,436</b>	<b>2,909,358</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,006,434</b>
<b>Non-Executive Directors</b>							
Miguel Ko	-	-	-	525,000.00	225,000.00	-	750,000.00
Anthony Lim Weng Kin	-	-	-	228,352.60	97,865.40	2,063.26	328,281.26
Chaly Mah Chee Kheong	-	-	-	179,620.00	76,980.00	500.00	257,100.00
Kee Teck Koon	-	-	-	160,300.00	68,700.00	500.00	229,500.00
Gabriel Lim Meng Liang <sup>3</sup>	-	-	-	204,695.00	-	3,500.00	208,195.00
Judy Hsu Chung Wei	-	-	-	140,095.20	60,040.80	3,050.23	203,186.23
David Su Tuong Sing	-	-	-	120,400.00	51,600.00	3,500.00	175,500.00
Helen Wong Siu Ming	-	-	-	163,660.00	70,140.00	1,746.04	235,546.04
Stephen Lee Ching Yen <sup>4</sup>	-	-	-	71,087.00	-	-	71,087.00
Goh Swee Chen <sup>5</sup>	-	-	-	54,045.00	-	-	54,045.00
<b>Sub-Total</b>				<b>1,847,254.80</b>	<b>650,326.20</b>	<b>14,859.53</b>	<b>2,512,440.53<sup>6</sup></b>
<b>Total for Directors and Group CEO of the Company</b>	<b>1,130,640</b>	<b>1,966,436</b>	<b>2,909,358</b>	<b>2,497,581</b>	<b>14,859.53</b>		<b>8,518,874.53</b>

- The share awards are based on the fair value as at the time of grant of the shares comprised in the contingent awards granted in May 2022 under the share plans of the Company. The final number of shares released under the contingent awards of shares pursuant to the PSP and RSP will depend on the achievement of pre-determined performance conditions and subject to the respective vesting periods under the PSP and RSP.
- The FY 2022 total remuneration of S\$6,006,434 for Mr Lee Chee Koon represents a decrease of about 14% when compared to Mr Lee's annualised FY 2021 total remuneration of S\$7,014,354.
- The fees payable to Mr Gabriel Lim Meng Liang will be paid fully in cash to a government agency, DCAC. Mr Lim has requested and the DCAC has concurred, that the fees for his services, upon approval by shareholders, be donated by the Company in its entirety to a charitable organisation, the CapitalLand Hope Foundation.
- Mr Stephen Lee Ching Yen stepped down from the Board following the conclusion of the 2022 AGM.
- Ms Goh Swee Chen retired from the Board at the conclusion of the 2022 AGM.
- The remuneration of the non-executive Directors amounting to S\$2,512,440.53 in aggregate is subject to approval by shareholders at the upcoming 2023 AGM.

## Group CEO's Remuneration for FY 2022

The remuneration of the Group CEO for FY 2022 is set out in the table below:

	Salary inclusive of employer's CPF	Bonus and other benefits inclusive of employer's CPF <sup>1</sup>	Share awards <sup>2</sup>	Total
Lee Chee Koon	S\$1,130,640 19%	S\$1,966,436 33%	S\$2,909,358 48%	S\$6,006,434 <sup>3</sup> 100%

- The disclosure includes the bonuses earned under the BSBP and EBIP which have been accrued for in FY 2022. The BSBP includes S\$200,000 in deferred shares granted pursuant to the RSP with a 1-year vesting period and no performance conditions attached. No EBIP bonus was declared or paid during FY 2022.
- The share awards are based on the fair value as at the time of grant of the shares comprised in the contingent awards granted in May 2022 under the share plans of the Company. The final number of shares released under the contingent awards of shares pursuant to the PSP and RSP will depend on the achievement of pre-determined performance conditions and subject to the respective vesting periods under the PSP and RSP.
- The FY 2022 total remuneration of S\$6,006,434 for Mr Lee Chee Koon represents a decrease of about 14% when compared to Mr Lee's annualised FY 2021 total remuneration of S\$7,014,354.

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## Directors' Statement

We are pleased to submit this annual report to the members of the Company, together with the audited financial statements for the financial year ended 31 December 2022.

In our opinion:

- (a) the financial statements set out on pages 158 to 266 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 2022 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967, Singapore Financial Reporting Standards (International) and International Financial Reporting Standards (IFRS); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

### DIRECTORS

The directors in office at the date of this statement are as follows:

Miguel Ko  
 Lee Chee Koon  
 Anthony Lim Weng Kin  
 Chaly Mah Chee Kheong  
 Kee Teck Koon  
 Gabriel Lim Meng Liang  
 Judy Hsu Chung Wei  
 David Su Tuong Sing  
 Helen Wong Siu Ming  
 Tan Sri Abdul Farid bin Alias (Appointed on 1 January 2023)

### DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, particulars of interests of directors who held office at the end of the financial year (including those held by spouses and infant children) in shares or debentures of the Company, or of its related corporations, are as follows:

## Directors' Statement

### DIRECTORS' INTEREST IN SHARES OR DEBENTURES (CONTINUED)

	Holdings in the name of the director, spouse and/or infant children	
	At beginning of the year	At end of the year
<b>CapitaLand Investment Limited (CLI)</b>		
<b>Ordinary shares</b>		
Miguel Ko	1,303,679	1,337,793
Lee Chee Koon	1,540,196	2,470,572
Anthony Lim Weng Kin	51,145	62,155
Kee Teck Koon	100,647	108,163
Chaly Mah Chee Kheong	121,654	130,367
Judy Hsu Chung Wei	–	6,882
<b>Award of CLI Performance shares<sup>1,3</sup> to be delivered after 2021</b>		
Lee Chee Koon	930,376	–
<b>Award of CLI Performance shares<sup>1,3</sup> to be delivered after 2022</b>		
Lee Chee Koon	941,254	941,254
<b>Award of CLI Performance shares<sup>1,3</sup> to be delivered after 2023</b>		
Lee Chee Koon	1,116,813	1,116,813
<b>Contingent award of CLI Performance shares<sup>1,4</sup> to be delivered after 2024</b>		
Lee Chee Koon (368,166 shares)	–	0 to 736,332
<b>Contingent award of CLI Performance shares<sup>1,6</sup> under Special Founder Performance share award to be delivered after 2025</b>		
Lee Chee Koon (921,006 shares)	0 to 2,763,018	0 to 2,763,018
<b>Contingent award of CLI Restricted shares<sup>2,5</sup> to be delivered after 2022</b>		
Lee Chee Koon (368,166 shares)	–	0 to 552,249
<b>Related Corporations</b>		
<b>CLI Treasury Limited</b>		
<b>S\$400 million 3.33% Fixed Rate Senior Notes due 2027</b>		
Miguel Ko	–	S\$500,000
Lee Chee Koon	–	S\$500,000
Kee Teck Koon	–	S\$250,000
<b>CapitaLand Treasury Limited</b>		
<b>S\$800 million 2.90% Fixed Rate Senior Notes due 2032</b>		
Kee Teck Koon	S\$250,000	S\$250,000
<b>Fullerton India Credit Company Limited</b>		
<b>S\$150 million 3.70% Senior Secured Notes due 2023</b>		
Kee Teck Koon	S\$250,000	S\$250,000

## Directors' Statement

### DIRECTORS' INTEREST IN SHARES OR DEBENTURES (CONTINUED)

	Holdings in the name of the director, spouse and/or infant children	
	At beginning of the year	At end of the year
<b>Related Corporations (continued)</b>		
<b>Mapletree Treasury Services Limited</b>		
<b>S\$300 million 3.4% Notes due 2026</b>		
Miguel Ko	S\$500,000	S\$500,000
<b>S\$700 million 3.95% Subordinated Perpetual Securities</b>		
Judy Hsu Chung Wei	S\$500,000	S\$500,000
<b>Sembcorp Marine Ltd</b>		
<b>Ordinary shares</b>		
Kee Teck Koon	58,932	58,932
<b>SIA Engineering Company Limited</b>		
<b>Ordinary shares</b>		
Kee Teck Koon	5,000	5,000
<b>Singapore Airlines Limited</b>		
<b>Ordinary shares</b>		
Miguel Ko	117,500	117,500
Judy Hsu Chung Wei	7,000	7,000
<b>S\$600 million 3.16% Fixed Rate Notes due 2023</b>		
Miguel Ko	S\$500,000	S\$500,000
Kee Teck Koon	S\$750,000	–
<b>S\$750 million 3.03% Bond due 2024</b>		
Miguel Ko	S\$250,000	S\$250,000
<b>S\$700 million 3.035% Fixed Rate Notes due 2025</b>		
Miguel Ko	S\$250,000	S\$250,000
Kee Teck Koon	S\$250,000	–
<b>S\$630 million 3.13% Bond due 2026</b>		
Miguel Ko	S\$250,000	S\$250,000
<b>S\$3.5 billion zero coupon Rights Mandatory Convertible Bonds due 2030</b>		
Judy Hsu Chung Wei	10,000	10,000
<b>Singapore Technologies Engineering Ltd</b>		
<b>Ordinary shares</b>		
Miguel Ko	70,500	70,500

## Directors' Statement

### DIRECTORS' INTEREST IN SHARES OR DEBENTURES (CONTINUED)

	Holdings in the name of the director, spouse and/or infant children	
	At beginning of the year	At end of the year
<b>Related Corporations (continued)</b>		
<b>Singapore Telecommunications Limited</b>		
<b>Ordinary shares</b>		
Miguel Ko	34,715	34,715
Kee Teck Koon	10,490	10,490
Anthony Lim Weng Kin	940	940
Judy Hsu Chung Wei	10,000	10,000
<b>StarHub Ltd</b>		
<b>Ordinary shares</b>		
Miguel Ko	66,600	66,600
<b>S\$220 million 3.08% Fixed Rate Notes due 2022</b>		
Miguel Ko	S\$250,000	S\$250,000

#### Footnotes:

- Awards made pursuant to the CapitaLand Investment Performance Share Plan 2021 (CLI PSP 2021).
  - Awards made pursuant to the CapitaLand Investment Restricted Share Plan 2021 (CLI RSP 2021).
  - Following the completion of the strategic restructuring of the investment management business of CapitaLand Limited (CL) and as further described in CLI introductory document dated 17 July 2021, the awards granted under CL's CapitaLand Performance Share Plan 2010 and CapitaLand Performance Share Plan 2020 (collectively, the CL PSP Awards) to certain employees of CLI and CL group companies have been replaced with shares under the CLI PSP 2021, which will vest progressively over three years in accordance with the original vesting schedule of the CL PSP Awards.
  - The final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 200% of the baseline award. The Executive Resource and Compensation Committee (ERCC) of the Company has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors.
  - The final number of shares to be released will depend on the achievement of pre-determined targets at the end of a one-year performance period and the release will be over a vesting period of three years. Depending on the extent of the achievement of the pre-determined targets at the end of the performance period, the ERCC has the discretion to release the final number of shares ranging from between 0% to 150% of the baseline award. On the final vesting, an additional number of shares of a total value equal to the value of the accumulated dividends which are declared during each of the vesting periods and deemed foregone due to the vesting mechanism of the restricted share plan will also be released.
  - This is a long-term share-based award which will vest after the end of a 5-year performance period, subject to the achievement of the targets approved by the ERCC. The number of shares to be released as soon as practicable upon vesting will be determined based on, inter alia, the award multiplied by an achievement factor. If the minimum performance level is achieved, the achievement factor will be 0.2. If the performance level exceeds minimum but is below superior, the achievement factor will be adjusted accordingly within the range of 0.2 to 3.0. If the performance level is superior and above, the achievement factor will be 3.0. Conversely, if the performance level is below minimum, the achievement factor will be zero and no share will be released. In the event of early achievement of the targets within the first three years of the performance period, a maximum of 20% to 50% of the baseline award can be released after the third year, with any balance in excess of 50% of the baseline award to be released only after the fifth year. The ERCC has the absolute discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors.
- Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures or options of the Company or of related corporations either at the beginning or at the end of the financial year.
- There was no change in any of the above-mentioned directors' interests in the Company between the end of the financial year and 21 January 2023.

#### 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.

# Directors' Statement

## SHARE PLANS – PERFORMANCE SHARE PLANS AND RESTRICTED SHARE PLANS

### Share Plans of the CapitaLand Group Pte. Ltd.

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

Pursuant to the strategic restructuring in 2021, CL ERCC has approved the following in relation to the unvested share award payout of CL Share Plans as at 17 September 2021.

- (a) The outstanding contingent CL PSP awards granted to the employees were replaced by awards under the CLI Share Plan on 1 October 2021 in accordance with a conversion ratio and released in accordance with the original vesting schedule. The number of awards to be granted have also been finalised at 200% of the baseline awards.
- (b) The outstanding CL RSP awards were converted to cash-settled based awards with an implied value of S\$4.102 per CL share. Contingent awards granted under the CL RSP have been finalised at 150% of the baseline awards based on the same implied value. The cash payment will be released to eligible employees according to the original vesting schedule of respective CL RSP awards.

### Share Plans of the Company (CLI)

The ERCC of the Company has been designated as the Committee responsible for the administration of the Share Plans. The ERCC members at the date of this statement are Ms Judy Hsu Chung Wei (Chairman), Mr Miguel Ko and Anthony Lim Weng Kin.

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

The ERCC of the Company has instituted a set of share ownership guidelines for members of senior management who receive shares under the CLI Restricted Share Plans and CLI Performance Share Plans. Under these guidelines, members of senior management are required to retain a portion of the total number of CLI shares received under the aforementioned share-based plans, which will vary according to their respective job grade and salary.

The total number of new shares which may be allotted, issued and/or delivered pursuant to awards granted under the Share Plans on any date, when aggregated with existing shares (including treasury shares and cash equivalents) delivered and/or to be delivered, pursuant to the CLI Share Plans and all shares, options or awards granted under any other share schemes of the Company then in force, shall not exceed 8% of the total number of issued shares (excluding treasury shares) from time to time.

Details of awards granted under each CLI Share Plan are provided in the following sections:

#### (a) Awards under the CLI Performance Share Plans (CLI PSP)

Under the Performance Share Plans, the awards granted are conditional on performance targets set based on medium-term corporate objectives. Awards represent the right of a participant to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, upon the Company achieving prescribed performance target(s).

The ERCC grants an initial number of shares (baseline award) which are conditional on targets set for a performance period, currently prescribed to be a three-year performance period. A specified number of shares will only be released by the ERCC to the recipients at the end of the qualifying performance period, provided the threshold targets are achieved. The final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award can be delivered up to a maximum of 200% of the baseline award. The ERCC has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors. Recipients can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost.

# Directors' Statement

## SHARE PLANS – PERFORMANCE SHARE PLANS AND RESTRICTED SHARE PLANS (CONTINUED)

### Share Plans of the Company (CLI) (continued)

#### (a) Awards under the CLI Performance Share Plans (CLI PSP) (continued)

Performance conditions		Final number of shares to be released
1.	Group's absolute total shareholder return measured as a multiple of cost of equity	0% to 200% of baseline award
2.	Group's relative total shareholder return ranking against a peer group of selected companies	
3.	Average of Group's return on equity to be achieved in 2022 to 2024 for the grant made in 2022	
4.	CapitaLand Group's carbon emissions intensity reduction performance	

Year of award	←----- Movements during the year -----→						Balance as at	
	Balance as at 1 January 2022		Granted No. of shares	Released No. of shares	Lapsed/Cancelled No. of shares	Balance as at 31 December 2022		
	No. of holders	No. of shares				No. of holders	No. of shares	
2021	71	25,776,933	–	(7,648,664)*	(539,264)	59	17,589,005	
2022	–	–	3,344,038	–	(39,315)	62	3,304,723	
		25,776,933	3,344,038	(7,648,664)	(578,579)		20,893,728^	

\* The number of shares released comprised shares under CL PSP awards, which were converted to CLI shares under CLI PSP in October 2021.

^ The number of shares comprised in awards granted under the CapitaLand Investment Performance Share Plan 2021 comprised 16,645,394 (31 December 2021: 19,275,824) shares granted to the employees of the Group and 4,248,334 (31 December 2021: 6,501,109) shares granted to the employees of the related corporations.

#### (b) Special CLI Founders Performance Share Plan Award (Special PSP)

Pursuant to the CLI PSP, the Special PSP award granted to selected key executives of the Company and/or its group companies is conditional on a performance target based on longer term wealth creation objectives. Participants will receive a specified number of performance shares after the end of the performance period conditional on achievement of performance conditions.

The ERCC grants an initial number of shares (baseline award) which are conditional on the target of the Company's share price expressed as a multiple of the Group's net asset value per share (Price/NAV) set for a five-year performance period. A specified number of shares will only be released by the ERCC to the recipients at the end of the qualifying performance period, provided the pre-specified minimum target is achieved. No share will be released if the minimum target is not met at the end of the performance period. On the other hand, if the superior target is met, more shares than the baseline award can be delivered up to a maximum of 300% of the baseline award. In the event of early achievement of the targets within the first three years of the performance period, a maximum of 20% to 50% of the baseline award can be released after the third year, with any balance in excess of 50% of the baseline award to be released only after the fifth year. The ERCC has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors. Recipients can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost.

As a hiring strategy, such one-time special contingent award may (at the discretion of the ERCC) also be extended to key executives joining the Company and/or its group companies on a date after 1 October 2021 but not later than 19 September 2022.

## Directors' Statement

### SHARE PLANS – PERFORMANCE SHARE PLANS AND RESTRICTED SHARE PLANS (CONTINUED)

#### Share Plans of the Company (CLI) (continued)

##### (b) Special CLI Founders Performance Share Plan Award (Special PSP) (continued)

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

Year of award	<-- Movements during the year -->					
	Balance as at 1 January 2022		Granted No. of shares	Lapsed/Cancelled No. of shares	Balance as at 31 December 2022	
	No. of holders	No. of shares			No. of holders	No. of shares
2021	112	14,594,336	–	(343,211)	109	14,251,125
2022	–	–	407,366	–	4	407,366
		14,594,336	407,366	(343,211)		14,658,491 <sup>^</sup>

<sup>^</sup> The number of shares comprised in contingent awards granted under the Special PSP award comprised 12,391,413 (31 December 2021: 12,327,258) shares granted to the employees of the Group and 2,267,078 (31 December 2021: 2,267,078) shares granted to the employees of the related corporations.

##### (c) Awards under the CLI Restricted Share Plans (CLI RSP)

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

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 can be delivered up to a maximum of 150% of the baseline award. The ERCC has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors. 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 2022, the performance conditions and number of shares to be released subject to the achievement of performance targets are as follows:

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

## Directors' Statement

### SHARE PLANS – PERFORMANCE SHARE PLANS AND RESTRICTED SHARE PLANS (CONTINUED)

#### Share Plans of the Company (CLI) (continued)

##### (c) Awards under the CLI Restricted Share Plans (CLI RSP) (continued)

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

Year of award	<----- Movements during the year ----->						
	Balance as at 1 January 2022		Granted No. of shares	Released* No. of shares	Lapsed/Cancelled No. of shares	Balance as at 31 December 2022	
	No. of holders	No. of shares				No. of holders	No. of shares
2022	–	–	9,048,682 <sup>^</sup>	(68,235)	(364,815)	1,110	8,615,632 <sup>#</sup>

+ The number of shares released during the year was equity-settled.

<sup>^</sup> Comprised 8,969,551 (31 December 2021: nil) shares granted to employees of the Group, 10,896 (31 December 2021: nil) shares granted to employees of the related corporations and 68,235 (31 December 2021: nil) shares granted to non-executive directors.

<sup>#</sup> The number of shares comprised in contingent awards granted under CLI RSP comprised 6,950,531 (31 December 2021: nil) shares to be equity-settled and 1,665,101 (31 December 2021: nil) shares to be cash-settled. The final number of shares released could range from 0% to 150% of the baseline award.

### SHARE OPTIONS

During the financial year, there were:

- no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and
- no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under options.

### AUDIT COMMITTEE

The Audit Committee members at the date of this statement are Mr Chaly Mah Chee Kheong (Chairman), Mr David Su Tuong Sing, Ms Helen Wong Siu Ming and Tan Sri Abdul Farid bin Alias.

The Audit Committee shall discharge its duties in accordance with the Companies Act (Chapter 50) and the Listing Manual of the SGX-ST. The Audit Committee shall also be guided by the Code of Corporate Governance (2 May 2012) and the Guidebook for Audit Committee in Singapore (Second Edition), and any such codes or regulations as may be applicable from time to time.

The principal responsibility of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities. Areas of review by the Audit Committee include:

- the reliability and integrity of the financial statements;
- the impact of new, revised or proposed changes in accounting standards and policies or regulatory requirements on the financial statements;
- the compliance with laws and regulations, particularly those of the Act and the Listing Manual of the SGX-ST;
- the appropriateness of half-yearly and full year announcements and reports;

## Directors' Statement

### AUDIT COMMITTEE (CONTINUED)

- in conjunction with the assessment by the Risk Committee, assesses the adequacy and effectiveness of the internal control (including financial, operational, compliance and information technology controls) and risk management systems established by management to manage risks;
- the adequacy and effectiveness of internal and external audits;
- the appointment and re-appointment of external auditors and the level of auditors' remuneration;
- the nature and extent of non-audit services and their impact on independence and objectivity of the external auditors;
- interested person transactions;
- review the whistle-blowing reports and the policy and processes for the detection, independent investigation and follow-up action relating to possible improprieties in financial reporting or other matters, if any;
- the processes put in place to manage any material conflicts of interest within the Group; and
- all conflicts of interest matters referred to it.

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 four times in 2022. 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:

**Miguel Ko**  
Director

**Lee Chee Koon**  
Director

15 March 2023

# Independent Auditors' Report

To the Members of CapitaLand Investment Limited

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of CapitaLand Investment Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 2022, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 158 to 266.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967, (the Act), Singapore Financial Reporting Standards (International) (SFRS(I)) and International Financial Reporting Standards (IFRS) so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

### Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Valuation of investment properties

(Refer to Notes 5 and 31 to the financial statements)

### Risk:

The Group owns a portfolio of investment properties comprising shopping malls, offices, serviced residences, integrated development projects and business parks, industrial and logistics properties, located primarily in Singapore, China and Europe. Investment properties represent the single largest category of assets on the consolidated balance sheet at \$14.7 billion as at 31 December 2022.

These investment properties are stated at their fair values based on independent external valuations.

The valuation process involves significant judgement in determining the appropriate valuation methodologies to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied and a small change in the assumptions can have a significant impact to the valuation.

# Independent Auditors' Report

To the Members of CapitaLand Investment Limited

## Our response:

We assessed the Group's processes for the selection of the external valuers, the determination of the scope of work of the valuers, and the review and acceptance of the valuations reported by the external valuers.

We evaluated the qualifications and competence of the external valuers. We also read the terms of engagement of the valuers with the Group to determine whether there were any matters that might have affected their objectivity or limited the scope of their work.

We considered the valuation methodologies used against those applied by other valuers for similar property types. We also considered other alternative valuation methods. We tested the integrity of inputs of the projected cash flows used in the valuations to supporting leases and other documents. We challenged the key assumptions used in the valuations, which included capitalisation, discount and terminal yield rates by comparing them against available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuers.

We also considered the adequacy of the disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates. This includes the relationships between the key unobservable inputs and fair values, in conveying the uncertainties.

### Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I)s and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

# Independent Auditors' Report

To the Members of CapitaLand Investment Limited

## *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# Independent Auditors' Report

To the Members of CapitaLand Investment Limited

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Lim Pang Yew, Victor.

### **KPMG LLP**

*Public Accountants and  
Chartered Accountants*

### **Singapore**

15 March 2023



## Balance Sheets

As at 31 December 2022

	Note	The Group		The Company	
		31 Dec 2022 \$'M	31 Dec 2021 \$'M	31 Dec 2022 \$'M	31 Dec 2021 \$'M
<b>Non-current assets</b>					
Property, plant and equipment	3	1,225	1,067	13	21
Intangible assets	4	1,142	990	*	*
Investment properties	5	14,706	16,249	–	–
Subsidiaries	6	–	–	11,168	11,159
Associates	7	10,417	10,466	–	–
Joint ventures	8	2,735	2,782	–	–
Deferred tax assets	9	63	58	–	–
Other non-current assets	10	401	212	–	3
		<b>30,689</b>	<b>31,824</b>	<b>11,181</b>	<b>11,183</b>
<b>Current assets</b>					
Development properties for sale	11	243	268	–	–
Trade and other receivables	12	1,025	1,661	700	243
Other current assets	10	70	14	–	–
Assets held for sale	13	415	2	–	–
Cash and cash equivalents	14	2,668	3,877	22	362
		<b>4,421</b>	<b>5,822</b>	<b>722</b>	<b>605</b>
<b>Less: current liabilities</b>					
Trade and other payables	15	2,093	2,128	221	269
Short term borrowings	16	1,208	1,941	12	11
Current portion of debt securities	17	160	608	–	–
Current tax payable		583	939	2	1
Liabilities held for sale	13	118	–	–	–
		<b>4,162</b>	<b>5,616</b>	<b>235</b>	<b>281</b>
<b>Net current assets</b>		<b>259</b>	<b>206</b>	<b>487</b>	<b>324</b>
<b>Less: non-current liabilities</b>					
Long term borrowings	16	9,880	10,428	1	12
Debt securities	17	1,342	571	–	–
Deferred tax liabilities	9	543	538	–	–
Other non-current liabilities	18	254	392	812	819
		<b>12,019</b>	<b>11,929</b>	<b>813</b>	<b>831</b>
<b>Net assets</b>		<b>18,929</b>	<b>20,101</b>	<b>10,855</b>	<b>10,676</b>
Representing:					
Share capital	20	10,760	10,760	10,760	10,760
Revenue reserve		10,267	10,165	385	105
Other reserves	21	(5,894)	(4,881)	(290)	(189)
<b>Equity attributable to owners of the Company</b>		<b>15,133</b>	<b>16,044</b>	<b>10,855</b>	<b>10,676</b>
Perpetual securities	22	396	396	–	–
Non-controlling interests	6	3,400	3,661	–	–
<b>Total equity</b>		<b>18,929</b>	<b>20,101</b>	<b>10,855</b>	<b>10,676</b>

\* Less than \$1 million

## Consolidated Income Statement

Year ended 31 December 2022

	Note	The Group	
		2022 \$'M	2021 \$'M
<b>Revenue</b>	24	2,876	2,293
Cost of sales		(1,586)	(1,235)
<b>Gross profit</b>		<b>1,290</b>	<b>1,058</b>
Other operating income	25(a)	665	888
Administrative expenses		(490)	(763)
Other operating expenses		(176)	(92)
<b>Profit from operations</b>		<b>1,289</b>	<b>1,091</b>
Finance costs	25(d)	(432)	(353)
<b>Share of results (net of tax) of:</b>			
– associates		425	1,008
– joint ventures		106	210
		<b>531</b>	<b>1,218</b>
<b>Profit before tax</b>	25	<b>1,388</b>	<b>1,956</b>
Tax expense	26	(318)	(396)
<b>Profit for the year</b>		<b>1,070</b>	<b>1,560</b>
<b>Attributable to:</b>			
Owners of the Company		861	1,349
Non-controlling interests		209	211
<b>Profit for the year</b>		<b>1,070</b>	<b>1,560</b>
<b>Basic earnings per share (cents)</b>			
	27	<b>16.8</b>	<b>38.3</b>
<b>Diluted earnings per share (cents)</b>			
	27	<b>16.5</b>	<b>37.6</b>

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

# Consolidated Statement of Comprehensive Income

Year ended 31 December 2022

	Note	The Group	
		2022 \$'M	2021 \$'M
Profit for the year		1,070	1,560
<b>Other comprehensive income:</b>			
<b><u>Items that are/may be reclassified subsequently to profit or loss</u></b>			
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations		(721)	71
Recognition of foreign exchange differences on disposal or liquidation of foreign operations in profit or loss		(6)	(19)
Effective portion of change in fair value of cash flow hedges		166	56
Recognition of hedging reserve in profit or loss		(33)	2
Share of other comprehensive income of associates and joint ventures		(547)	244
		(1,141)	354
<b><u>Item that will not be reclassified subsequently to profit or loss</u></b>			
Change in fair value of equity investments at fair value through other comprehensive income		(6)	(15)
Total other comprehensive income	23	(1,147)	339
Total comprehensive income		(77)	1,899
<b>Attributable to:</b>			
Owners of the Company		(64)	1,672
Non-controlling interests		(13)	227
Total comprehensive income		(77)	1,899

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

## Consolidated Statement of Changes in Equity

Year ended 31 December 2022

	Share capital \$'M	Revenue reserve \$'M	Reserve for own shares \$'M	Capital reserve# \$'M	Hedging reserve \$'M	Fair value reserve \$'M	Asset revaluation reserve \$'M	Foreign currency translation reserve \$'M	Perpetual securities \$'M	Non-controlling interests \$'M	Total equity \$'M
<b>At 1 January 2022</b>	10,760	10,165	(208)	(4,770)	(16)	36	6	71	396	3,661	20,101
<b>Total comprehensive income</b>											
Profit for the year	-	861	-	-	-	-	-	-	-	209	1,070
<b>Other comprehensive income</b>											
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	-	-	-	-	-	-	-	(484)	-	(237)	(721)
Recognition of foreign exchange differences on disposal or liquidation of foreign operations in profit or loss	-	-	-	-	-	-	-	(6)	-	-	(6)
Effective portion of change in fair value of cash flow hedges	-	-	-	-	144	-	-	-	-	22	166
Recognition of hedging reserve in profit or loss	-	-	-	-	(33)	-	-	-	-	-	(33)
Share of other comprehensive income of associates and joint ventures	-	-	-	-	32	(3)	-	(569)	-	(7)	(547)
Change in fair value of equity investment at fair value through other comprehensive income	-	-	-	-	-	(6)	-	-	-	-	(6)
<b>Total other comprehensive income,</b>											
<b>net of tax</b>					143	(9)	-	(1,059)	-	(222)	(1,147)
<b>Total comprehensive income</b>		861	-	-	143	(9)	-	(1,059)	-	(13)	(77)

At 1 January 2022

**Total comprehensive income**

Profit for the year

**Other comprehensive income**

Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations  
Recognition of foreign exchange differences on disposal or liquidation of foreign operations in profit or loss  
Effective portion of change in fair value of cash flow hedges  
Recognition of hedging reserve in profit or loss  
Share of other comprehensive income of associates and joint ventures  
Change in fair value of equity investment at fair value through other comprehensive income

**Total other comprehensive income,**

**net of tax**

**Total comprehensive income**

# Includes equity compensation reserve and other capital reserves.

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

# Consolidated Statement of Changes in Equity

Year ended 31 December 2022

	Share capital \$'M	Revenue reserve \$'M	Reserve for own shares \$'M	Capital reserve# \$'M	Hedging reserve \$'M	Fair value reserve \$'M	Asset revaluation reserve \$'M	Foreign currency translation reserve \$'M	Total \$'M	Perpetual securities \$'M	Non-controlling interests \$'M	Total equity \$'M
<b>Transactions with owners, recorded directly in equity</b>												
<b>Contributions by and distributions to owners</b>												
Issue of new shares	-	-	26	(18)	-	-	-	-	8	-	-	8
Purchase of treasury shares	-	-	(133)	-	-	-	-	-	(133)	-	-	(133)
Contributions from non-controlling interests (net)	-	-	-	-	-	-	-	-	-	-	189	189
Dividends paid/payable	-	(772)	-	-	-	-	-	-	(772)	-	(173)	(945)
Distribution attributable to perpetual securities	-	(5)	-	-	-	-	-	-	(5)	13	(8)	-
Distribution paid to perpetual securities	-	-	-	-	-	-	-	-	-	(13)	-	(13)
Reclassification of other capital reserve	-	(3)	-	3	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	42	-	-	-	-	42	-	-	42
<b>Total contributions by and distributions to owners</b>	-	(780)	(107)	27	-	-	-	-	(860)	-	8	(852)
<b>Changes in ownership interests in subsidiaries and other capital transactions</b>												
Changes in ownership interests in subsidiaries with a change in control	-	-	-	-	-	-	-	-	-	-	(230)	(230)
Changes in ownership interests in subsidiaries with no change in control	-	7	-	-	-	14	-	7	14	-	(14)	-
Share of reserves of associates and joint ventures	-	(7)	-	7	-	-	-	1	1	-	-	1
Others	-	21	-	(23)	-	(2)	-	-	(2)	-	(12)	(14)
<b>Total changes in ownership interests in subsidiaries and other capital transactions</b>	-	21	-	(16)	-	13	-	8	13	-	(256)	(243)
<b>Total transactions with owners</b>	-	(759)	(107)	11	-	(847)	-	8	(847)	-	(248)	(1,095)
<b>At 31 December 2022</b>	10,760	10,267	(315)	(4,759)	127	27	6	(980)	15,133	396	3,400	18,929

# Includes equity compensation reserve and other capital reserves.

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

# Consolidated Statement of Changes in Equity

Year ended 31 December 2022

	Share capital \$'M	Revenue reserve \$'M	Reserve for own shares \$'M	Capital reserve# \$'M	Hedging reserve \$'M	Fair value reserve \$'M	Asset revaluation reserve \$'M	Foreign currency translation reserve \$'M	Total \$'M	Perpetual securities \$'M	Non-controlling interests \$'M	Total equity \$'M
<b>At 1 January 2021</b>	7,926	8,916	-	(4,756)	(110)	52	6	(159)	11,875	396	3,463	15,734
<b>Total comprehensive income</b>												
Profit for the year	-	1,349	-	-	-	-	-	-	1,349	-	211	1,560
<b>Other comprehensive income</b>												
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	-	-	-	-	-	-	-	65	65	-	6	71
Recognition of foreign exchange differences on disposal or liquidation of foreign operations in profit or loss	-	-	-	-	-	-	-	(19)	(19)	-	-	(19)
Effective portion of change in fair value of cash flow hedges	-	-	-	-	49	-	-	-	49	-	7	56
Recognition of hedging reserve in profit or loss	-	-	-	-	1	-	-	-	1	-	1	2
Share of other comprehensive income of associates and joint ventures	-	-	-	-	61	(1)	-	182	242	-	2	244
Change in fair value of equity investment at fair value through other comprehensive income	-	-	-	-	-	(15)	-	-	(15)	-	-	(15)
<b>Total other comprehensive income, net of tax</b>	-	-	-	-	111	(16)	-	228	323	-	16	339
<b>Total comprehensive income</b>	-	1,349	-	-	111	(16)	-	228	1,672	-	227	1,899

# Includes equity compensation reserve and other capital reserves.

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

# Consolidated Statement of Changes in Equity

Year ended 31 December 2022

	Share capital \$/M	Revenue reserve \$/M	Reserve for own shares \$/M	Capital reserve# \$/M	Hedging reserve \$/M	Fair value reserve \$/M	Asset revaluation reserve \$/M	Foreign Currency translation reserve \$/M	Total \$/M	Perpetual securities \$/M	Non-controlling interests \$/M	Total equity \$/M
<b>Transactions with owners, recorded directly in equity</b>												
<b>Contributions by and distributions to owners</b>												
Issue of new shares	2,870	-	-	-	-	-	-	-	2,870	-	-	2,870
Purchase of treasury shares	-	-	(208)	-	-	-	-	-	(208)	-	-	(208)
Contributions from non-controlling interests (net)	-	-	-	-	-	-	-	-	-	-	218	218
Dividends paid/payable	-	(4)	-	-	-	-	-	-	(4)	-	(103)	(107)
Distribution attributable to perpetual securities	-	(5)	-	-	-	-	-	-	(5)	13	(8)	-
Distribution paid to perpetual securities	-	-	-	-	-	-	-	-	-	(13)	-	(13)
Reclassification of other capital reserve	-	38	-	(38)	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	31	-	-	-	-	31	-	-	36
<b>Total contributions by and distributions to owners</b>	<b>2,870</b>	<b>29</b>	<b>(208)</b>	<b>(7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,684</b>	<b>-</b>	<b>112</b>	<b>2,796</b>
<b>Changes in ownership interests in subsidiaries and other capital transactions</b>												
Changes in ownership interests in subsidiaries with a change in control	-	20	-	(21)	(17)	-	-	(2)	(20)	-	(145)	(165)
Changes in ownership interests in subsidiaries with no change in control	-	(76)	-	-	-	-	-	4	(72)	-	5	(67)
Share of reserves of associates and joint ventures	-	(49)	-	9	-	-	-	-	(40)	-	-	(40)
Others	(36)	(24)	-	5	-	-	-	-	(55)	-	(1)	(56)
<b>Total changes in ownership interests in subsidiaries and other capital transactions</b>	<b>(36)</b>	<b>(129)</b>	<b>-</b>	<b>(7)</b>	<b>(17)</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>(187)</b>	<b>-</b>	<b>(141)</b>	<b>(328)</b>
<b>Total transactions with owners</b>	<b>2,834</b>	<b>(100)</b>	<b>(208)</b>	<b>(14)</b>	<b>(17)</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>2,497</b>	<b>-</b>	<b>(29)</b>	<b>2,468</b>
<b>At 31 December 2021</b>	<b>10,760</b>	<b>10,165</b>	<b>(208)</b>	<b>(4,770)</b>	<b>(16)</b>	<b>36</b>	<b>6</b>	<b>71</b>	<b>16,044</b>	<b>396</b>	<b>3,661</b>	<b>20,101</b>

# Includes equity compensation reserve and other capital reserves.

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

# Consolidated Statement of Cash Flows

Year ended 31 December 2022

	Note	2022 \$/M	2021 \$/M
<b>Cash flows from operating activities</b>			
Profit after tax		1,070	1,560
Adjustments for:			
Allowance for/(Write-back of):			
- impairment loss on receivables		25	(64)
- impairment on intangible assets	25	-	15
Amortisation of intangible assets	4	15	27
Depreciation of property, plant and equipment and right-of-use assets		131	133
Distribution income	25	(35)	(5)
Finance costs	25	432	353
Gain on disposal of equity investment fair value through profit or loss	25	-	(24)
Gain on disposal of investment properties	25	(14)	(205)
Income from income support guarantee		-	(15)
Interest income	25	(53)	(29)
Loss on disposal and write-off of property, plant and equipment	25	2	3
(Gain)/Loss on right-of-use assets lease remeasurement/ modification		(4)	2
Mark-to-market gain on derivative instruments		(34)	-
Net fair value gain from investment properties	25	(250)	(255)
Net change in fair value of financial assets designated at fair value through profit or loss	25	21	18
Net gain from change of ownership interests in subsidiaries, associates and joint ventures	25	(210)	(131)
Share of results of associates and joint ventures		(531)	(1,218)
Share-based expenses		68	58
Tax expense		318	396
		(119)	(941)
<b>Operating profit before working capital changes</b>		<b>951</b>	<b>619</b>
Changes in working capital:			
Trade and other receivables		(74)	(7)
Development properties for sale		4	(42)
Trade and other payables		31	307
Restricted bank deposits		18	(3)
		(21)	255
Cash generated from operations		930	874
Taxation paid		(195)	(207)
<b>Net cash generated from operating activities</b>		<b>735</b>	<b>667</b>

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

# Consolidated Statement of Cash Flows

Year ended 31 December 2022

	Note	2022 \$'M	2021 \$'M
<b>Cash flows from investing activities</b>			
Acquisition of/Development expenditure on investment properties		(999)	(1,241)
Acquisition of subsidiaries, net of cash acquired	29(b)	(242)	(1,390)
Deposits placed for acquisition of investment properties		(10)	(1)
Deposits returned for disposal of a subsidiary		–	(9)
Disposal of subsidiaries, net of cash disposed of	29(d)	723	573
Dividends received from associates and joint ventures		348	1,980
Interest income received		46	31
Investments in associates, joint ventures and other investments (Investments in)/Proceeds from disposal of other financial assets		(86)	(261)
Proceeds from disposal of investment properties		(45)	226
Proceeds from disposal of assets held for sale		15	1,354
Purchase of intangible assets and property, plant and equipment		–	49
Purchase of intangible assets and property, plant and equipment		(156)	(42)
Settlement of hedging instruments		24	(1)
<b>Net cash (used in)/generated from investing activities</b>		<b>(382)</b>	<b>1,268</b>
<b>Cash flows from financing activities</b>			
Contributions from non-controlling interests		189	218
Dividends paid to non-controlling interests		(173)	(103)
Distributions to perpetual securities holders		(13)	(13)
Dividends paid to shareholders		(772)	(1)
Amount paid to former shareholders of subsidiaries		(153)	–
Interest expense paid		(418)	(342)
Loans from associates and joint ventures		1	1,260
Purchase of treasury shares		(133)	(208)
Payment for acquisition of ownership interests in subsidiaries with no change in control		–	(40)
Payment for issue expenses for private placement and issuance of share capital		(2)	(38)
Proceeds from bank borrowings		3,490	5,979
Proceeds from issuance of debt securities		977	139
Repayments of lease liabilities		(69)	(64)
Repayments of bank borrowings		(3,662)	(1,807)
Repayments of debt securities		(619)	(220)
Repayment of loans from related companies		(13)	(4,537)
<b>Net cash (used in)/generated from financing activities</b>		<b>(1,370)</b>	<b>223</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(1,017)</b>	<b>2,158</b>
Cash and cash equivalents at beginning of the year		3,815	1,678
Effect of exchange rate changes on cash balances held in foreign currencies		(145)	(21)
Cash and cash equivalents reclassified to assets held for sale		(29)	–
<b>Cash and cash equivalents at end of the year</b>	14	<b>2,624</b>	<b>3,815</b>

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 15 March 2023.

## 1 DOMICILE AND ACTIVITIES

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

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

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

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

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

#### (a) Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (SFRS(I)) and International Financial Reporting Standards (IFRS). SFRS(I) are issued by the Accounting Standards Council and comprise standards and interpretations that are equivalent to IFRS as issued by the International Accounting Standard Board (IASB). All references to SFRS(I) and IFRS are subsequently referred to as SFRS(I) in these financial statements unless otherwise stated.

#### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

#### (c) Functional and presentation currency

These financial statements are presented in Singapore Dollars, which is the Company's functional currency. All financial information presented in Singapore Dollars have been rounded to the nearest million, unless otherwise stated.

#### (d) Use of estimates and judgements

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

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

## Notes to the Financial Statements

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.1 Basis of preparation (continued)

##### (d) Use of estimates and judgements (continued)

Information about critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 6	–	consolidation; whether the Group has control over the investee
Note 9	–	recognition of deferred tax assets
Note 2.2 (a), 30	–	accounting for acquisitions as business combinations or asset acquisitions

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 4	–	measurement of recoverable amounts of goodwill
Note 5, 31	–	determination of fair value of investment properties
Note 30	–	determination of fair value of assets, liabilities and contingent liabilities acquired in business combinations
Note 31	–	determination of fair value of financial instruments

The accounting policies set out below have been applied consistently by the Group entities to all periods presented in these financial statements, except as explained in note 37 which address changes in accounting policies.

#### 2.2 Basis of consolidation

##### (a) Business combinations and property acquisitions

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets or acquisition of a property is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a “concentration test” that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Goodwill arising from business combinations are measured as described in note 2.5(a).

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

## Notes to the Financial Statements

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 Basis of consolidation (continued)

##### (a) Business combinations and property acquisitions (continued)

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition date fair value, unless another measurement basis is required by SFRS(I). If the business combination is achieved in stages, the Group's previously held equity interest in the acquiree is re-measured to fair value at each acquisition date and any changes are taken to profit or loss.

When acquisition of an asset or a group of assets does not constitute a business combination, it is treated as property acquisition. In such cases, the individual identifiable assets acquired and liabilities assumed are recognised. The acquisition cost is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of acquisition. Such a transaction does not give rise to goodwill.

##### (b) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as transactions with owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset at fair value through other comprehensive income asset depending on the level of influence retained.

##### (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.

# Notes to the Financial Statements

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Basis of consolidation (continued)

#### (c) Associates and joint ventures (continued)

Associates and joint ventures are accounted for using the equity method (collectively referred to as "equity-accounted investees") and are recognised initially at cost. The cost of the investments includes transaction costs. The Group's investments in equity-accounted investees include goodwill identified on acquisition, net of any accumulated impairment losses. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies of the equity-accounted investees with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operation or has made payments on behalf of the investee.

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 2.11. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

#### (d) Joint operations

A joint operation is an arrangement in which the Group has joint control whereby the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement. The Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

#### (e) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### (f) Acquisition under common control

Business combinations arising from transfers of interest in entities that are under common control are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. For this purpose, comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously and no adjustments are made to reflect the fair values or recognised any new assets or liabilities, including no goodwill is recognised as a result of the combination. The components of equity of the acquired entities are added to the same components within the Group equity. Any difference between the consideration paid for the acquisition and share capital of the acquiree is recognised directly to equity as reserve on consolidation.

# Notes to the Financial Statements

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.3 Foreign currencies

#### *Foreign currency transactions*

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the functional currency).

Transactions in foreign currencies are translated to the respective functional currencies of the Group's entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting date are translated to the functional currency at the exchange rate prevailing at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising from translation are recognised in 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, including goodwill and fair value adjustments arising on acquisitions, are translated to Singapore Dollars at exchange rates prevailing at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore Dollars at exchange rates prevailing at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is not a wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is transferred to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or a joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is transferred to profit or loss.

#### *Net investment in a foreign operation*

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in other comprehensive income and are presented in the translation reserve in equity.

## Notes to the Financial Statements

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.4 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Certain of the Group's property, plant and equipment acquired through interests in subsidiaries, are accounted for as acquisition of assets (note 2.2(a)).

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset if it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group and its cost can be measured reliably. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use. Freehold land has unlimited useful life and therefore is not depreciated. Depreciation on property, plant and equipment is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment as follows:

Leasehold land and buildings	30 to 99 years
Plant, machinery and improvements	1 to 10 years
Motor vehicles	5 years
Furniture, fittings and equipment	1 to 10 years

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 for 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 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 profit or loss on a straight-line basis over their estimated useful lives of one to ten years, from the date on which the assets are available for use.

Other intangible assets with indefinite useful lives are not amortised and are measured at cost less accumulated impairment losses.

## Notes to the Financial Statements

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.6 Investment properties and investment properties under development

Investment properties are properties held either to earn rental or for capital appreciation or both. Investment properties under development are properties being constructed or developed for future use as investment properties. Certain of the Group's investment properties acquired through interests in subsidiaries, are accounted for as acquisition of assets (note 2.2(a)).

Investment properties and investment properties under development are initially recognised at cost, including transaction costs, and subsequently at fair value with any change therein recognised in profit or loss. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. The fair value is determined based on internal valuation or independent professional valuation. Independent valuation is also carried out on occurrence of acquisition.

When an investment property or investment property under development is disposed of, the resulting gain or loss recognised in profit or loss is the difference between the net disposal proceed and the carrying amount of the property.

Transfers to, or from, investment properties are made where there is a change in intent and use, evidenced by:

- development with a view to sell, for a transfer from investment properties to development properties for sale;
- commencement of leasing activities for a transfer from development properties for sale to investment properties;
- commencement of owner-occupation, for a transfer from investment properties to property, plant and equipment; and
- end of owner-occupation, for a transfer from property, plant and equipment to investment properties.

#### 2.7 Non-current assets and liabilities held for sale

Non-current assets and liabilities, that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the applicable SFRS(I). Thereafter, the assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment classified as held for sale are not amortised or depreciated. In addition, equity accounting of associates and joint ventures ceases once the investments are classified as held for sale.



# Notes to the Financial Statements

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.8 Financial instruments

#### (a) Non-derivative financial assets

##### *Classification and measurement*

The Group classifies its financial assets in the following measurement categories:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVTPL).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

##### *At initial recognition*

A financial asset is recognised if the Group becomes a party to the contractual provisions of the financial asset.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

##### *At subsequent measurement*

#### (i) Financial assets at amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method.

#### (ii) Financial assets at FVOCI

Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in other comprehensive income (OCI) and accumulated in fair value reserve, except for the recognition of impairment, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other operating income and expenses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".

The Group has elected to recognise changes in fair value of equity securities not held for trading in OCI as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of equity investments classified as FVOCI are presented as "fair value gains/losses" in OCI. Dividends from equity investments are recognised in profit or loss as dividend income. On disposal of an equity investment, any difference between the carrying amount and sales proceed amount would be recognised in OCI and transferred to revenue reserve along with the amount previously recognised in OCI relating to that asset.

# Notes to the Financial Statements

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.8 Financial instruments (continued)

#### (a) Non-derivative financial assets (continued)

##### *At subsequent measurement (continued)*

#### (iii) Financial assets at FVTPL

Financial assets that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVTPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other operating income".

#### (b) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents.

#### (c) Non-derivative financial liabilities

The Group initially recognises debt securities issued on the date that they are originated. Financial liabilities for contingent consideration payable in a business combination are recognised at the acquisition date. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

A financial liability is classified as fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognised in profit or loss.

The Group classifies non-derivative financial liabilities under the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method. Other financial liabilities comprise loans, borrowings, debt securities and trade and other payables.

#### (d) Derecognition

Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial assets to another party without retaining control or transfers substantially all the risks and rewards of the assets. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

##### *Interest rate benchmark reform*

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. No immediate gain or loss is recognised. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis of determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the changes.

# Notes to the Financial Statements

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.8 Financial instruments (continued)

#### (d) Derecognition (continued)

##### *Interest rate benchmark reform (continued)*

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applies the policies on accounting for modification to the additional changes.

#### (e) Offsetting

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### (f) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates each hedge as either: (a) 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.

##### **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.

# Notes to the Financial Statements

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.8 Financial instruments (continued)

#### (f) Derivative financial instruments and hedge accounting (continued)

##### *Cash flow hedges (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 profit or loss.

##### **Other non-trading derivatives**

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss.

##### **Hedges directly affected by interest rate benchmark reform**

##### Phase 1 amendments: Prior to interest rate benchmark reform – when there is uncertainty arising from interest rate benchmark reform

A hedging relationship is directly affected by the uncertainties arising from the interbank offered rates (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.

# Notes to the Financial Statements

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.8 Financial instruments (continued)

#### (f) Derivative financial instruments and hedge accounting (continued)

##### *Hedges directly affected by interest rate benchmark reform (continued)*

For a cash flow hedge of a forecast transaction, the Group assumes that the benchmark interest rate will not be altered as a result of interest rate benchmark reform for the purpose of assessing whether the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss. In determining whether a previously designated forecast transaction in a discontinued cash flow hedge is still expected to occur, the Group assumes that the interest rate benchmark cash flows designated as a hedge will not be altered as a result of interest rate benchmark 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.

##### Phase 2 amendments: Replacement of benchmark interest rates – when there is no longer uncertainty arising from interest rate benchmark reform

When the basis for determining the contractual cash flows of the hedged item or the hedging instrument changes as a result of interest rate benchmark reform and therefore there is no longer uncertainty arising about the cashflows of the hedged item or the hedging instrument, the Group amends the hedge documentation of that hedging relationship to reflect the change(s) required by interest rate benchmark reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

For this purpose, the hedge designation is amended only to make one or more of the following changes:

- designating an alternative benchmark rate as the hedged risk;
- updating the description of hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or
- updating the description of the hedged instrument.

The Group amends the description of the hedging instrument only if the following conditions are met:

- it makes a change required by interest rate benchmark reform by changing the basis for determining the contractual cash flows of the hedging instrument or using another approach that is economically equivalent to changing the basis for determining the contractual cash flows of the original hedging instrument; and
- the original hedging instrument is not derecognised.

The Group amends the formal hedge documentation by the end of the reporting period during which a change required by interest rate benchmark reform is made to the hedged risk, hedged item or hedging instrument. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

# Notes to the Financial Statements

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.8 Financial instruments (continued)

#### (f) Derivative financial instruments and hedge accounting (continued)

##### *Hedges directly affected by interest rate benchmark reform (continued)*

If changes are made in addition to those changes required by interest rate benchmark reform described above, then the Group first considers whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes do not result in discontinuation of the hedge accounting relationship, then the Group amends the formal hedge documentation for changes required by interest rate benchmark reform as mentioned above.

When the interest rate benchmark on which the hedged future cashflows had been based is changed as required by interest rate benchmark reform, for the purpose of determining whether the hedged future cash flows are expected to occur, the Group deems that the hedging reserve recognised in OCI for that hedging relationship is based on the alternative benchmark rate on which the hedged future cash flows will be based.

#### (g) Sustainability-linked loans

The Group borrows loans with contractual cash flows based on the Group meeting several sustainability performance targets. The Group has determined that the variability in cash flows linked to the Group's sustainability performance targets is a non-financial variable specific to the parties to the contract, and therefore, in accordance with the Group's accounting policy, the feature fails the definition of a derivative. Accordingly, the feature is not separated. Instead, it is included in the calculation of the effective interest of the loans.

#### (h) 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.

#### (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 profit or loss.

##### *Financial guarantees classified 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.

# Notes to the Financial Statements

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.8 Financial instruments (continued)

#### (j) Impairment of financial assets

The Group assesses on a forward looking basis the ECL associated with its financial assets carried at amortised cost and FVOCI, contract assets and financial guarantee classified as insurance contracts. For trade receivables, lease receivables and contract assets, the Group applies the simplified approach permitted by the SFRS(I) 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group applies the general approach of 12-month ECL at initial recognition for all other financial assets and financial guarantee contracts.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

#### **Presentation of allowance for ECLs in the balance sheet**

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

#### **Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

### 2.9 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

#### **Repurchase, disposal and reissue of share capital (treasury shares)**

Where share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in reserve for own shares account. Where treasury shares are subsequently reissued, sold or cancelled, the consideration received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

# Notes to the Financial Statements

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.9 Share capital (continued)

#### **Distribution of non-cash assets to owners of the Company**

The Company measures a liability to distribute non-cash assets as a dividend or capital return to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at each reporting date and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Company recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

### 2.10 Development properties for sale

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.

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.

# Notes to the Financial Statements

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 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. The Group recognises the effect of modification that increase the total fair value of the share-based payment arrangement. The incremental fair value granted is included in the measurement of the amount recognised for services received over the period from modification date until the date when the modified equity-settled share-based payments transactions vest.

For cash-settled share-based payment transactions, the fair value of the goods or services received is recognised as an expense with a corresponding increase in liability. The fair value of the services received is determined by reference to the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

### 2.13 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, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with the contract.

# Notes to the Financial Statements

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.14 Leases

#### **(i) As a lessee**

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use assets and a lease liability at the lease commitment date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the leases liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use assets reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for right-of-use assets that meet the definition of investment property carried at fair value in accordance with note 2.6.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

The Group presents the right-of-use assets that do not meet the definition of investment property in "property, plant and equipment" and lease liabilities in "borrowings" in the balance sheet.

#### **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.

#### **(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.

## Notes to the Financial Statements

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.14 Leases (continued)

##### (ii) As a lessor (continued)

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Group recognises lease payments received from investment property under operating leases as rental income on a straight-line basis over the lease term as part of "revenue". Rental income from sub-leased property is recognised as "other income".

#### 2.15 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.

##### Fee income

Fee income from provision of fund and asset management, property management, lodging management and administrative and support service is recognised as the services are provided.

The Group also earns performance fees from the provision of fund management services. Performance fees are for performance obligations fulfilled over time and for which consideration is variable. The fees for each applicable fund are determined in accordance with the relevant agreement which stipulates out-performance of a benchmark over a given period. Performance fee revenue is recognised to the extent that it is highly probable that the amount of variable consideration recognised will not be significantly reversed when the uncertainty is resolved.

##### 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.

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.

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 profit or loss in the period in which the circumstances that give rise to the revision become known by management.

For costs incurred in fulfilling the contract, the Group will capitalise these as contract costs assets only if (a) these costs relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

## Notes to the Financial Statements

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.15 Revenue recognition (continued)

##### Development properties for sale (continued)

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue over time. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

#### 2.16 Government grants

Government grants related to assets are initially recognised as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. These grants are then recognised in profit or loss as "other operating income" on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognised in profit or loss as "other operating income" on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

#### 2.17 Finance income and finance costs

The Group's finance income and finance costs mainly comprise interest income and interest expense. Interest income or expense is recognised in profit or loss using the effective interest rate method. Interest expense that is directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale, is capitalised.

#### 2.18 Tax

Income tax expense comprises current and deferred tax expense, as well as land appreciation tax in China. Income tax expense is recognised in 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.

Temporary differences in relation to a right-of-use asset and lease liability for a specific lease are presented as net for the purpose of recognising deferred tax.

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.

## Notes to the Financial Statements

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.18 Tax (continued)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Land appreciation tax in China relates to the tax on gains arising from the transfer of land use right and the buildings that are constructed on the land. Land appreciation tax is levied at 30% to 60% on gain from sale of landed properties with reference to the percentage of appreciated value over the deductible expenditure.

#### 2.19 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to owners of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share plans granted to employees.

#### 2.20 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the CLI Leadership Council (the Council) that makes strategic resource allocation decisions. The Council comprises the Group Chief Executive Officer (CEO), CEOs of the business units and key management officers of the corporate office.

#### 2.21 Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss is re-presented as if operation had been discontinued from the start of the comparative year.

## Notes to the Financial Statements

### 3 PROPERTY, PLANT AND EQUIPMENT

	The Group		The Company	
	2022 \$'M	2021 \$'M	2022 \$'M	2021 \$'M
Property, plant and equipment owned	923	697	*	*
Right-of-use assets classified within property, plant and equipment	302	370	13	21
	<u>1,225</u>	<u>1,067</u>	<u>13</u>	<u>21</u>

\* Less than \$1 million

#### Property, plant and equipment owned

	Land and buildings \$'M	Plant, machinery and improvements \$'M	Motor vehicles \$'M	Furniture, fittings and equipment \$'M	Assets under construction \$'M	Total \$'M
<b>The Group</b>						
<b>Cost</b>						
At 1 January 2021	637	108	12	437	8	1,202
Translation differences	6	(1)	*	(10)	1	(4)
Additions	1	1	–	17	4	23
Disposal of subsidiaries	–	(2)	–	(1)	–	(3)
Disposals/Written off	–	(4)	(1)	(25)	*	(30)
Reclassification to other categories of assets	–	–	–	(6)	(2)	(8)
Reclassifications	4	(14)	–	17	(7)	–
At 31 December 2021	<u>648</u>	<u>88</u>	<u>11</u>	<u>429</u>	<u>4</u>	<u>1,180</u>
At 1 January 2022	648	88	11	429	4	1,180
Translation differences	(57)	(7)	(1)	(30)	–	(95)
Additions	1	1	*	20	6	28
Disposals/Written off	–	(6)	*	(11)	*	(17)
Reclassification from other categories of assets	322	*	*	5	–	327
Reclassifications	1	–	–	1	(2)	–
At 31 December 2022	<u>915</u>	<u>76</u>	<u>10</u>	<u>414</u>	<u>8</u>	<u>1,423</u>

\* Less than \$1 million

## Notes to the Financial Statements

### 3 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### Property, plant and equipment owned (continued)

	Note	Land and buildings \$'M	Plant, machinery and improvements \$'M	Motor vehicles \$'M	Furniture, fittings and equipment \$'M	Assets under construction \$'M	Total \$'M
<b>The Group</b>							
<b>Accumulated depreciation and impairment loss</b>							
At 1 January 2021		82	48	12	313	–	455
Translation differences		*	*	*	(7)	–	(7)
Depreciation for the year	25(c)(ii)	16	12	*	42	–	70
Disposal of subsidiaries		–	(2)	–	–	–	(2)
Disposals/Written off		–	(4)	(1)	(22)	–	(27)
Reclassification to other categories of assets		–	–	–	(6)	–	(6)
Reclassifications		–	(8)	–	8	–	–
At 31 December 2021		98	46	11	328	–	483
At 1 January 2022		98	46	11	328	–	483
Translation differences		(1)	(3)	(1)	(26)	–	(31)
Depreciation for the year	25(c)(ii)	18	9	*	37	–	64
Disposals/Written off		–	(6)	*	(10)	–	(16)
At 31 December 2022		115	46	10	329	–	500
<b>Carrying amounts</b>							
At 1 January 2021		555	60	–	124	8	747
At 31 December 2021		550	42	–	101	4	697
At 31 December 2022		800	30	–	85	8	923

\* Less than \$1 million

As at 31 December 2022, the carrying amounts of land and buildings comprise freehold land and buildings of \$462 million (2021: \$530 million) and leasehold land and buildings of \$338 million (2021: \$20 million).

As at 31 December 2022, certain property, plant and equipment with carrying value totalling approximately \$15 million (2021: \$19 million) were mortgaged to banks to secure credit facilities for the Group (note 16).

- (a) The classification of lodging properties as property, plant and equipment or investment property is based on the level of ancillary services, length of stay, amongst other factors. During the year, the Group evaluated and reclassified a hotel property operated under management contract in Singapore to property, plant and equipment based on the fair value obtained from independent professional valuation as at 31 December 2021. The Group plans to rebrand and renovate the property, and operate it as a full facility hotel.

## Notes to the Financial Statements

### 3 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### Right-of-use assets classified within property, plant and equipment

	Note	Buildings \$'M
<b>The Group</b>		
<b>Cost</b>		
At 1 January 2021		467
Translation differences		(2)
Additions		83
Expiry/Termination of leases		(7)
At 31 December 2021		541
At 1 January 2022		541
Translation differences		(37)
Additions		61
Expiry/Termination of leases		(82)
At 31 December 2022		483
<b>Accumulated depreciation</b>		
At 1 January 2021		118
Translation differences		(4)
Depreciation for the year	25(c)(ii)	63
Expiry/Termination of leases		(6)
At 31 December 2021		171
At 1 January 2022		171
Translation differences		(12)
Depreciation for the year	25(c)(ii)	67
Expiry/Termination of leases		(45)
At 31 December 2022		181
<b>Carrying amounts</b>		
At 1 January 2021 <sup>^</sup>		349
At 31 December 2021 <sup>^</sup>		370
At 31 December 2022 <sup>^</sup>		302
<b>Buildings \$'M</b>		
<b>The Company</b>		
<b>Cost</b>		
At 1 January 2021		–
Additions		24
At 31 December 2021		24
At 1 January 2022 and 31 December 2022		24
<b>Accumulated depreciation</b>		
At 1 January 2021		–
Depreciation for the year		3
At 31 December 2021		3
At 1 January 2022		3
Depreciation for the year		8
At 31 December 2022		11
<b>Carrying amounts</b>		
At 1 January 2021		–
At 31 December 2021		21
At 31 December 2022		13

<sup>^</sup> Right-of-use assets include motor vehicles with carrying amount less than \$1 million as at 31 December 2022 and 31 December 2021



## Notes to the Financial Statements

### 4 INTANGIBLE ASSETS

	Note	Goodwill \$'M	Management contracts \$'M	Others <sup>^</sup> \$'M	Total \$'M
<b>The Group</b>					
<b>Cost</b>					
At 1 January 2021		749	317	216	1,282
Additions		-	-	19	19
Written off		-	-	(1)	(1)
Reclassification from other categories of assets		-	-	18	18
Translation differences		(3)	*	1	(2)
At 31 December 2021		746	317	253	1,316
At 1 January 2022		746	317	253	1,316
Additions		-	25	101	126
Acquisition of subsidiary	29(b)	49	8	-	57
Written off		-	-	(4)	(4)
Reclassification from other categories of assets		-	3	(2)	1
Translation differences		(15)	(6)	(7)	(28)
At 31 December 2022		780	347	341	1,468
<b>Accumulated amortisation and impairment loss</b>					
At 1 January 2021		212	-	64	276
Amortisation for the year	25(c)(ii)	-	-	27	27
Impairment for the year	25(c)(iii)	-	-	15	15
Written off		-	-	(1)	(1)
Reclassification from other categories of assets		-	-	8	8
Translation differences		1	-	*	1
At 31 December 2021		213	-	113	326
At 1 January 2022		213	-	113	326
Amortisation for the year	25(c)(ii)	-	1	14	15
Written off		-	-	(4)	(4)
Translation differences		(11)	-	-	(11)
At 31 December 2022		202	1	123	326
<b>Carrying amounts</b>					
At 1 January 2021		537	317	152	1,006
At 31 December 2021		533	317	140	990
At 31 December 2022		578	346	218	1,142

<sup>^</sup> Others comprise trademarks, software and licences and club memberships. The additions for the year mainly relate to the purchase of trademark of a lodging platform.

\* Less than \$1 million

## Notes to the Financial Statements

### 4 INTANGIBLE ASSETS (CONTINUED)

#### (a) Impairment test for goodwill

The key assumptions used in the estimation of the recoverable amount are set below:

	← Key assumptions →				Carrying Value	
	Terminal growth rates		Discount rates		2022	2021
	2022	2021	2022	2021	\$'M	\$'M
	%	%	%	%		
The Ascott Limited (Ascott)	0.5	0.2	6.3	5.6	417	417
Synergy Global Housing	2.0	2.0	12.0	10.0	5	5
TAUZIA Hotel Management (TAUZIA)	3.0	2.0	15.5	13.5	10	9
QSA Group Pty Ltd (QSA Group)	1.7	2.5	12.0	11.0	48	53
Oakwood Worldwide (Asia) Pte. Ltd. (Oakwood)	2.0	-	12.5	-	49	-
Ascendas-Singbridge (ASB)	1.0	1.0	6.3	4.4	49	49
As at 31 December					578	533

#### Ascott, Synergy Global Housing, TAUZIA, QSA Group and Oakwood

The recoverable amounts of the CGUs are determined based on value in use calculations. The value in use calculation is a discounted cash flow model using cash flow projections based on the most recent forecasts approved by management covering three to ten years. The discounted cash flow models also took into account the probability of changes to cashflow projection, taking into consideration the COVID-19 pandemic. Cash flows beyond these periods are extrapolated using the estimated terminal growth rates stated in the table above. The discount rates applied are the weighted average cost of capital from the relevant business segments. The key assumptions are those relating to expected changes in average rental, occupancy rates, direct costs and market volatility affecting weighted average cost of capital. The terminal growth rates used for each CGU are based on management's expectation of the long-term average growth rates of the respective industry and countries in which the CGUs operate. Management has assessed that the recoverable amount to be higher than its carrying amount.

As disclosed in note 30, goodwill of \$49 million was recorded on the acquisition of Oakwood in July 2022.

#### ASB

The recoverable amount of the CGU is determined based on value in use calculations. The value in use calculation is a discounted cash flow model using cash flow projections based on the most recent forecasts approved by management covering 10 years. Cash flows beyond the third year are extrapolated using the estimated terminal growth rate of 1.0% (2021: 1.0%). The discount rate of 6.3% (2021: 4.4%) is applied using the weighted average cost of capital from the relevant business segment. Management has assessed that the recoverable amount to be higher than its carrying amount.

#### (b) Impairment test for management contracts

These mainly relate to the management contracts entered into between subsidiary companies and CapitalLand Ascendas REIT (CLAR, formerly known as Ascendas Real Estate Investment Trust) and CapitalLand India Trust (formerly known as Ascendas India Trust). These contracts are deemed to have indefinite useful lives and are measured at cost less accumulated impairment losses.

The recoverable amount of the CGU is determined based on value in use calculations. Cash flow projections are based on forecast using discount rates of 8.0% to 9.3% (2021: 5.9% to 8.4%) and growth rates of 1.0% (2021: 1.0%) covering a 10-year period and beyond. The forecast is reviewed, updated and approved by management on an annual basis. The Group has assessed and determined that no impairment in the value of management contracts has arisen.

## Notes to the Financial Statements

### 4 INTANGIBLE ASSETS (CONTINUED)

- (c) In 2021, an impairment loss of \$15 million was recognised in respect of certain software applications. Management has assessed and fully impaired the carrying amounts of these software applications as they are expected to be phased out and replaced due to the implementation of new software applications. The impairment losses were recognised in other operating expenses in the consolidated income statement.

### 5 INVESTMENT PROPERTIES

	Note	The Group	
		2022 \$'M	2021 \$'M
At 1 January		16,249	15,852
Acquisition of subsidiaries	29(b)	220	1,118
Disposal of subsidiaries	29(d)	(1,646)	(1,015)
Additions		1,273	1,237
Disposals		(36)	(1,182)
Reclassification to assets held for sale		(351)	(2)
Reclassification to development properties for sale		–	(18)
Reclassification to property, plant and equipment		(327)	–
Changes in fair value	25(a)	250	255
Translation differences		(926)	4
At 31 December		14,706	16,249

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

The carrying amounts of the investment properties at reporting dates were based on valuations performed by the independent external valuers. The valuers had considered valuation techniques including the direct comparison method, capitalisation approach, discounted cash flows and residual method in arriving at the open market value as at the reporting date.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. In the residual method of valuation, the total gross development costs and developer's profit are deducted from the gross development value to arrive at the residual value of land. The gross development value is the estimated value of the property assuming satisfactory completion of the development as at the date of valuation. Details of valuation methods and key assumptions used to estimate the fair values of investment properties are set out in note 31.

Due to the uncertain future impact that the COVID-19 pandemic, geopolitical events in Ukraine and global inflationary pressures might have on the real estate market, the carrying amounts of the investment properties were current as at 31 December 2022 only. Values for certain properties may change more rapidly and significantly than during normal market conditions.

## Notes to the Financial Statements

### 5 INVESTMENT PROPERTIES (CONTINUED)

- (b) The Group's investment properties which are classified under Level 3 in the fair value hierarchy are analysed below:

	Shopping mall \$'M	Office \$'M	Integrated development \$'M	Lodging \$'M	Business park, industrial and logistics \$'M	Total \$'M
<b>The Group</b>						
<b>31 December 2022</b>						
Singapore	–	–	–	912	204	1,116
China (includes Hong Kong)	441	1,214	561	330	1,278	3,824
Others*	1,307	51	141	7,637	630	9,766
	<u>1,748</u>	<u>1,265</u>	<u>702</u>	<u>8,879</u>	<u>2,112</u>	<u>14,706</u>
<b>31 December 2021</b>						
Singapore	–	1,100	–	1,146	207	2,453
China (includes Hong Kong)	481	900	614	376	1,420	3,791
Others*	1,537	366	–	7,432	670	10,005
	<u>2,018</u>	<u>2,366</u>	<u>614</u>	<u>8,954</u>	<u>2,297</u>	<u>16,249</u>

\* Others include countries in Asia (excluding Singapore and China), Europe, United Kingdom, United States of America and Australia.

- (c) As at 31 December 2022, investment properties valued at \$1,053 million (2021: \$710 million) were under development.
- (d) As at 31 December 2022, certain investment properties with carrying value of approximately \$8,166 million (2021: \$9,291 million) were mortgaged to banks to secure credit facilities (notes 16 and 17).
- (e) Investment properties of the Group are held mainly for use by tenants under operating leases. Minimum lease payments receivable under non-cancellable operating leases of investment properties and not recognised in the financial statements are as follows:

	2022 \$'M	2021 \$'M
Lease rentals receivable:		
Less than one year	316	503
One to two years	203	357
Two to three years	135	287
Three to four years	83	256
Four to five years	58	230
More than five years	295	882
	<u>1,090</u>	<u>2,515</u>

- (f) Contingent rents, representing income based on sales turnover achieved by tenants, amounted to \$13 million for the year ended 31 December 2022 (2021: \$8 million).
- (g) As at 31 December 2022, the right-of-use of the land and buildings that are classified within investment properties has a carrying amount of \$305 million (2021: \$347 million).
- (h) As at 31 December 2022, the investment properties that are freehold and leasehold are valued at \$8,043 million (2021: \$7,594 million) and \$6,663 million (2021: \$8,655 million) respectively.

## Notes to the Financial Statements

### 6 SUBSIDIARIES

	The Company	
	2022 \$'M	2021 \$'M
(a) Unquoted shares, at cost	6,918	6,718
Less:		
Allowance for impairment loss	(45)	(37)
	6,873	6,681
Add:		
Amounts due from subsidiaries, at amortised cost:		
Loan accounts		
– interest free	4,295	4,478
	11,168	11,159

(i) Loans due from subsidiaries are unsecured and not expected to be repaid within the next twelve months.

(ii) Movements in allowance for impairment loss were as follows:

	The Company	
	2022 \$'M	2021 \$'M
At 1 January	(37)	(8)
Allowance during the year	(8)	(29)
At 31 December	(45)	(37)

(iii) During the year ended 31 December 2022, the Company carried out a review of the recoverable amount of its investment in subsidiaries and recognised an impairment loss of \$8 million (2021: \$29 million) in respect of its investment in subsidiaries.

The recoverable amounts of the relevant subsidiaries were estimated based on the net assets of the subsidiaries as at the reporting date and approximates their fair values. The fair value measurement is categorised as Level 3 in the fair value hierarchy.

(iv) The Company's exposure to credit risk on the amounts due from subsidiaries is disclosed in note 32.

## Notes to the Financial Statements

### 6 SUBSIDIARIES (CONTINUED)

(b) The significant subsidiaries directly and indirectly held by the Company, which are incorporated and conducting business in the Republic of Singapore, are as set out below:

Name of Company	Effective interest	
	2022 %	2021 %
CapitaLand Business Services Pte Ltd	100	100
CLI India Pte Ltd	100	100
CLI International Pte Ltd	100	100
CapitaLand Mall Asia Limited <sup>1</sup>	100	100
CLI FM Pte Ltd	100	100
CLI PE Pte. Ltd. (formerly known as CLI FM Two Pte. Ltd.)	100	100
CLI Singapore Pte Ltd	100	100
CLI Treasury Limited	100	100
The Ascott Limited	100	100

All the above subsidiaries are audited by KPMG LLP Singapore.

<sup>1</sup> Includes 15.2% (2021: 15.2%) interest indirectly held through CapitaLand Business Services Pte Ltd.

(c) Determining whether the Group has control over the REITs it manages requires management judgement. In exercising its judgement, management considers the proportion of its ownership interest and voting rights, the REIT managers' decision making authority over the REITs as well as the Group's overall exposure to variable returns, both from the REIT managers' remuneration and their interests in the REITs.

The Group assesses that it controls CapitaLand Malaysia Trust (CLMT) and CapitaLand Ascott Trust (CLAS, formerly known as Ascott Residence Trust) (collectively referred to as consolidated REITs), although the Group owns less than half of the ownership interest and voting power of the consolidated REITs. CLAS is a stapled group comprising CapitaLand Ascott Real Estate Investment Trust (formerly known as Ascott Real Estate Investment Trust) and CapitaLand Ascott Business Trust (formerly known as Ascott Business Trust).

The activities of the consolidated REITs are managed by the Group's wholly-owned subsidiaries, namely CapitaLand Malaysia Mall REIT Management Sdn Bhd and CapitaLand Ascott Trust Management Limited (formerly known as Ascott Residence Trust Management Limited) and CapitaLand Ascott Business Trust Management Pte. Ltd. (formerly known as Ascott Business Trust Management Pte. Ltd.) (collectively referred to as REIT Managers). REIT Managers have decision-making authority over the consolidated REITs, subject to oversight by the trustee of the respective consolidated REITs. The Group's overall exposure to variable returns, both from the REIT Managers' remuneration and the interests in the consolidated REITs, is significant and any decisions made by the REIT Managers affect the Group's overall exposure.

## Notes to the Financial Statements

### 6 SUBSIDIARIES (CONTINUED)

(d) The following subsidiary of the Group has material non-controlling interests (NCI):

Name of Entity	Principal place of business	Effective interest held by NCI	
		2022 %	2021 %
CapitaLand Ascott Trust <sup>1</sup>	Asia Pacific, Europe and United States of America	62.5	61.0

<sup>1</sup> Indirectly held through The Ascott Limited. Audited by KPMG LLP Singapore.

The following table summarises the financial information of CLAS, based on its consolidated financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The information is before inter-company eliminations with other entities in the Group.

	CLAS Group \$'M	Other subsidiaries with individually immaterial NCI \$'M	Total \$'M
<b>31 December 2022</b>			
Revenue	621		
Profit after tax	226		
Other comprehensive income	(161)		
Total comprehensive income	65		
Attributable to NCI:			
– Profit	142	67	209
– Total comprehensive income	40	(53)	(13)
Current assets	502		
Non-current assets	7,522		
Current liabilities	(671)		
Non-current liabilities	(2,908)		
Net assets	4,445		
Net assets attributable to NCI	2,957	443	3,400
Cash flows from:			
– Operating activities	282		
– Investing activities	(309)		
– Financing activities <sup>1</sup>	71		
Net increase in cash and cash equivalents	44		

<sup>1</sup> Includes dividends paid to NCI.

## Notes to the Financial Statements

### 6 SUBSIDIARIES (CONTINUED)

	CLAS Group \$'M	Other subsidiaries with individually immaterial NCI \$'M	Total \$'M
<b>31 December 2021</b>			
Revenue	394		
Profit after tax	310		
Other comprehensive income	13		
Total comprehensive income	323		
Attributable to NCI:			
– Profit	189	22	211
– Total comprehensive income	198	29	227
Current assets	464		
Non-current assets	7,270		
Current liabilities	(972)		
Non-current liabilities	(2,394)		
Net assets	4,368		
Net assets attributable to NCI	2,852	809	3,661
Cash flows from:			
– Operating activities	146		
– Investing activities	(539)		
– Financing activities <sup>1</sup>	259		
Net decrease in cash and cash equivalents	(134)		

<sup>1</sup> Includes dividends paid to NCI.

CLAS is regulated by the Monetary Authority of Singapore and is supervised by the Singapore Exchange Securities Trading Limited for compliance with the Singapore Listing Rules. Under the regulatory framework, transactions between the Group and CLAS are either subject to review by CLAS's trustee and significant transactions must be approved by a majority of votes by the holders of units in CLAS at a meeting of unitholders.

## Notes to the Financial Statements

### 7 ASSOCIATES

	Note	The Group	
		2022 \$'M	2021 \$'M
(a) Investment in associates		10,404	10,465
Add:			
Amounts due from associates, at amortised cost:	(i)		
Loan accounts- interest free		13	–
Loan accounts- interest bearing		*	1
		<u>10,417</u>	<u>10,466</u>

\* Less than \$1 million

(i) These are shareholder loans provided to associates which are unsecured and not expected to be repaid within the next twelve months.

	Note	The Group	
		2022 \$'M	2021 \$'M
(b) Amounts due from associates:			
Current accounts (unsecured)			
– interest free (trade)		170	224
– interest free (non-trade)		32	25
– interest bearing (non-trade)		–	17
Presented in trade and other receivables	12	<u>202</u>	<u>266</u>
Non-current loans (unsecured)			
– interest free		4	–
– interest bearing		70	3
Presented in other non-current assets	10	<u>74</u>	<u>3</u>

(i) The effective interest rates for interest-bearing amounts due from associates ranged from 2.70% to 5.50% (2021: 2.70% to 5.50%) per annum as at 31 December 2022.

(ii) The Group's exposure to credit and currency risks, and impairment losses for trade and other receivables, are disclosed in note 32.

	Note	The Group		The Company	
		2022 \$'M	2021 \$'M	2022 \$'M	2021 \$'M
(c) Amounts due to associates:					
Current accounts (mainly non-trade and unsecured)					
– interest free		9	7	1	–
– interest bearing		–	5	–	–
Presented in trade and other payables	15	<u>9</u>	<u>12</u>	<u>1</u>	<u>–</u>

(i) The effective interest rates for amounts due to associates ranged from 5.25% to 8.00% per annum in 2021.

## Notes to the Financial Statements

### 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	
			2022 %	2021 %
CapitaLand Integrated Commercial Trust (CICT) <sup>1</sup>	Singapore-based REIT which invests in shopping malls and commercial properties in Singapore, Australia and Europe	Singapore	22.9	22.6
CapitaLand Ascendas Real Estate Investment Trust <sup>2</sup>	Singapore-based REIT which invests in industrial properties and business park in Singapore, Australia, United States of America, Europe and United Kingdom	Singapore	18.2	18.1

<sup>1</sup> Audited by KPMG LLP Singapore.

<sup>2</sup> Audited by Ernst & Young LLP Singapore.

Management assessed the extent of its control over CICT and CLAR, taking into consideration that the REITs are managed by the wholly-owned subsidiaries of the Group, the Group's effective stake in the relevant trusts and the returns (both marginal and absolute returns) generated from its investment in and management of both trusts. Management concluded that the Group does not have sufficient control over CICT and CLAR and therefore accounts for its investment in CICT and CLAR as associates.

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.

## Notes to the Financial Statements

### 7 ASSOCIATES (CONTINUED)

(d) The following are the material associates of the Group (continued):

	CICT \$'M	CLAR \$'M	Other individually immaterial associates \$'M	Total \$'M
<b>31 December 2022</b>				
Revenue <sup>1</sup>	1,442	1,353		
Profit after tax	726	760		
Other comprehensive income	(6)	(129)		
Total comprehensive income	720	631		
Attributable to:				
– NCI	3	–		
– Associate's shareholders	717	631		
	720	631		
<sup>1</sup> Includes:				
– Rental and related income from investment properties	1,442	1,353		
Current assets	329	363		
Non-current assets	24,338	17,513		
Current liabilities	(1,605)	(1,302)		
Non-current liabilities	(8,782)	(6,308)		
Net assets	14,280	10,266		
Attributable to:				
– NCI	206	299		
– Associate's shareholders	14,074	9,967		
Carrying amount of interest in associate at beginning of the year	3,082	2,333		
Group's share of:				
– Profit	165	136	124	425
– Other comprehensive income	1	(26)	(373)	(398)
– Total comprehensive income	166	110	(249)	27
Dividends received during the year	(84)	(117)		
Additions during the year	54	22		
Translation and other adjustments	(1)	(9)		
Carrying amount of interest in associate at end of the year	3,217	2,339	4,861	10,417
Fair value of effective ownership interest (if listed) <sup>^</sup>	3,095	2,091		

<sup>^</sup> Based on the quoted market price at 31 December 2022.

## Notes to the Financial Statements

### 7 ASSOCIATES (CONTINUED)

(d) The following are the material associates of the Group (continued):

	CICT \$'M	CapitaLand Mall China Funds \$'M	CLAR \$'M	Other individually immaterial associates \$'M	Total \$'M
<b>31 December 2021</b>					
Revenue <sup>1</sup>	1,305	395	1,227		
Profit after tax	1,083	19	957		
Other comprehensive income	20	176	(1)		
Total comprehensive income	1,103	195	956		
Attributable to:					
– NCI	(1)	10	–		
– Associate's shareholders	1,104	185	956		
	1,103	195	956		
<sup>1</sup> Includes:					
– Rental and related income from investment properties	1,305	395	1,227		
Current assets	762	429	456		
Non-current assets	21,980	6,787	17,275		
Current liabilities	(1,259)	(417)	(1,771)		
Non-current liabilities	(7,787)	(2,801)	(5,682)		
Net assets	13,696	3,998	10,278		
Attributable to:					
– NCI	28	226	299		
– Associate's shareholders	13,668	3,772	9,979		
Carrying amount of interest in associate at beginning of the year	2,984	1,653	2,126		
Group's share of:					
– Profit	247	9	172	580	1,008
– Other comprehensive income	(2)	74	2	103	177
– Total comprehensive income	245	83	174	683	1,185
Dividends received during the year	(182)	(76)	(68)		
Additions during the year	21	–	102		
Translation and other adjustments	14	7	(1)		
Carrying amount of interest in associate at end of the year	3,082	1,667	2,333	3,384	10,466
Fair value of effective ownership interest (if listed) <sup>^</sup>	3,042	N/A	2,235		

<sup>^</sup> Based on the quoted market price at 31 December 2021.

## Notes to the Financial Statements

### 8 JOINT VENTURES

	Note	The Group	
		2022 \$'M	2021 \$'M
(a) Investment in joint ventures		2,350	2,368
Less:			
Allowance for impairment loss	(i)	(8)	(8)
		2,342	2,360
Add:			
Amounts due from joint ventures, at amortised cost:			
Loan accounts	(ii)		
– interest free		390	419
– interest bearing		16	17
Less:			
Allowance for impairment loss on receivables	32	(13)	(14)
		393	422
		2,735	2,782

(i) Movements in allowance for impairment loss were as follows:

	The Group	
	2022 \$'M	2021 \$'M
At 1 January	(8)	(10)
Utilised during the year	–	1
Translation differences	–	1
At 31 December	(8)	(8)

(ii) These are shareholder loans provided to joint ventures which are unsecured and not expected to be repaid within the next twelve months.

(iii) As at 31 December 2022, the effective interest rates for the interest-bearing loans to joint ventures ranged from 4.25% to 6.50% (2021: 4.25% to 6.50%) per annum.

(iv) As at 31 December 2022, shareholder loans due from joint ventures include an amount of approximately \$214 million (2021: \$232 million), the repayment of which is subordinated to that of the external borrowings of certain joint ventures.

	Note	The Group	
		2022 \$'M	2021 \$'M
(b) Amounts due from joint ventures:			
Current accounts (unsecured)			
– interest free (trade)		48	58
– interest free (non-trade)		244	149
– interest bearing (mainly non-trade)		5	7
		297	214
Less:			
Allowance for impairment loss on receivables	32	(28)	(21)
Presented in trade and other receivables	12	269	193

(i) As at 31 December 2022, the effective interest rate for interest-bearing amounts due from joint ventures is 1.80% (2021: 1.80%) per annum.

(ii) The Group's exposure to credit and currency risks, and impairment losses for trade and other receivables, are disclosed in note 32.

## Notes to the Financial Statements

### 8 JOINT VENTURES (CONTINUED)

	Note	The Group	
		2022 \$'M	2021 \$'M
(c) Amounts due to joint ventures:			
Current accounts (unsecured)			
– interest free (mainly non-trade)		51	2
– interest bearing (non-trade)		51	51
Presented in trade and other payables	15	102	53

(i) As at 31 December 2022, the effective interest rate for interest-bearing amounts due to joint ventures range from 3.70% to 5.25% (2021: 3.85%) per annum.

(d) The following are the material joint ventures of the Group:

Name of Company	Nature of relationship with the Group	Principal place of business	Effective interest	
			2022 %	2021 %
Orchard Turn Holding Pte Ltd <sup>1</sup> (OTH)	Owner of an integrated development in Singapore	Singapore	50.0	50.0
CapitaLand Shanghai Malls <sup>2,3,4</sup>	Owner of two integrated developments in China	China	65.0 to 73.0	65.0 to 73.0

<sup>1</sup> Audited by KPMG LLP Singapore.

<sup>2</sup> Audited by other member firms of KPMG International.

<sup>3</sup> Considered to be a joint venture as the Group had joint control over the relevant activities of the trust with the joint venture partners.

<sup>4</sup> 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.

## Notes to the Financial Statements

### 8 JOINT VENTURES (CONTINUED)

The following summarises the financial information of each of the Group's material joint ventures based on their respective consolidated financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The table also includes summarised financial information for the Group's interest in immaterial joint ventures, based on the amounts reported in the Group's consolidated financial statements.

	OTH Group \$'M	CapitaLand Shanghai Malls \$'M	Other individually immaterial joint ventures \$'M	Total \$'M
<b>31 December 2022</b>				
Revenue <sup>1</sup>	255	263		
Profit after tax <sup>2</sup>	150	(22)		
Other comprehensive income	40	(208)		
Total comprehensive income	190	(230)		
<sup>1</sup> Includes:				
– rental and related income from investment properties	255	263		
<sup>2</sup> Includes:				
– depreciation and amortisation	(3)	*		
– interest income	2	7		
– interest expense	(38)	(45)		
– tax expense	(27)	(16)		
Current assets <sup>3</sup>	189	340		
Non-current assets	3,294	2,731		
Current liabilities <sup>4</sup>	(42)	(850)		
Non-current liabilities <sup>5</sup>	(1,681)	(550)		
Net assets	1,760	1,671		
<sup>3</sup> Includes cash and cash equivalents	184	94		
<sup>4</sup> Includes current financial liabilities (excluding trade and other payables and provisions)	(17)	(735)		
<sup>5</sup> Includes non-current financial liabilities (excluding trade and other payables and provisions)	(1,681)	(432)		
Carrying amount of interest in joint venture at beginning of the year	846	716		
Group's share of:				
– Profit/(loss)	75	(11)	42	106
– Other comprehensive income	20	(109)	(60)	(149)
– Total comprehensive income	95	(120)	(18)	(43)
Dividends received during the year	(59)	–		
Translation and other adjustments	–	8		
Carrying amount of interest in joint venture at end of the year	882	604	1,249	2,735

## Notes to the Financial Statements

### 8 JOINT VENTURES (CONTINUED)

	OTH Group \$'M	CapitaLand Shanghai Malls \$'M	Other individually immaterial joint ventures \$'M	Total \$'M
<b>31 December 2021</b>				
Revenue <sup>1</sup>	226	253		
Profit after tax <sup>2</sup>	271	21		
Other comprehensive income	13	90		
Total comprehensive income	284	111		
<sup>1</sup> Includes:				
– rental and related income from investment properties	226	253		
<sup>2</sup> Includes:				
– depreciation and amortisation	(2)	(1)		
– interest income	–	8		
– interest expense	(30)	(44)		
– tax expense	(24)	(24)		
Current assets <sup>3</sup>	168	343		
Non-current assets	3,267	3,012		
Current liabilities <sup>4</sup>	(72)	(79)		
Non-current liabilities <sup>5</sup>	(1,675)	(1,325)		
Net assets	1,688	1,951		
<sup>3</sup> Includes cash and cash equivalents	167	229		
<sup>4</sup> Includes current financial liabilities (excluding trade and other payables and provisions)	(18)	(6)		
<sup>5</sup> Includes non-current financial liabilities (excluding trade and other payables and provisions)	(1,675)	(1,141)		
Carrying amount of interest in joint venture at beginning of the year	750	660		
Group's share of:				
– Profit	135	11	64	210
– Other comprehensive income	7	43	17	67
– Total comprehensive income	142	54	81	277
Dividends received during the year	(46)	–		
Translation and other adjustments	–	2		
Carrying amount of interest in joint venture at end of the year	846	716	1,220	2,782

\* Less than \$1 million

(e) As at 31 December 2022, the Group's share of the capital commitments of the joint ventures is \$501 million (2021: \$472 million).



## Notes to the Financial Statements

### 9 DEFERRED TAX

The movements in the deferred tax assets and liabilities were as follows:

	At 1/1/2022 \$'M	Recognised in profit or loss \$'M	Acquisition/ Disposal of subsidiaries \$'M	Transferred to liabilities held for sale \$'M	Translation differences \$'M	At 31/12/2022 \$'M
<b>The Group</b>						
<b>Deferred tax liabilities</b>						
Accelerated tax depreciation	15	(6)	-	(1)	*	8
Accrued income and interest receivable	4	2	-	-	*	6
Fair value adjustments arising from a business combination	101	-	1	-	(12)	90
Fair value changes of investment properties	341	85	(30)	(39)	(19)	338
Unremitted earnings	53	16	-	-	*	69
Others	24	9	-	-	(1)	32
<b>Total</b>	<b>538</b>	<b>106</b>	<b>(29)</b>	<b>(40)</b>	<b>(32)</b>	<b>543</b>
<b>Deferred tax assets</b>						
Unutilised tax losses	(4)	(8)	-	-	1	(11)
Provisions and expenses	(46)	(1)	-	-	4	(43)
Deferred income	*	(1)	-	-	*	(1)
Others	(8)	(3)	-	-	3	(8)
<b>Total</b>	<b>(58)</b>	<b>(13)</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>(63)</b>
	At 1/1/2021 \$'M	Recognised in profit or loss \$'M	Acquisition/ Disposal of subsidiaries \$'M	Utilisation of tax losses \$'M	Translation differences \$'M	At 31/12/2021 \$'M
<b>The Group</b>						
<b>Deferred tax liabilities</b>						
Accelerated tax depreciation	22	1	(8)	-	*	15
Accrued income and interest receivable	4	*	-	-	*	4
Fair value adjustments arising from a business combination	98	-	-	-	3	101
Fair value changes of investment properties	303	23	(3)	-	18	341
Unremitted earnings	12	38	3	-	*	53
Others	25	(3)	-	-	2	24
<b>Total</b>	<b>464</b>	<b>59</b>	<b>(8)</b>	<b>-</b>	<b>23</b>	<b>538</b>
<b>Deferred tax assets</b>						
Unutilised tax losses	(4)	(6)	-	6	*	(4)
Provisions and expenses	(45)	*	-	-	(1)	(46)
Deferred income	(1)	1	-	-	*	*
Others	(8)	(1)	-	-	1	(8)
<b>Total</b>	<b>(58)</b>	<b>(6)</b>	<b>-</b>	<b>6</b>	<b>*</b>	<b>(58)</b>

\* Less than \$1 million

## Notes to the Financial Statements

### 9 DEFERRED TAX (CONTINUED)

There is no offset of deferred tax liabilities and assets as of the balance sheet dates.

As at 31 December 2022, deferred tax liabilities amounting to \$11 million (2021: \$2 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	
	2022 \$'M	2021 \$'M
Deductible temporary differences	42	13
Tax losses	1,124	967
Unutilised capital allowances	11	2
	<b>1,177</b>	<b>982</b>

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:

	The Group	
Expiry period	2022 \$'M	2021 \$'M
No expiry	659	525
Not later than 1 year	26	21
Between 1 and 5 years	431	389
After 5 years	61	47
	<b>1,177</b>	<b>982</b>

### 10 OTHER NON-CURRENT/CURRENT ASSETS

(a) Other non-current assets

Note	The Group		The Company	
	2022 \$'M	2021 \$'M	2022 \$'M	2021 \$'M
Equity investments at FVTPL	114	107	-	-
Equity investments at FVOCI	67	60	-	-
Derivative financial instruments	114	22	-	-
Loans due from:				
- subsidiaries	-	-	-	3
- associates	7(b), (i)	74	3	-
- investee - interest free		18	-	-
Other receivables		6	15	-
Deposits		6	4	-
Prepayments		2	1	-
	<b>401</b>	<b>212</b>	<b>-</b>	<b>3</b>

(i) The effective interest rate for interest-bearing amounts due from associates ranged from 4.30% to 5.50% per annum as at 31 December 2022 (2021: 5.50%).

## Notes to the Financial Statements

### 10 OTHER NON-CURRENT/CURRENT ASSETS (CONTINUED)

(b) Other current assets

	The Group		The Company	
	2022 \$'M	2021 \$'M	2022 \$'M	2021 \$'M
Derivative financial instruments	70	14	-	-

### 11 DEVELOPMENT PROPERTIES FOR SALE

	The Group	
	2022 \$'M	2021 \$'M
Completed development properties, at cost	260	286
Allowance for foreseeable losses	(17)	(18)
Total development properties for sale	243	268

(a) The Group makes allowance for foreseeable losses by applying its experience in estimating the net realisable values of completed units and properties under development. References were made to comparable properties, timing of sale launches, location of property, management's expected net selling prices and estimated development expenditure. Market conditions may, however, change which may affect the future selling prices of the remaining unsold units of the development properties and accordingly, the carrying value of development properties for sale may have to be written down in future periods.

(b) Movements in allowance for foreseeable losses in respect of development properties for sale were as follows:

	The Group	
	2022 \$'M	2021 \$'M
At 1 January	(18)	(17)
Translation differences	1	(1)
At 31 December	(17)	(18)

## Notes to the Financial Statements

### 12 TRADE AND OTHER RECEIVABLES

Note	The Group		The Company	
	2022 \$'M	2021 \$'M	2022 \$'M	2021 \$'M
Trade receivables	286	303	*	-
Less:				
Allowance for impairment loss on receivables	(51)	(45)	-	-
	235	258	-	-
Deposits	20	11	*	-
Other receivables	174	789	4	1
Less:				
Allowance for impairment loss on receivables	(16)	(18)	-	-
	158	771	4	1
Tax recoverable	13	16	-	-
Amounts due from:				
- associates	202	266	-	-
- joint ventures	269	193	-	-
- subsidiaries				
Current accounts (unsecured)				
- interest free (trade)	-	-	45	58
- interest free (non-trade)	-	-	41	176
Loans (unsecured)				
- interest bearing	-	-	616	-
Less:				
Allowance for impairment loss on receivables	-	-	(16)	(16)
	-	-	686	218
- related corporations				
Current accounts (unsecured)				
- interest free (trade)	73	95	8	24
Loans and receivables	970	1,610	698	243
Prepayments	55	51	2	-
	1,025	1,661	700	243

\* Less than \$1 million

(a) Other receivables include consideration receivable of \$42 million (2021: \$689 million) from the divestment of associates. The amount had been substantially received in accordance with the agreement.

(b) Amounts due from related corporations and subsidiaries are unsecured and repayable on demand.

(c) The Group's exposure to credit and currency risks, and impairment losses for trade and other receivables, are disclosed in note 32.

## Notes to the Financial Statements

### 13 ASSETS/LIABILITIES HELD FOR SALE

	Note	The Group	
		2022 \$'M	2021 \$'M
Investment properties	31(d)(i)	352	2
Other non-current assets		11	–
Trade and other receivables		23	–
Cash and cash equivalents		29	–
		<u>415</u>	<u>2</u>
Trade and other payables		53	–
Borrowings		21	–
Current tax payable		4	–
Deferred tax liabilities		40	–
		<u>118</u>	<u>–</u>

Details of assets and liabilities held are as follows:

- (a) On 29 December 2022, the Group announced that it has through its wholly-owned subsidiary, Ascendas India Development VII and its joint venture partner Maharashtra Industrial Development Corporation entered into separate agreements with Capitaland India Trust (CLINT) to divest their respective 78.5% and 21.5% shareholding in Ascendas IT Park (Pune) (AIPP) to CLINT for approximately INR13.5 billion (S\$222 million). AIPP owns International Tech Park Pune in Hinjawadi in India. Accordingly, all assets and liabilities held by the AIPP were reclassified to assets held for sale and liabilities held for sale respectively as at 31 December 2022.
- (b) On 29 November 2022, the Group's subsidiary, Zircon Alpha Holdings Pte. Ltd., entered into a shareholder agreement with an external investor to invest in Zillion Alpha Holdings Pte. Ltd. (ZAH) and its subsidiaries. The investor has committed to contribute capital of RMB1.89 billion or 70% of the total capital commitment and the Group's stake in ZAH will dilute from 100% to 30%. ZAH holds two data centre development projects in China. Accordingly, all assets and liabilities held by ZAH were reclassified to assets held for sale and liabilities held for sale respectively as at 31 December 2022.

### 14 CASH AND CASH EQUIVALENTS

	Note	The Group		The Company	
		2022 \$'M	2021 \$'M	2022 \$'M	2021 \$'M
Fixed deposits		1,260	443	–	–
Cash at banks and in hand		1,408	3,434	22	362
Cash and cash equivalents		2,668	3,877	22	362
Restricted bank deposits	(a)	(44)	(62)		
Cash and cash equivalents in the statement of cash flows		<u>2,624</u>	<u>3,815</u>		

- (a) These are deposits placed in escrow account for bank balances of certain subsidiaries pledged in relation to banking facilities and bank balances required to be maintained as security for outstanding CapitaVoucher, as well as bank balances relating to security deposits from tenants which can only be drawn down as rental payment upon tenants' default or refunded to tenants upon lease expiry.
- (b) The Group's cash and cash equivalents are denominated mainly in Singapore Dollars, Chinese Renminbi, Japanese Yen and US Dollars. As at 31 December 2022, the effective interest rates for cash and cash equivalents denominated in these currencies ranged from 0% to 4.47% (2021: 0% to 2.03%) per annum.

The cash and cash equivalents are placed with banks and financial institutions which meet the appropriate credit criteria.

## Notes to the Financial Statements

### 15 TRADE AND OTHER PAYABLES

	Note	The Group		The Company	
		2022 \$'M	2021 \$'M	2022 \$'M	2021 \$'M
Trade payables		151	162	2	*
Accruals	(a)	648	586	24	17
Accrued development expenditure		74	75	–	–
Other payables	(b)	741	737	1	4
Rental and other deposits		78	91	*	–
Derivative financial instruments		4	19	–	–
Liability for employee benefits	19	46	68	4	3
Amounts due to:					
– subsidiaries					
Current accounts (unsecured)					
– interest free (trade)		–	–	9	5
– interest bearing (non-trade)		–	–	–	43
Loans (unsecured)					
– interest free		–	–	12	–
– associates	7	9	12	1	–
– joint ventures	8	102	53	*	–
– non-controlling interests (unsecured)					
– interest free		3	1	–	–
– interest bearing		1	1	–	–
– related corporations					
Current accounts (unsecured)					
– interest free (trade)		236	323	168	197
		<u>2,093</u>	<u>2,128</u>	<u>221</u>	<u>269</u>

\* Less than \$1 million

- (a) As at 31 December 2022, accruals included accrued operating expenses of \$378 million (2021: \$359 million), accrued interest payable of \$56 million (2021: \$30 million) as well as accrued expenditure for tax and administrative expenses which are individually immaterial.
- (b) Other payables included a loan payable to an external shareholder of \$233 million (2021: nil) and deferred purchase consideration for acquisition of an investment of \$226 million (2021: \$229 million).

In 2021, there was a dividend payable to external shareholders of \$153 million which has been settled during the year.



## Notes to the Financial Statements

### 17 DEBT SECURITIES

	The Group	
	2022 \$'M	2021 \$'M
Secured notes and bonds	187	171
Unsecured notes and bonds	1,315	1,008
	<u>1,502</u>	<u>1,179</u>
Repayable:		
Not later than 1 year	160	608
Between 1 and 5 years	1,173	571
After 5 years	169	–
	<u>1,502</u>	<u>1,179</u>

(a) As at 31 December 2022, the effective interest rates for debt securities ranged from 0.58% to 4.07% (2021: 0.46% to 3.89%) per annum.

(b) Notes and bonds

The Group's notes and bonds are mainly issued by CLAS, CLMT and CLI Treasury Limited under their respective issuance programs. These notes and bonds were denominated mainly in Singapore Dollars, Malaysian Ringgit, Japanese Yen and Euro. Save for the secured notes and bonds below, the notes and bonds issued were unsecured.

As at 31 December 2022, the secured notes and bonds amounting to \$187 million (2021: \$171 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.

### 18 OTHER NON-CURRENT LIABILITIES

	Note	The Group		The Company	
		2022 \$'M	2021 \$'M	2022 \$'M	2021 \$'M
Amounts due to (unsecured):					
– associates (interest free)	(a)	9	6	–	–
– joint ventures (interest free)	(a)	7	–	–	–
– non-controlling interests (interest free)	(a)	30	23	–	–
Loans from related corporations (unsecured) (interest free)		70	83	–	–
Loans from a subsidiary (unsecured):					
– interest free		–	–	486	486
– interest bearing	(b)	–	–	325	325
Liability for employee benefits	19	16	29	1	8
Derivative financial instruments		9	40	–	–
Security deposits and other non-current payables		102	200	–	–
Deferred income		11	11	–	–
		<u>254</u>	<u>392</u>	<u>812</u>	<u>819</u>

(a) Amounts due to associates, joint ventures and non-controlling interests are non-trade and not expected to be repaid within the next twelve months.

(b) As at 31 December 2022, the effective interest rate for the loans from a subsidiary is 2.40% (2021: 2.66%) per annum.

## Notes to the Financial Statements

### 19 EMPLOYEE BENEFITS

	Note	The Group		The Company	
		2022 \$'M	2021 \$'M	2022 \$'M	2021 \$'M
Liability for short term accumulating compensated absences		15	15	1	1
Liability for staff incentive	(a)	15	34	–	1
Liability for cash-settled share-based payments		32	48	4	9
		<u>62</u>	<u>97</u>	<u>5</u>	<u>11</u>
Current	15	46	68	4	3
Non-current	18	16	29	1	8
		<u>62</u>	<u>97</u>	<u>5</u>	<u>11</u>

#### (a) Staff incentive

This relates to staff incentive which is based on the achievement of the Group's financial performance and payable over a period of time.

#### (b) Equity compensation benefits

##### 1) Share Plans of the CapitaLand Group Pte. Ltd.

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

##### i) CapitaLand Performance Share Plans

This relates to compensation costs of the CL PSP reflecting the benefits accruing to the employees of the Group over the service period to which the performance criteria relate, prior to the listing of the Company.

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

Movements in the Group's number of shares outstanding under CL PSP in 2021 were summarised below:

	2021 ('000)
At 1 January	2,909
Granted	1,436
Released	(395)
Lapsed	(630)
Cancelled and replaced with CLI Share Plans on 1 October 2021	(3,320)
At 31 December	–

## Notes to the Financial Statements

### 19 EMPLOYEE BENEFITS (CONTINUED)

#### (b) Equity compensation benefits (continued)

##### 1) Share Plans of the CapitaLand Group Pte. Ltd. (continued)

##### i) CapitaLand Performance Share Plans (continued)

The fair values of the shares under CapitaLand Performance Share Plans were 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	2021
<i>Weighted average fair value of shares and assumptions</i>	
Weighted average fair value at measurement date	\$3.79
Grant date	12 April 2021
Share price at grant date	\$3.77
Expected volatility of Company's share price based on 36 months closing share price prior to grant date	24.42%
Average volatility of companies in the peer group based on 36 months prior to grant date	29.63%
Expected dividend yield over the vesting period	2.95% to 4.26%
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	0.70%
Initial total shareholder return (TSR) performance based on historical TSR performance of the Company and each company in the peer group	27.86%
Average correlation of Company's TSR with those companies in the peer group	57.26%

##### ii) CapitaLand Restricted Share Plans

This relates to compensation costs of the CL RSP reflecting the benefits accruing to the employees of the Group over the service period to which the performance criteria relate, prior to the listing of the Company.

Following the listing of the Company, the outstanding RSP granted under the CL's RSP 2010 and RSP 2020 were converted to cash-settled awards on 1 October 2021 with an implied value of S\$4.102 per CL share. Contingent awards granted under the CL RSP have been finalised at 150% of the baseline awards based on the same implied value. The cash payment will be released in accordance with the original vesting schedule of the respective CL RSP awards.

Due to the modification of the share plan, the incremental fair value granted is included in the measurement of the amount recognised for services received over the period from the grant date until the date when the RSP awards are vested and will be amortised to profit or loss accordingly over the remaining vesting period.

## Notes to the Financial Statements

### 19 EMPLOYEE BENEFITS (CONTINUED)

#### (b) Equity compensation benefits (continued)

##### 1) Share Plans of the CapitaLand Group Pte. Ltd. (continued)

##### ii) CapitaLand Restricted Share Plans (continued)

Movements in the Group's number of shares outstanding under CL RSP were summarised below:

	2022 ('000)	2021 ('000)
At 1 January	19,364	10,623
Granted	–	15,488
Released <sup>⊗</sup>	(9,252)	(5,492)
Lapsed/Cancelled	(709)	(1,255)
At 31 December	9,403 <sup>^</sup>	19,364 <sup>^</sup>

<sup>^</sup> Represents CL RSP converted to cash-settled. The cash payment will be released to eligible employees according to the original vesting schedule of respective CL RSP award.

<sup>⊗</sup> The number of shares released during the year was 9,251,531 (2021: 5,492,402) of which 9,251,531 (2021: 1,452,770) were cash-settled.

The fair values of the shares granted to employees were determined using discounted cashflow method at the measurement date. The fair values and assumptions are set out below:

Year of award	2021
<i>Weighted average fair value of shares and assumptions</i>	
Weighted average fair value at measurement date	\$3.52
Grant date	12 April 2021
Share price at grant date	\$3.77
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	0.42% to 0.72%

##### 2) Share Plans of the Company

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

The ERCC of the Company has instituted a set of share ownership guidelines for members of senior management who receive shares under the CLI RSP and CLI PSP. Under these guidelines, members of senior management are required to retain a portion of the total number of the Company shares received under the aforementioned share-based plans, which will vary according to their respective job grade and salary.

## Notes to the Financial Statements

### 19 EMPLOYEE BENEFITS (CONTINUED)

#### (b) Equity compensation benefits (continued)

##### 2) Share Plans of the Company (continued)

The details of awards in the Company since commencement of the Share Plans were as follows:

	← Aggregate shares →			Balance as at 31 December 2022 No. of shares
	Granted No. of shares	Released No. of shares	Lapsed/ Cancelled/ No. of shares	
CLI PSP 2021	44,122,673	(7,648,664)	(921,790)	35,552,219 <sup>^</sup>
CLI RSP 2021	9,048,682	(68,235)	(364,815)	8,615,632 <sup>#</sup>

<sup>^</sup> Comprised 29,036,807 (31 December 2021: 31,603,082) shares granted to the employees of the Group and 6,515,412 (31 December 2021: 8,768,187) shares granted to the employees of the related corporations.

<sup>#</sup> Comprised 8,610,920 (31 December 2021: nil) shares granted to the employees of the Group and 4,712 (31 December 2021: nil) shares granted to the employees of the related corporations.

The total number of new shares issued and/or to be issued pursuant to the Share Plans of the Company did not exceed 8% of the total number of shares (excluding treasury shares) in the capital of the Company.

##### i) CLI Performance Share Plans

This relates to compensation costs of the Company's PSP 2021 reflecting the benefits accruing to the employees over the service period to which the performance criteria relate.

Following the listing of the Company, the Company grants share awards pursuant to the CLI Performance Share Plan 2021 (Replacement Awards) to certain employees of the Group and certain designated employees of CapitaLand Group Pte. Ltd. (collectively, Existing CapitaLand PSP Award Holders) in replacement of the awards previously granted to them pursuant to the CL PSP 2010 and the CL PSP 2020 (Existing CapitaLand PSP Awards). The Replacement Awards have been granted on 1 October 2021 and will be released progressively in accordance with the original vesting schedule of the Existing CapitaLand PSP Awards.

Movements in the number of shares outstanding under CLI PSP were summarised below:

	2022 ('000)	2021 ('000)
At 1 January	25,777	–
Granted	3,344	25,777 <sup>^</sup>
Released	(7,649)	–
Lapsed/Cancelled	(578)	–
At 31 December <sup>@</sup>	20,894	25,777

<sup>@</sup> Comprised 16,645,394 (2021: 19,275,824) shares granted to the employees of the Group and 4,248,334 (2021: 6,501,109) shares granted to the employees of the related corporations.

<sup>^</sup> All outstanding contingent CL PSP awards granted to the employees were finalised at 200% of the baseline awards and employees will receive in lieu of the Company's shares award under CLI Share Plan in accordance with a conversion ratio and released in accordance with the original vesting schedule.

## Notes to the Financial Statements

### 19 EMPLOYEE BENEFITS (CONTINUED)

#### (b) Equity compensation benefits (continued)

##### 2) Share Plans of the Company (continued)

##### i) CLI Performance Share Plans (continued)

The fair values of the shares under the Replacement Awards are determined using discounted cashflow method at the measurement date. The fair values and key assumptions are set out below:

Year of award	2021
<i>Weighted average fair value of shares and assumptions</i>	
Weighted average fair value at measurement date	\$2.5803 to \$2.7796
Grant date	1 October 2021
Share price at grant date	\$2.823
Expected dividend yield over the vesting period	3.54% to 3.90%

The fair values of the shares are determined using Monte Carlo simulation method which projects future share price assuming log normal distribution based on Geometric Brownian Motion Theory at measurement date. The fair values and key assumptions are set out below:

Year of award	2022
<i>Weighted average fair value of shares and assumptions</i>	
Weighted average fair value at measurement date	\$4.07
Grant date	4 May 2022
Share price at grant date	\$4.12
Expected volatility of Company's share price (assuming the average volatility of 780-Day closing unit price from 6 CLI REITs)	26.46%
Expected dividend yield over the vesting period	3.66% to 4.22%
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	1.72% to 2.34%

##### ii) Special CLI Founders Performance Share Plan Award (Special PSP) – Equity-settled/Cash-settled

This relates to the compensation costs of the Company's Special PSP granted under CLI PSP 2021 reflecting the benefits accruing to the employees over the service period to which the performance criteria relate.

Pursuant to the CLI PSP, the Special PSP award granted to selected key executives of the Company and/or its group companies is conditional on a performance target based on longer term wealth creation objectives. Participants will receive a specified number of performance shares after the end of the performance period conditional on achievement of performance conditions.

## Notes to the Financial Statements

### 19 EMPLOYEE BENEFITS (CONTINUED)

#### (b) Equity compensation benefits (continued)

##### 2) Share Plans of the Company (continued)

##### ii) Special CLI Founders Performance Share Plan Award (Special PSP) – Equity-settled/Cash-settled (continued)

The ERCC grants an initial number of shares (baseline award) which are conditional on the target of the Company's share price expressed as a multiple of the Group's net asset value per share (Price/NAV) set for a five-year performance period. A specified number of shares will only be released by the ERCC to the recipients at the end of the qualifying performance period, provided the pre-specified minimum target is achieved. No share will be released if the minimum target is not met at the end of the performance period. On the other hand, if the superior target is met, more shares than the baseline award can be delivered up to a maximum of 300% of the baseline award. In the event of early achievement of the targets within the first three years of the performance period, a maximum of 20% to 50% of the baseline award can be released after the third year, with any balance in excess of 50% of the baseline award to be released only after the fifth year. The ERCC has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors. Recipients can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost.

A one-time special contingent award was granted to selected key executives in the Company and CL group companies as at 1 October 2021. As a hiring strategy, such one-time special contingent award may (at the absolute discretion of the ERCC) also be extended to key executives joining the Company and/or its group companies on a date after 1 October 2021 but not later than 19 September 2022.

Movements in the number of shares outstanding under Special PSP were summarised below:

	2022 ('000)	2021 ('000)
At 1 January	14,594	–
Granted	407	14,594
Lapsed/Cancelled	(343)	–
At 31 December <sup>@</sup>	14,658	14,594

<sup>@</sup> Comprised 12,391,413 (31 December 2021: 12,327,258) shares granted to the employees of the Group and 2,267,078 (31 December 2021: 2,267,078) shares granted to the employees of the related corporations.

As at 31 December 2022, the number of shares granted under the Special PSP award are as follows:

	2022			2021		
	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) <sup>^</sup>	14,286	372	14,658	14,222	372	14,594

<sup>^</sup> Comprised 12,019,472 (31 December 2021: 11,955,317) shares granted to the employees of the Group and 2,267,078 (31 December 2021: 2,267,078) shares granted to the employees of the related corporations which are equity-settled and 371,941 (31 December 2021: 371,941) shares granted to the employees of the Group which are cash-settled.

## Notes to the Financial Statements

### 19 EMPLOYEE BENEFITS (CONTINUED)

#### (b) Equity compensation benefits (continued)

##### 2) Share Plans of the Company (continued)

##### ii) Special CLI Founders Performance Share Plan Award (Special PSP) – Equity-settled/Cash-settled (continued)

The fair values of the shares are determined using Monte Carlo simulation method which projects future share price assuming log normal distribution based on Geometric Brownian Motion Theory at measurement date. The fair values and assumptions are set out below:

Year of award	2022	2021
<i>Weighted average fair value of shares and assumptions</i>		
Weighted average fair value at measurement date	\$3.52 to \$3.90	\$2.00 to \$2.24
Grant date	4 January 2022, 4 May 2022 and 1 June 2022	1 October 2021 and 1 November 2021
Share price at grant date	\$3.66 to \$4.12	\$3.34 to \$3.46
Expected volatility of Company's share price (assuming the average volatility of 1040-Day/780-Day closing unit price from 6 CLI REITs)	24.67% to 26.46%	26.41% to 26.43%
Expected dividend yield over the vesting period	3.61% to 4.22%	3.66% to 3.71%
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	1.11% to 2.51%	0.86% to 1.32%
Net asset value per share	\$2.82 to \$3.99	\$2.82 to \$3.99

##### iii) CLI Restricted Share Plans – Equity-settled/Cash-settled

This relates to compensation costs of the Company's RSP 2021 reflecting the benefits accruing to the employees over the service period to which the performance criteria relate.

Movements in the number of shares outstanding under CLI RSP were summarised below:

	2022 ('000)	2021 ('000)
At 1 January	–	–
Granted	9,049	–
Released	(68)	–
Lapsed/Cancelled	(365)	–
At 31 December <sup>@</sup>	8,616	–

<sup>@</sup> Comprised 8,610,920 (31 December 2021: nil) shares granted to the employees of the Group and 4,712 (31 December 2021: nil) shares granted to the employees of the related corporations.



## Notes to the Financial Statements

### 19 EMPLOYEE BENEFITS (CONTINUED)

#### (b) Equity compensation benefits (continued)

##### 2) Share Plans of the Company (continued)

##### iii) CLI Restricted Share Plans – Equity-settled/Cash-settled (continued)

The fair values of the shares granted to employees are determined using discounted cashflow method at the measurement date. The fair values and assumptions are set out below:

Year of award	2022
<i>Weighted average fair value of shares and assumptions</i>	
Weighted average fair value at measurement date	\$3.84
Grant date	4 May 2022
Share price at grant date	\$4.12
Expected volatility of Company's share price (assuming the average volatility of 780-Day closing unit price from 6 CLI REITs)	26.46%
Expected dividend yield over the vesting period	3.94%
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	1.72% to 2.34%

As at 31 December 2022, the number of shares granted are as follows:

	2022			2021		
	Equity-settled ('000)	Cash-settled ('000)	Total ('000)	Equity-settled ('000)	Cash-settled ('000)	Total ('000)
Final number of shares has not been determined (baseline award)	6,951	1,665	8,616	–	–	–

### 20 SHARE CAPITAL

	2022 No. of shares ('000)	2021 No. of shares ('000)
<b>Issued and fully paid, with no par value</b>		
At 1 January, including treasury shares	5,203,196	2,807,623
Add: Issue of new shares	–	2,395,573
Less: Treasury shares	(89,031)	(61,996)
At 31 December, excluding treasury shares	5,114,165	5,141,200

#### Capital management

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

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

## Notes to the Financial Statements

### 20 SHARE CAPITAL (CONTINUED)

#### Capital management (continued)

	2022 \$'M	2021 \$'M
Borrowings and debt securities	12,590	13,548
Cash and cash equivalents	(2,668)	(3,877)
Net debt	9,922	9,671
Total equity	18,929	20,101
Net debt-to-equity ratio	0.52	0.48

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

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

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

The Group's subsidiaries in The People's Republic of China (PRC) and India are subject to foreign exchange rules and regulations promulgated by the PRC and India government which may impact how the Group manages capital. In addition, seven of the Group's subsidiaries (2021: seven) are required to maintain certain minimum base capital and financial resources, or shareholders' funds as they are holders of Capital Markets Services licenses registered with the Monetary Authority of Singapore or the Securities Commission Malaysia to conduct the regulated activity of Real Estate Investment Trust 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.

### 21 OTHER RESERVES

	The Group		The Company	
	2022 \$'M	2021 \$'M	2022 \$'M	2021 \$'M
Reserve for own shares	(315)	(208)	(315)	(208)
Equity compensation reserve	50	24	22	16
Capital reserve	(4,809)	(4,794)	3	3
Hedging reserve	127	(16)	–	–
Fair value reserve	27	36	–	–
Asset revaluation reserve	6	6	–	–
Foreign currency translation reserve	(980)	71	–	–
	(5,894)	(4,881)	(290)	(189)

Reserve for own shares comprises the purchase consideration for issued shares of the Company acquired and held as treasury shares.

The equity compensation reserve comprises the cumulative value of employee services received for shares under the share plans of the Company (note 19 (b)).

## Notes to the Financial Statements

### 21 OTHER RESERVES (CONTINUED)

The capital reserve comprises mainly the reserves set aside by certain subsidiaries in compliance with the relevant regulations in the People's Republic of China, the Group's share of associates' and joint ventures' capital reserve and reserves on consolidation amounting to -\$5,598 million (2021: -\$5,590 million) which represents the difference between the consideration paid for the acquisition of interest in entities under common control as part of the internal restructuring of the Group in 2021 and the share capital of the acquirees.

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments related to hedge transactions that have not yet affected profit or loss.

The fair value reserve comprises the cumulative net change in the fair value of equity investments designated at FVOCI.

The asset revaluation reserve comprises the revaluation gain on a plant, property and equipment which was reclassified to investment properties.

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign entities, the effective portion of the hedging instrument which is used to hedge against the Group's net investment in foreign currencies as well as from the translation of foreign currency loans used to hedge or form part of the Group's net investments in foreign entities. The Group's foreign currency translation reserve arises mainly from Chinese Renminbi, US Dollar, Indian Rupee, Australian Dollar and Malaysian Ringgit.

### 22 PERPETUAL SECURITIES

The Group's perpetual securities comprise perpetual securities and perpetual notes issued by its subsidiary, CLAS ("the Issuer"). The perpetual securities comprise:

Perpetual securities	Issue date	Principal amount \$'M
<b>CLAS</b>		
- Fixed rate perpetual securities with an initial distribution rate of 4.68% per annum	30 June 2015	250
- Fixed rate perpetual securities with an initial distribution rate of 3.88% per annum	4 September 2019	150

The perpetual securities have no fixed redemption date and redemption is at the option of the issuer in accordance with the terms of issue of the securities. The distribution will be payable semi-annually at the discretion of the issuer and will be non-cumulative. These perpetual securities rank *pari passu* with the holders of preferred units (if any) and rank ahead of the stapled security holders of the CLAS, but junior to the claims of all other present and future creditors of the CLAS.

As the perpetual securities have no fixed maturity date and the payment of distributions is at the discretion of the Issuer, the Issuer is considered to have no contractual obligations to repay the principal or to pay any distributions, and the perpetual securities do not meet the definition for classification as a financial liability under SFRS(I) 1-32 *Financial Instruments: Disclosure and Presentation*, they are presented within equity, and distributions are treated as dividends.

### 23 OTHER COMPREHENSIVE INCOME

The Group's items of other comprehensive income do not have any related tax effect.

## Notes to the Financial Statements

### 24 REVENUE

Revenue of the Group is analysed as follows:

	The Group	
	2022 \$'M	2021 \$'M
Revenue from contracts with customers	845	826
Rental of investment properties:		
- Retail, office, business park, industrial and logistics rental and related income	525	568
- Lodging properties rental and related income	1,495	885
Others	11	14
	<u>2,876</u>	<u>2,293</u>

Disaggregation of revenue from contracts with customers:

	The Group	
	2022 \$'M	2021 \$'M
<b>Primary segment</b>		
Fee income		
- Fee income-related business	776	742
- Real estate investment business	41	15
- Corporate and others	19	60
	<u>836</u>	<u>817</u>
Development properties for sale		
- Real estate investment business	9	9
	<u>845</u>	<u>826</u>
<b>Secondary segment</b>		
Singapore	496	485
China <sup>1</sup>	183	207
Other developed markets	98	82
Other emerging markets	68	52
	<u>845</u>	<u>826</u>

<sup>1</sup> includes Hong Kong

#### Timing of revenue recognition

Product transferred at a point in time	48	66
Products and services transferred over time	797	760
	<u>845</u>	<u>826</u>

## Notes to the Financial Statements

### 25 PROFIT BEFORE TAX

Profit before tax includes the following:

	Note	The Group	
		2022 \$'M	2021 \$'M
<b>(a) Other operating income</b>			
Interest income from:			
– deposits and notes		47	20
– related corporations		–	5
– associates and joint ventures		4	1
– investee companies and others		2	3
		53	29
Distribution income		35	5
Foreign exchange gain		–	15
Gain on disposal of equity investment designated as fair value through profit or loss		–	24
Gain from change of ownership interests in subsidiaries, associates and joint ventures		210	131
Mark-to-market gain on derivative instruments		34	–
Gain on disposal of investment properties		14	205
Net fair value gain from investment properties	5	250	255
Net writeback of impairment loss on non-trade receivables – related corporations		–	87
Other income from pre-termination of contracts and income support		6	20
Forfeiture of security deposits		2	12
Government grants	(i)	4	23
Others		57	82
		665	888
(i) The grants relate to the Job Support Scheme or equivalents in Singapore, Australia and Europe and property tax rebates extended by the Singapore government.			
<b>(b) Staff costs</b>			
Wages and salaries		594	573
Contributions to defined contribution plans		69	59
Share-based expenses:			
– equity-settled		47	36
– cash-settled		21	22
Increase in liability for short term accumulating compensated absences		1	4
Staff benefits, training/development costs and others		68	57
		800	751
Less:			
Staff costs capitalised in development properties for sale		–	(2)
		800	749
Recognised in:			
Cost of sales		597	555
Administrative expenses		203	194
		800	749

## Notes to the Financial Statements

### 25 PROFIT BEFORE TAX (CONTINUED)

	Note	The Group	
		2022 \$'M	2021 \$'M
<b>(c)(i) Cost of sales include:</b>			
Operating expenses of investment properties that generated rental income		602	499
Lease expenses (short-term lease)		362	197
Lease expenses (variable lease payments not included in the measurement of lease liabilities)		12	3
<b>(c)(ii) Administrative expenses include:</b>			
Net allowance for impairment loss on trade receivables		13	18
Amortisation of intangible assets	4	15	27
Auditors' remuneration:			
– auditors of the Company		3	2
– other auditors		7	5
Non-audit fees:			
– auditors of the Company		*	1
– other auditors		2	2
Depreciation of property, plant and equipment	3	64	70
Depreciation of right-of-use assets	3	67	63
(Write back) / Accrual of listing and restructuring expenses		(23)	186
<b>(c)(iii) Other operating expenses include:</b>			
Allowance for impairment loss on non-trade receivables		12	6
Foreign exchange loss		132	–
Loss on disposal and write off of property, plant and equipment		2	3
Impairment of intangible assets	4	–	15
Net change in fair value of financial assets designated as fair value through profit or loss		21	18
<b>(d) Finance costs</b>			
Interest costs paid and payable:			
– on bank loans and overdrafts		356	147
– on debt securities		49	41
– related corporations		–	108
Lease liabilities		30	29
Others		7	33
Total finance costs		442	358
Less:			
Borrowing costs capitalised in investment properties		(10)	(5)
		432	353

\* Less than \$1 million

## Notes to the Financial Statements

### 26 TAX EXPENSE

	The Group	
	2022 \$'M	2021 \$'M
<b>Current tax expense</b>		
– Based on current year's results	201	256
– (Over)/Under provision in respect of prior years	(9)	32
– Group relief	(2)	(1)
	190	287
<b>Deferred tax expense</b>		
– Origination and reversal of temporary differences	89	60
– Under/(Over) provision in respect of prior years	4	(7)
	93	53
<b>Land appreciation tax</b>		
– Current year	1	–
– Under/(Over) provision in respect of prior years	–	(1)
	1	(1)
<b>Withholding tax</b>		
– Current year	25	64
– Under/(Over) provision in respect of prior years	9	(7)
	34	57
	318	396
<b>Reconciliation of effective tax rate</b>		
Profit before tax	1,388	1,956
Less: Share of results of associates and joint ventures	531	1,218
Profit before share of results of associates and joint ventures and tax	857	738
Income tax using Singapore tax rate of 17% (2021: 17%)	146	125
Adjustments:		
Expenses not deductible for tax purposes	172	293
Income not subject to tax	(147)	(205)
Effect of unrecognised tax losses and other deductible temporary differences	30	45
Effect of different tax rates in foreign jurisdictions	64	21
Effect of taxable distributions from REITs	30	43
Land appreciation tax	1	(1)
Withholding taxes	25	64
Under provision in respect of prior years	4	18
Group relief	(2)	(1)
Others	(5)	(6)
	318	396

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

## Notes to the Financial Statements

### 26 TAX EXPENSE (CONTINUED)

CMMTIL has obtained a legal opinion from its tax and legal advisers in the relevant jurisdiction, that (a) CMMTIL should fall within an exemption order under the relevant taxation law applicable to it, which would exempt it from paying any withholding tax for the said years of assessment and that, accordingly, the subsidiary should not be denied a deduction on the interest expense incurred; and (b) as the income tax legislation in the relevant jurisdiction provides that the Tax Authority may make an assessment or additional assessment only within the preceding five years, any assessment with respect to the years of assessment 2015 and prior years would be time-barred. CMMTIL has filed an application for a judicial review and a stay order with respect to the Tax Claim.

In August 2021, CMMTIL has made a partial payment of approximately \$1.4 million to the Tax Authority under an approved instalment plan. On 7 September 2021, the High Court granted CMMTIL leave for substantive judicial review at High Court, which includes a stay so that the disputed taxes need not be paid until the outcome of the judicial review. CMMTIL is in the midst of preparing for the judicial review, while seeking an amicable settlement solution with Tax Authority.

#### Global minimum tax

To address concerns about uneven profit distribution and tax contributions of large multinational corporations, various agreements have been reached at the global level, including an agreement by over 135 jurisdictions to introduce a global minimum tax rate of 15%. In December 2021, the Organisation for Economic Co-operation and Development (OECD) released a draft legislative framework, followed by detailed guidance released in March 2022, that is expected to be used by individual jurisdictions that signed the agreement to amend their local tax laws. Once changes to the tax laws in any jurisdiction in which the Group operates are enacted or substantively enacted, the Group may be liable to the top-up tax. As at 31 December 2022, the Group does not have subsidiaries which have significant operation in the country where the statutory tax rate is less than 15%.

As at 31 December 2022, none of the jurisdictions in which the Group operates had enacted or substantively enacted the tax legislation related to the top-up tax. Management is closely monitoring the progress of the legislative process in each jurisdiction the Group operates in. As at 31 December 2022, the Group did not have sufficient information to determine the potential quantitative impact.

### 27 EARNINGS PER SHARE

#### (a) Basic earnings per share

	The Group	
	2022 \$'M	2021 \$'M
Basic earnings per share is based on:		
Net profit attributable to owners of the Company	861	1,349
	2022 No. of shares (‘000)	2021 No. of shares (‘000)
Weighted average number of ordinary shares in issue during the year	5,129,261	3,517,372

## Notes to the Financial Statements

### 27 EARNINGS PER SHARE (CONTINUED)

#### (b) Diluted earnings per share

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

	The Group	
	2022 \$'M	2021 \$'M
Diluted earnings per share is based on:		
Net profit attributable to owners of the Company	861	1,349
	2022 No. of shares (‘000)	2021 No. of shares (‘000)
Weighted average number of ordinary shares in issue during the year	5,129,261	3,517,372
Adjustments for potential dilutive ordinary shares under:		
– CLI Performance Share Plan	67,058	68,444
– CLI Restricted Share Plan	11,262	–
	78,320	68,444
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	5,207,581	3,585,816

The weighted average number of shares as at 31 December 2021 is based on the weighted average number of ordinary shares outstanding during the year, including the estimated shares issued to effect the acquisition of interests in common control entities pursuant to the internal restructuring of the Group on the basis that the internal restructuring has been effected before the start of the earliest period presented or the dates of incorporation of common control entities, or the dates when common control is established, whichever is later.

Basic earnings per share computed based on the outstanding issued shares as at 31 December 2021 of 5,141 million was 26.2 cents.

### 28 DIVIDENDS

In respect of the financial year ended 31 December 2022, the Board of Directors of the Company has proposed dividends which comprised the following:

- a tax-exempt ordinary dividend of 12.0 cents per share which would amount to a payout of approximately \$614 million; and
- a special distribution *in specie* of 292 million units in CLAS that the Group holds on the basis of 0.057 unit per ordinary share valued at 5.9 cents per share (Proposed Distribution) based on CLAS's share price at market close on 22 February 2023.

The tax-exempt dividend and Proposed Distribution are subject to shareholders' approval at the forthcoming Annual General Meeting of the Company. The actual dividend payment can only be determined on book closure date.

For the financial year ended 31 December 2021, a tax-exempt ordinary dividend of 12.0 cents per share and a special dividend of 3.0 cents per share were approved at the Annual General Meeting held on 29 April 2022. The said dividends of \$772 million were paid in May 2022.

## Notes to the Financial Statements

### 29 ACQUISITION/DISPOSAL OF SUBSIDIARIES, NET OF CASH ACQUIRED/DISPOSED OF

#### (a) Acquisition of subsidiaries

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

2022 Name of subsidiary	Date acquired	Effective interest acquired
Zhonglongyun (Zhuozhou) Data Technology Co., Ltd.	April 2022	100%
Zhuozhou Malongda Fire Technology Co., Ltd.	April 2022	100%
Yuanying (Foshan) Warehousing Services Co., Ltd.	May 2022	100%
Oakwood Worldwide (Asia) Pte. Ltd. (Oakwood)	July 2022	100%
Zhonghanyun (Zhuozhou) Data Technology Co., Ltd.	October 2022	100%
2021 Name of subsidiary	Date acquired	Effective interest acquired
DLSP-Ascendas Co., Ltd.	May 2021	50%
Shanghai Yiding Electronic Technology Co., Ltd.	September 2021	80%
Shanghai Minyun Technology Co., Ltd.	September 2021	80%
Raffles City China Income Ventures Limited	November 2021	45%
Senning Property Ltd.	November 2021	55%

The acquisitions in 2022 were accounted for as acquisition of assets except for Oakwood which was accounted for as a business combination (note 30). The acquisitions in 2021 were accounted for as acquisition of assets.

#### (b) Effects of acquisitions

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

The Group	Note	2022 \$'M	2021 \$'M
Intangible assets	4	8	–
Investment properties	5	220	1,118
Associates		–	1,383
Joint ventures		–	259
Other non-current assets		*	1,203
Trade and other receivables		22	722
Cash and cash equivalents		13	234
Trade and other payables		(35)	(592)
Other current liabilities		*	(331)
Borrowings and debt securities		(4)	(1,401)
Deferred tax liabilities		–	(24)
Other non-current liabilities		(2)	(38)
		222	2,533
Amounts previously accounted for as associates and joint venture, remeasured at fair value		–	(755)
Net assets acquired		222	1,778
Goodwill arising from acquisition	4	49	–
Gain on change of ownership interests in joint ventures		–	(9)
Realisation of reserves previously accounted for as associates and a joint venture		–	84
Total purchase consideration		271	1,853
Deferred purchase consideration and other adjustments		(55)	(229)
Deferred purchase consideration paid in relation to prior year's acquisition of subsidiaries		39	–
Cash of subsidiaries acquired		(13)	(234)
Cash outflow on acquisition of subsidiaries		242	1,390

\* Less than \$1 million

## Notes to the Financial Statements

### 29 ACQUISITION/DISPOSAL OF SUBSIDIARIES, NET OF CASH ACQUIRED/DISPOSED OF (CONTINUED)

#### (b) Effects of acquisitions (continued)

##### Acquisition-related costs

Acquisition-related costs of \$3 million (2021: \$3 million) relating to stamp duties and legal, due diligence, tax advisory and financial advisory service fees were included in the administrative expenses and cost of investment properties respectively.

#### (c) Disposal of subsidiaries

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

2022 Name of subsidiary	Date disposed	Effective interest disposed
Southernwood Property Pte Ltd	April 2022	65%
CapitaLand Korea Private Real Estate Investment Trust No. 3	September 2022	39.5%
Ascendas C62 Park (Shanghai) Co., Ltd.	October 2022	100%
Yuanying (Foshan) Warehousing Services Co., Ltd.	December 2022	100%

The disposed subsidiaries contributed net profit of \$7 million from 1 January 2022 to the date of disposal.

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

The disposed subsidiaries contributed net profit of \$33 million from 1 January 2021 to the date of disposal.

#### (d) Effects of disposals

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

The Group	Note	2022 \$'M	2021 \$'M
Property, plant and equipment		*	1
Investment properties	5	1,646	1,015
Trade and other receivables		13	26
Cash and cash equivalents		28	114
Trade and other payables		(68)	(37)
Other current liabilities		(7)	-
Borrowings		(707)	(348)
Other non-current liabilities		(42)	(46)
Non-controlling interests		(230)	(143)
Equity interest retained as joint venture		(3)	-
Net assets disposed of		630	582
Realisation of reserves		(7)	(5)
Gain on disposal of subsidiaries		207	211
Sale consideration		830	788
Deferred proceeds and other adjustments		(79)	(95)
Deposits received in prior year		-	(6)
Cash of subsidiaries disposed		(28)	(114)
Cash inflow on disposal of subsidiaries		723	573

\* Less than \$1 million

## Notes to the Financial Statements

### 30 BUSINESS COMBINATIONS

The Group acquires subsidiaries/entities that own real estate which are not under common control. 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.

#### 2022

##### Acquisition of Oakwood Worldwide (Asia) Pte. Ltd.

On 22 July 2022, the Group acquired 100% of the shares and voting interests in Oakwood Worldwide (Asia) Pte. Ltd. and its subsidiaries (Oakwood) from a related party. Following the acquisition, Oakwood became wholly-owned subsidiary of the Group.

Oakwood is a premier global serviced apartment provider. The acquisition of Oakwood allows the Group to:

- Accelerate the growth in lodging management and increases its global portfolio by about 15,000 units across 81 properties internationally;
- Drive operational and revenue synergies through expansion of the Group's lodging offerings and cement the Group's leading position in the lodging segment globally;
- Complement platform driven by asset-light FRE generation through management and franchising businesses;
- Add new markets including Cheongju in South Korea; Zhangjiakou and Qingdao in China; Dhaka in Bangladesh as well as Washington D.C. in the USA

From the date of acquisition to 31 December 2022, Oakwood contributed revenue of \$7 million and net profit of \$1 million to the Group's results. If the acquisition had occurred on 1 January 2022, management estimates that the contribution to the Group's revenue and net profits from Oakwood would have been \$13 million and \$2 million respectively. In determining this amount, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2022.

Goodwill of \$49 million was attributed to the lodging management business acquired, which was recognised as a result of the difference between the fair value of the Group's interest in Oakwood and the fair value of the assets acquired and liabilities assumed.

	2022 \$'M
Intangible assets	8
Other current assets	6
Cash and cash equivalents	12
Current liabilities	(10)
Deferred tax liabilities	(1)
Total identifiable net assets	15
Goodwill on acquisition	49
Total purchase consideration	64
Less: cash and cash equivalents in subsidiary acquired	(12)
Net cash outflow on acquisition	52

Total acquisition-related costs of \$3 million related to stamp duties, legal, due diligence and tax advisory fees were included in administrative expenses in the current year.

## Notes to the Financial Statements

### 30 BUSINESS COMBINATIONS (CONTINUED)

#### Measurement of fair value

The valuation techniques used for measuring the fair value of the material assets acquired and liabilities assumed were as follows:

Assets acquired and liabilities assumed	Valuation technique
Intangible assets	Intangible assets mainly consist of management contracts for which independent valuation is conducted using the multi-period excess earnings method. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.
Other current assets and liabilities	Other current assets and liabilities include trade and other receivables, cash and cash equivalents, trade and other payables, and other current liabilities.  The fair values of these assets and liabilities are determined to approximate the carrying amounts since they are short term in nature.

### 31 FAIR VALUE OF ASSETS AND LIABILITIES

#### (a) Determination of fair value

The valuation methods and assumptions below are used to estimate the fair values of the Group's significant classes of assets and liabilities.

##### (i) Derivatives

Forward currency contracts, cross currency swap contracts and interest rate swap contracts are valued using valuation techniques with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rate, interest rate curves and forward rate curves.

##### (ii) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted using the market rate of interest at the reporting date.

Fair value of quoted debt securities is determined based on quoted market prices.

##### (iii) Other financial assets and liabilities

The fair value of quoted securities is their quoted bid price at the reporting date. The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

Where other valuation techniques, such as discounted cash flow technique are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate for a similar instrument.

## Notes to the Financial Statements

### 31 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 on an annual basis. Independent valuation is also carried out on occurrence of acquisition of investment property. The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion. The valuers have considered valuation techniques, mainly including capitalisation approach, discounted cash flows and residual method in arriving at the open market value as at the reporting date. In determining the fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation rate, terminal yield rate and discount rate, estimated cost to completion and gross development value.

##### (v) Assets held for sale

The fair value of the Group's investment properties held for sale is either valued by an independent valuer or based on the agreed contractual selling price on a willing buyer willing seller basis. For investment properties held for sale valued by an independent valuer, the valuer has considered the discounted cash flow and income capitalisation approaches in arriving at the open market value as at the reporting date. In determining the fair value, the valuer used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties held for sale include market-corroborated capitalisation rate.

##### (vi) Share-based payment transactions

The fair values of employee performance share plan and restricted share plan are measured using valuation methodology described in note 19. Measurement inputs include the share price at grant date, expected volatility, expected correlation of the Group's return with those of peer group, expected dividends yield and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining the fair values.

#### (b) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used. The different levels have been defined as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## (c) Accounting classification and fair values

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

Note	Fair value – hedging instruments \$/M	Carrying amount			Fair value				
		FVOCI \$/M	FVTPL \$/M	Amortised Cost \$/M	Total \$/M	Level 1 \$/M	Level 2 \$/M	Level 3 \$/M	Total \$/M
<b>The Group</b>									
<b>31 December 2022</b>									
<b>Financial assets measured at fair value</b>									
10(a)	-	67	-	-	67	55	12	-	67
10(a)	-	-	114	-	114	3	-	111	114
Derivative financial assets:									
- Interest rate swaps, forward foreign exchange contracts and cross currency swaps	114	-	-	-	114	-	114	-	114
10(b)	70	-	-	-	70	-	70	-	70
	184	67	114	-	365	-	-	-	-
<b>Financial assets not measured at fair value</b>									
	-	-	-	30	30	-	-	-	-
7	-	-	-	87	87	-	-	-	-
8(a)	-	-	-	393	393	-	-	-	-
12	-	-	-	970	970	-	-	-	-
14	-	-	-	2,668	2,668	-	-	-	-
	-	-	-	4,148	4,148	-	-	-	-

## 31 FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

## (c) Accounting classification and fair values (continued)

Note	Fair value – hedging instruments \$/M	Carrying amount			Fair value				
		FVOCI \$/M	FVTPL \$/M	Amortised Cost \$/M	Total \$/M	Level 1 \$/M	Level 2 \$/M	Level 3 \$/M	Total \$/M
<b>The Group</b>									
<b>31 December 2022</b>									
<b>Financial liabilities measured at fair value</b>									
15	(4)	-	-	-	(4)	-	(4)	-	(4)
18	(9)	-	-	-	(9)	-	(9)	-	(9)
	(13)	-	-	-	(13)	-	(9)	-	(9)
<b>Financial liabilities not measured at fair value</b>									
16	-	-	-	(218)	(218)	-	-	(211)	(211)
17	-	-	-	(10,429)	(10,429)	-	(10,391)	-	(10,391)
	-	-	-	(1,502)	(1,502)	-	(1,481)	-	(1,481)
	-	-	-	(1,971)	(1,971)	-	-	-	-
	-	-	-	(14,120)	(14,120)	-	-	-	-

# Excludes advanced billings, advanced payments received, liability for employee benefits, derivative liabilities and deferred income.

^ Excludes lease liability.



## (c) Accounting classification and fair values (continued)

	Note	Carrying amount				Fair value				
		Fair value - hedging instruments \$'M	FVOCI \$'M	FVTPL \$'M	Amortised Cost \$'M	Total \$'M	Level 1 \$'M	Level 2 \$'M	Level 3 \$'M	Total \$'M
<b>The Group</b>										
<b>31 December 2021</b>										
<b>Financial assets measured at fair value</b>										
Equity investments at FVOCI	10(a)	-	60	-	-	60	-	-	60	60
Equity investments at FVTPL	10(a)	-	-	107	-	107	-	104	107	107
Derivative financial assets:										
- Interest rate swaps and cross currency swaps	10(a)	22	-	-	-	22	22	-	22	22
- Interest rate swaps, forward foreign exchange contracts and cross currency swaps	10(b)	14	-	-	-	14	14	-	14	14
		36	60	107	-	203				
<b>Financial assets not measured at fair value</b>										
Other non-current assets		-	-	-	19	19			19	19
Loans due from associates	7	-	-	-	4	4			4	4
Loans due from joint ventures	8(a)	-	-	-	422	422			422	422
Trade and other receivables	12	-	-	-	1,610	1,610			1,610	1,610
Cash and cash equivalents	14	-	-	-	3,877	3,877			3,877	3,877
		-	-	-	5,932	5,932			5,932	5,932

## (c) Accounting classification and fair values (continued)

	Note	Carrying amount				Fair value				
		Fair value - hedging instruments \$'M	FVOCI \$'M	FVTPL \$'M	Amortised Cost \$'M	Total \$'M	Level 1 \$'M	Level 2 \$'M	Level 3 \$'M	Total \$'M
<b>The Group</b>										
<b>31 December 2021</b>										
<b>Financial liabilities measured at fair value</b>										
Derivative financial instruments:										
- Interest rate swaps and forward foreign exchange contracts	15	(19)	-	-	-	(19)	(19)	-	(19)	(19)
- Interest rate swaps	18	(40)	-	-	-	(40)	(40)	-	(40)	(40)
		(59)	-	-	-	(59)			(59)	(59)
<b>Financial liabilities not measured at fair value</b>										
Other non-current liabilities <sup>#</sup>		-	-	-	(312)	(312)	-	(293)	(293)	(293)
Bank borrowings <sup>^</sup>	16	-	-	-	(11,598)	(11,598)	(11,583)	-	(11,583)	(11,583)
Debt securities	17	-	-	-	(1,179)	(1,179)	(1,180)	-	(1,180)	(1,180)
Trade and other payables <sup>#</sup>		-	-	-	(2,041)	(2,041)	(2,041)	-	(2,041)	(2,041)
		-	-	-	(15,130)	(15,130)			(15,130)	(15,130)

<sup>#</sup> Excludes liability for employee benefits, derivative liabilities and deferred income.

<sup>^</sup> Excludes lease liability.

# Notes to the Financial Statements

## 31 FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

### (c) Accounting classification and fair values (continued)

	Note	Fair value - hedging instruments \$'M	Carrying amount			Total \$'M	Fair value				
			FVOCI \$'M	FVTPL \$'M	Amortised Cost \$'M		Level 1 \$'M	Level 2 \$'M	Level 3 \$'M	Total \$'M	
<b>The Company</b>											
<b>31 December 2022</b>											
<b>Financial assets not measured at fair value</b>											
Other non-current assets		-	-	-	4,295						4,295
Trade and other receivables	12	-	-	-	698						698
Cash and cash equivalents	14	-	-	-	22						22
		-	-	-	5,015						5,015
<b>Financial liabilities not measured at fair value</b>											
Other non-current liabilities <sup>#</sup>		-	-	-	811						811
Trade and other payables <sup>#</sup>		-	-	-	217						217
		-	-	-	1,028						1,028
<b>31 December 2021</b>											
<b>Financial assets not measured at fair value</b>											
Other non-current assets		-	-	-	4,481						4,481
Trade and other receivables	12	-	-	-	243						243
Cash and cash equivalents	14	-	-	-	362						362
		-	-	-	5,086						5,086
<b>Financial liabilities not measured at fair value</b>											
Other non-current liabilities <sup>#</sup>		-	-	-	811						811
Trade and other payables <sup>#</sup>		-	-	-	266						266
		-	-	-	1,077						1,077

# Excludes liability for employee benefits.

# Notes to the Financial Statements

## 31 FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

### (c) Accounting classification and fair values (continued)

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

	Note	Fair value Level 3 \$'M
<b>The Group</b>		
<b>31 December 2022</b>		
<b>Non-financial assets measured at fair value</b>		
Investment properties	5	14,706
Assets held for sale – investment properties	13	352
		<u>15,058</u>
<b>31 December 2021</b>		
<b>Non-financial assets measured at fair value</b>		
Investment properties	5	16,249
Assets held for sale – investment properties	13	2
		<u>16,251</u>

### (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 FVTPL \$'M	Assets held for sale – investment properties \$'M
<b>The Group</b>		
<b>2022</b>		
At 1 January 2022	104	2
Additions	31	351
Disposals	-	(1)
Changes in fair value recognised in profit or loss	(20)	-
Translation differences	(4)	-
At 31 December 2022	<u>111</u>	<u>352</u>
<b>2021</b>		
At 1 January 2021	329	32
Additions	48	2
Disposals	(242)	(32)
Changes in fair value recognised in profit or loss	(18)	-
Translation differences	(13)	-
At 31 December 2021	<u>104</u>	<u>2</u>

Movements for investment properties are set out in note 5.

**(c) Accounting classification and fair values** (continued)

(ii) Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring significant Level 3 fair values, as well as the significant unobservable inputs used.

**Investment properties (including investment properties classified as assets held for sale)**

Valuation methods	Key unobservable inputs	Shopping mall	Office	Integrated development	Business park, industrial and logistics	Lodging	Inter-relationship between key unobservable inputs and fair value measurement
<b>Capitalisation approach</b>	Capitalisation rate (net)						The estimated fair value varies inversely against the capitalisation rate.
	2022						
	- Singapore	-	-	-	6.0%	-	
	- China	5.0%	4.3%	4.8% to 6.0%	6.0% to 7.0%	-	
	- Others	6.8% to 7.0%	4.4%	6.5%	7.5% to 8.5%	4.3% to 5.8%	
	2021						
	- Singapore	-	4.3%	-	6.0%	-	
	- China	5.0%	4.3%	4.8% to 6.0%	5.0% to 7.0%	-	
	- Others	6.5% to 7.0%	4.5%	6.5%	7.0% to 8.8%	4.3% to 5.3%	

## Notes to the Financial Statements

## Notes to the Financial Statements

**(c) Accounting classification and fair values** (continued)

(ii) Valuation techniques and significant unobservable inputs (continued)

Valuation methods	Key unobservable inputs	Shopping mall	Office	Integrated development	Business park, industrial and logistics	Lodging	Inter-relationship between key unobservable inputs and fair value measurement
<b>Discounted cash flow approach</b>	Discount rate						The estimated fair value varies inversely against the discount rate and terminal yield rate.
	2022						
	- Singapore	-	-	-	7.8%	4.8% to 6.4%	
	- China	9.0%	7.0% to 7.8%	8.8% to 9.5%	9.0% to 10.0%	5.4% to 7.5%	
	- Others	-	4.4%	-	12.8% to 18.8%	3.3% to 15.0%	
	2021						
	- Singapore	-	6.5%	-	7.8%	5.0% to 5.3%	
	- China	9.0%	7.3% to 7.8%	8.8% to 9.5%	8.3% to 10.0%	5.3% to 5.8%	
	- Others	-	4.3%	-	12.8% to 18.8%	3.3% to 10.5%	
	Terminal yield rate						
	2022						
	- Singapore	-	-	-	6.3%	3.3% to 4.9%	
	- China	5.3%	4.3% to 4.5%	5.0% to 6.3%	6.3% to 7.3%	4.6% to 5.3%	
	- Others	-	4.7%	-	8.5% to 8.8%	3.6% to 11.0%	
	2021						
	- Singapore	-	4.5%	-	6.3%	3.5% to 3.8%	
	- China	5.5%	4.3% to 4.5%	5.5% to 6.3%	5.3% to 7.3%	3.5% to 4.7%	
	- Others	-	4.6%	-	8.8%	3.6% to 8.2%	
<b>Residual value method</b>	Gross development value (\$ million)						The estimated fair value increases with higher gross development value and decreases with higher estimated cost to completion.
	2022	-	483	-	85 to 786	131 to 134	
	2021	-	-	-	37 to 158	51 to 158	
	Estimated cost to completion (\$ million)						
	2022	-	8	-	33 to 101	40 to 107	
	2021	-	-	-	43 to 97	8 to 125	

# Notes to the Financial Statements

## 31 FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

### (c) Accounting classification and fair values (continued)

#### (ii) Valuation techniques and significant unobservable inputs (continued)

Type	Valuation methods	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Equity investment in offices in Germany at FVTPL	Discounted cash flow method	– Discount rate: 6.3% to 6.5% (2021: 5.2% to 6.0%) – Terminal yield rate: 3.2% to 3.9% (2021: 3.0% to 3.6%)	The estimated fair value increases with lower discount rate and terminal yield rate.
Equity investment in funds in Korea and Japan at FVTPL	Discounted cash flow method	– Discount rate: 2.7% to 6.5% (2021: 6.5%) – Terminal yield rate: 3.0% to 4.9% (2021: 4.5%)	The estimated fair value increases with lower discount rate and terminal yield rate.
Equity investment in a lodging platform in China at FVTPL	Income approach	– Enterprise value/Revenue multiple of comparable companies: 1.7x to 5.8x (2021: 2.0x to 7.3x) – Volatility of comparable companies: 42% (2021: 36% to 57%)	The estimated fair value increases with higher revenue multiple and varies inversely against lower volatility.

#### (iii) Valuation processes applied by the Group

The significant non-financial asset of the Group categorised within Level 3 of the fair value hierarchy is investment properties. The fair values of investment properties are determined by external, independent property valuers, who have the appropriate and recognised professional qualifications and recent experience in the location and category of property being valued. The property valuers provide the fair values of the Group's investment property portfolio annually. The valuation and its financial impact are discussed with the management in accordance with the Group's reporting policies.

## 32 FINANCIAL RISK MANAGEMENT

### (a) Financial risk management objectives and policies

The Group is exposed to market risk (including interest rate, foreign currency and price risks), credit risk and liquidity risk arising from its business. The Group's risk management approach seeks to minimise the potential material adverse effects from these exposures. The Group uses financial instruments such as interest rate swaps, interest rate forwards and cross currency swaps as well as foreign currency borrowings to hedge certain financial risk exposures.

The management has overall responsibility for the compliance and oversight of the Group's risk management framework which was based on CapitaLand Group's risk management framework. The Group has established the Risk Committee to strengthen its risk management processes and framework. The Risk Committee is assisted by an independent unit called the CapitaLand Group Risk Management ("GRM"), which generates an Integrated Risk Report on a regular basis that aims to report and update the Risk Committee of the Group's risk profile.

# Notes to the Financial Statements

## 32 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 strives to ensure that between 60% and 70% of its interest rate risk exposure is at a fixed rate. To minimise its exposure to interest rate volatility, the Group uses hedging instruments such as interest rate swaps and classifies these interest rate swaps as cash flow hedge. The Group also actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. The Group uses hedging instruments such as interest rate swaps and forwards to minimise its exposure to interest rate volatility and classifies these interest rate swaps as cash flow hedge.

As at 31 December 2022, the Group has interest rate swaps classified as cash flow hedges with notional contractual amount of \$4,289 million (2021: \$5,126 million) and for which the Group pays fixed interest rates and receives variable rates equal to the Singapore swap offer rates (SOR), Singapore Overnight Rate Average (SORA), USD Secured Overnight Financing Rate (SOFR), USD London interbank offered rates (LIBOR), Tokyo Overnight Average Rate (TONA), Australia bank bill swap bid rates (BBSY), Euro short term rate (ESTER) and Sterling Overnight Index Average (SONIA) on the notional amount.

As at 31 December 2022, the Group has cross currency swaps and forward exchange contracts classified as cash flow hedges with notional contractual amount of \$256 million (2021: \$262 million) and for which the Group pays fixed interest rates and receives variable rates equal to the swap rates for US Dollars and Singapore Dollars on the notional amount.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts. If a hedging relationship is directly affected by uncertainty arising from interest rate benchmark reform, then the Group assumes for this purpose that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the critical terms method. When all critical terms match, the economic relationship is considered 100% effective.

Hedge ineffectiveness may occur due to changes in the critical terms of either the interest rate swaps or borrowings. Hedging relationships that are impacted by interest rate benchmark reform may experience ineffectiveness because of a timing mismatch between the hedged item and the hedging instrument regarding interest rate benchmark reform transition.

The net carrying amount of interest rate swaps as at 31 December 2022 was \$114 million (2021: \$54 million) comprising derivative assets of \$114 million (2021: \$5 million) and derivative liabilities of nil (2021: \$59 million).

## Notes to the Financial Statements

### 32 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (b) Market risk (continued)

##### (i) Interest rate risk (continued)

###### Sensitivity analysis

For variable rate financial liabilities, it is estimated that an increase of 100 basis point in interest rate at the reporting date would lead to a reduction in the Group's profit before tax (and revenue reserve) by approximately \$47 million (2021: \$47 million). A decrease in 100 basis point in interest rate would have an equal but opposite effect. This analysis assumes that all other variables, in particular foreign currency rates, remain constant, and has not taken into account the effects of qualifying borrowing costs allowed for capitalisation, the associated tax effects and share of non-controlling interests.

###### Managing interest rate benchmark reform and associated risk

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. The Group's main IBOR exposure as at 31 December 2022 was indexed to SGD SOR and USD LIBOR. These benchmark rates will lose representativeness or discontinue and be replaced with alternative interest rates benchmarks in various countries from 1 January 2022 to 1 July 2023. As at 31 December 2021, the exposure was indexed to SGD SOR, USD LIBOR, GBP LIBOR and JPY LIBOR.

Management monitors and manages the transition to alternative risk-free rates. Management evaluates whether the contracts which are referenced to IBORs will need to be amended as a result of IBOR reform and how to manage such communication with the counterparties.

###### Non-derivative financial liabilities

The Group's IBOR exposures to non-derivative financial liabilities as at 31 December 2022 included secured and unsecured bank loans indexed to SGD SOR and USD LIBOR. The Group is in communication with the counterparties to progressively transition non-derivative financial liabilities which are indexed to the affected interest rate benchmarks to alternative risk-free rates.

###### Derivatives

The Group holds interest rates swaps for risk management purposes that are designated in cash flow hedging relationships. The interest rate swaps have floating legs that are indexed to SGD SOR and USD LIBOR. The Group's derivative instruments are governed by contracts based on the International Swaps and Derivatives Association (ISDA)'s master agreements. The Group has generally adhered to the ISDA 2020 IBOR Fallbacks Protocol to include new fallback clauses with the derivatives counterparties.

###### Hedge accounting

The Group has evaluated the extent to which its cash flow hedging relationships are subject to uncertainty driven by IBOR reform as at 31 December 2022. The Group's hedged items and hedging instruments continue to be indexed to IBOR benchmark rates which are SGD SOR and USD LIBOR. These benchmark rates are quoted each business day and the IBOR cash flows are exchanged with its counterparties as usual.

The Group's SGD SOR and USD LIBOR cash flow hedging relationships extend beyond the anticipated cessation dates for the respective rates. The Group continues to apply the amendments to SFRS(I) 9 issued in December 2020 (Phase 1) to those hedging relationships directly affected by IBOR reform.

## Notes to the Financial Statements

### 32 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (b) Market risk (continued)

##### (i) Interest rate risk (continued)

###### Hedge accounting (continued)

The Group monitors the progress of transition from IBOR to new benchmark rates by reviewing the total amounts of contracts that have yet to transition to alternative benchmark rate and the amount of such contracts that have include appropriate fallback clauses. The Group considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to IBOR reform, even if it includes fallback clauses that deals with the cessation of the existing IBOR.

The following table contains details of all the financial instruments that the Group holds as at 31 December 2022 which are referenced to SGD SOR and USD LIBOR and have not transitioned to the new benchmark rates (31 December 2021: referenced to SGD SOR, USD LIBOR, GBP LIBOR and JPY LIBOR).

	SGD SOR Carrying amount \$'M	USD LIBOR Carrying amount \$'M	GBP LIBOR Carrying amount \$'M	JPY LIBOR Carrying amount \$'M
<b>The Group</b>				
<b>31 December 2022</b>				
Borrowings	1,747	892	–	–
Derivative assets – interest rate swaps	(19)	(22)	–	–
<b>Total</b>	<b>1,728</b>	<b>870</b>	<b>–</b>	<b>–</b>
<b>31 December 2021</b>				
Borrowings	2,453	2,344	39	164
Derivative liabilities – interest rate swaps	4	48	*	*
Derivative assets – cross currency swaps	(9)	(4)	–	–
<b>Total</b>	<b>2,448</b>	<b>2,388</b>	<b>39</b>	<b>164</b>

\* Less than \$1 million

As at 31 December 2022, \$165 million (2021: \$1,977 million) of these financial instruments are expected to mature before the existing benchmark rates discontinue or are replaced with the new benchmark rates.

# Notes to the Financial Statements

## 32 FINANCIAL RISK MANAGEMENT (CONTINUED)

### (b) Market risk (continued)

#### (ii) Foreign currency risk

The Group operates internationally and is exposed to various currencies, including Chinese Renminbi, Euro, Sterling Pound, Japanese Yen, Malaysian Ringgit, Australian Dollars and US Dollars.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which its property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

As at reporting date, the Group uses certain foreign currency denominated borrowings, which include bank loans and medium term notes, cross currency interest rate swaps to hedge against the currency risk arising from the Group's net investment in certain subsidiaries in United States of America, Europe, Australia and Japan. The carrying amount of these Euro, Sterling Pound, Australian Dollars and Japanese Yen denominated borrowings as at 31 December 2022 was \$593 million (2021: \$721 million).

The Group uses forward exchange contracts or foreign currency loans to hedge its foreign currency risk, where feasible. It generally enters into forward exchange contracts with maturities ranging between three months and one year which are rolled over at market rates at maturity or foreign currency loans which match the Group's highly probable transactions and investment in the foreign subsidiaries. The Group also enters into cross currency swaps to hedge the foreign exchange risk of its loans denominated in a foreign currency. The foreign exchange forwards and currency swaps are denominated in the same currency as the highly probable transactions, therefore the economic relationship is 100% effective.

Hedge ineffectiveness may occur due to:

- Changes in timing of the forecasted transaction from what was originally planned; and
- Changes in the credit risk of the derivative counterparty or the Group.

The net carrying amount of the forward exchange and cross currency swap contracts as at 31 December 2022 was net assets of \$57 million (2021: \$31 million), comprising derivative assets of \$70 million (2021: \$31 million) and derivative liabilities of \$13 million (2021: nil).

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

# Notes to the Financial Statements

## 32 FINANCIAL RISK MANAGEMENT (CONTINUED)

### (b) Market risk (continued)

#### (iii) Foreign currency risk

The Group's exposure to major foreign currencies was as follows:

	Singapore Dollars \$'M	US Dollars \$'M	Australian Dollars \$'M	Chinese Renminbi \$'M	Japanese Yen \$'M	Euro \$'M	British Pound \$'M	Malaysian Ringgit \$'M
<b>The Group</b>								
<b>31 December 2022</b>								
Equity securities	129	22	-	-	11	19	-	-
Trade and other receivables	376	146	200	389	201	295	356	29
Cash and cash equivalents	1,215	184	94	630	179	121	63	70
Bank borrowings and debt securities	(6,168)	(2,685)	(504)	(924)	(937)	(323)	(407)	(499)
Trade and other payables	(750)	(210)	(70)	(867)	(62)	(86)	(23)	(64)
Gross currency exposure	(5,198)	(2,543)	(280)	(772)	(608)	26	(11)	(464)
Add: Net financial liabilities denominated in the respective entities' functional currencies	4,926	2,015	346	904	414	211	106	583
Add: Bank borrowings and debt securities designated for net investment hedge	-	-	69	-	283	206	35	-
Add: Cross currency swaps/foreign exchange forward contracts	-	70	-	-	-	(173)	-	-
Net currency exposure	272	(458)	135	132	89	270	130	119
<b>31 December 2021</b>								
Equity securities	89	40	-	-	12	26	-	-
Trade and other receivables	711	767	222	203	191	195	154	31
Cash and cash equivalents	2,102	308	58	810	320	84	44	59
Bank borrowings and debt securities	(5,904)	(3,275)	(563)	(1,053)	(870)	(405)	(461)	(690)
Trade and other payables	(1,096)	(388)	(100)	(350)	(54)	(99)	(19)	(159)
Gross currency exposure	(4,098)	(2,548)	(383)	(390)	(401)	(199)	(282)	(759)
Add: Net financial liabilities denominated in the respective entities' functional currencies	3,545	2,226	403	630	268	137	145	865
Add: Bank borrowings and debt securities designated for net investment hedge	-	49	90	-	241	303	39	-
Add: Cross currency swaps/foreign exchange forward contracts	-	124	-	-	-	-	-	-
Net currency exposure	(553)	(149)	110	240	108	241	(98)	106

## Notes to the Financial Statements

### 32 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (b) Market risk (continued)

##### (iii) Foreign currency risk

##### 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 \$7 million (2021: less than \$1 million). A five-percentage point weakening in foreign currencies against the Singapore Dollar would have an equal but opposite effect. The Group's outstanding forward exchange contracts and cross currency swaps have been included in this calculation. The analysis assumed that all other variables, in particular interest rates, remain constant and does not take into account the translation related risk, associated tax effects and share of non-controlling interests.

#### (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 tenants from its office buildings, shopping malls, business parks and lodging properties. Financial assets at amortised cost relate mainly to amounts owing by related parties. Investments and financial transactions are restricted to counterparties that meet the appropriate credit criteria.

The principal risk to which the Group is exposed to in respect of financial guarantee contracts is credit risk in connection with the guarantee contracts they have issued. To mitigate the risk, management continually monitors the risk and has established processes including performing credit evaluations of the parties it is providing the guarantee on behalf of. Guarantees are only given for the benefit of its subsidiaries and related parties. The maximum exposure to credit risk in respect of these financial guarantees at the reporting date is disclosed in note 34.

The Group has a diversified portfolio of businesses and as at 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 venture.

##### (i) Trade receivables and contract assets

The Group reviews the customers' credit risk taking into account the aging of the outstanding receivables, amount of security deposit available as well as any indication of credit default, and assess the amount of specific allowance for doubtful receivables required for each customer.

The Group also uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets.

In measuring the expected credit losses, trade receivables and contract assets are grouped based on similar credit risk characteristics and days past due. When determining the expected credit loss rates, the Group considers historical loss rates for customer grouped by industry sector and forward-looking macroeconomic factors like country's gross domestic product (GDP), which affect the ability of the customers to settle the receivables.

Trade and other receivables and contract assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

## Notes to the Financial Statements

### 32 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (c) Credit risk (continued)

##### (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.

(a) The movements in credit loss allowance are as follows:

	Trade receivables \$'M	Other receivables \$'M	Amounts due from related corporations (current) \$'M	Amounts due from associates (current) \$'M	Amounts due from joint ventures (current) \$'M	Amounts due from joint ventures (non-current) \$'M
<b>The Group</b>	←———— Note 12 —————→			Note 7(b)	Note 8(b)	Note 8(a)
At 1 January 2022	45	18	*	*	21	14
Allowance utilised	(5)	(1)	–	–	–	–
Allowance during the year	21	1	*	–	10	–
Reversal of allowance during the year	(8)	(2)	–	–	*	–
Translation differences	(2)	*	*	*	(3)	(1)
At 31 December 2022	51	16	*	*	28	13
At 1 January 2021	29	18	84	*	25	15
Allowance utilised	(2)	–	–	–	–	–
Allowance during the year	22	1	–	*	1	1
Reversal of allowance during the year	(4)	(2)	(84)	–	(4)	(1)
Translation differences	*	1	–	*	(1)	(1)
At 31 December 2021	45	18	*	*	21	14

\* Less than \$1 million

The movements in allowance for impairment loss on loans (note 6) and amounts due from subsidiaries (note 10 and 12) were as follows:

	Loans/Amounts due from subsidiaries	
	2022 \$'M	2021 \$'M
<b>The Company</b>		
At 1 January	16	16
Allowance during the year	–	*
At 31 December	16	16

\* Less than \$1 million

Cash and cash equivalents are subject to immaterial credit loss.

## Notes to the Financial Statements

### 32 FINANCIAL RISK MANAGEMENT (CONTINUED)

- (b) The maximum exposure to credit risk for trade receivables and other financial assets excluding cash and cash equivalents (by business activities) at the reporting date was:

	Trade receivables 2022 \$'M	Other financial assets 2022 \$'M	Trade receivables 2021 \$'M	Other financial assets 2021 \$'M
<b>The Group</b>				
Fee income-related business	88	405	81	333
Real estate investments	147	791	172	1,398
Corporate and Others	–	32	5	66
	<u>235</u>	<u>1,228</u>	<u>258</u>	<u>1,797</u>

- (c) The credit quality of trade and other receivables is assessed based on credit policies established by management. The Group monitors customer credit risk by grouping trade and other receivables based on their characteristics. Trade and other receivables with high credit risk will be identified and monitored by the respective strategic business units. The Group's credit risk exposure in relation to trade and other receivables under SFRS(I) 9 as at 31 December 2022 are set out in the provision matrix as follows:

	Current \$'M	← Past due → Within 30 days \$'M	30 to 90 days \$'M	More than 90 days \$'M	Total \$'M
<b>The Group</b>					
<b>2022</b>					
Expected loss rate	2.5%	2.7%	7.1%	69.8%	
Trade receivables	158	37	28	63	286
Loss allowance	4	1	2	44	51
Trade receivables under deferment scheme	–	*	*	*	*
Expected loss rate	–	–	–	0.3%	
Amounts due from associates (current)	98	43	12	49	202
Loss allowance	–	–	–	*	*
Expected loss rate	6.7%	–	0.1%	36.2%	
Amounts due from joint ventures (current)	164	83	3	47	297
Loss allowance	11	*	*	17	28
Expected loss rate	–	–	–	–	
Amounts due from associates (non-current)	74	–	–	–	74
Expected loss rate	3.2%	–	–	–	
Amounts due from joint ventures (non-current)	406	–	–	–	406
Loss allowance	13	–	–	–	13
Expected loss rate	0.002%	–	–	1.4%	
Amounts due from related corporations (current)	26	9	4	34	73
Loss allowance	*	–	–	*	*
Expected loss rate	–	–	–	–	
Amounts due from investee	18	–	–	–	18

## Notes to the Financial Statements

### 32 FINANCIAL RISK MANAGEMENT (CONTINUED)

	Current \$'M	← Past due → Within 30 days \$'M	30 to 90 days \$'M	More than 90 days \$'M	Total \$'M
<b>The Group</b>					
<b>2021</b>					
Expected loss rate	1.6%	6.3%	10.7%	66.1%	
Trade receivables	187	32	28	56	303
Loss allowance	3	2	3	37	45
Trade receivables under deferment scheme	*	*	*	*	1
Expected loss rate	–	–	–	0.6%	
Amounts due from associates (current)	202	26	22	16	266
Loss allowance	–	–	–	*	*
Expected loss rate	2.3%	–	–	53.1%	
Amounts due from joint ventures (current)	172	8	2	32	214
Loss allowance	4	–	–	17	21
Expected loss rate	–	–	–	–	
Amounts due from associates (non-current)	3	–	–	–	3
Expected loss rate	3.2%	–	–	–	
Amounts due from joint ventures (non-current)	436	–	–	–	436
Loss allowance	14	–	–	–	14
Expected loss rate	0.8%	–	–	–	
Amounts due from related corporations (current)	62	10	4	19	95
Loss allowance	*	–	–	–	*

\* Less than \$1 million

No aging analysis of contract assets and other receivables are presented as the majority of outstanding balances as at 31 December 2022 and 31 December 2021 are current.

The Company's ageing analysis of amounts due from related corporations and subsidiaries are not presented as the outstanding balances as at 31 December 2022 and 31 December 2021 are current.

#### (d) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient level of cash or cash convertible investments to meet its working capital requirement. In addition, the Group strives to maintain sufficient available banking facilities to meet working capital and funding needs.



## Notes to the Financial Statements

### 32 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (d) Liquidity risk (continued)

As part of the Group's borrowing activities, the Group is exposed to the risk of potential and actual breaches of financial covenants in the Group's indebtedness which may also result in accelerated demands of payment or calls for events of default by lenders. This may restrict the Group's ability to obtain additional financing for capital expenditure, acquisitions or general corporate purposes and may cause the Group to be particularly vulnerable in any general economic downturn or instability in the global financial capital markets.

The Group has been actively managing its liquidity position amid the macroeconomic challenges. As at 31 December 2022, the Group has approximately \$6 billion (2021: \$7 billion) of total cash and available undrawn committed facilities held under the Group's treasury vehicles, which is sufficient to support the Group's funding requirements for the next 24 months.

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 \$'M	Contractual cash flows			
		Total \$'M	Not later than 1 year \$'M	Between 1 and 5 years \$'M	After 5 years \$'M
<b>The Group</b>					
<b>31 December 2022</b>					
<b>Financial liabilities, at amortised cost</b>					
Bank borrowings	(10,429)	(11,731)	(1,573)	(8,869)	(1,289)
Debt securities	(1,502)	(1,666)	(204)	(1,270)	(192)
Lease liabilities	(659)	(826)	(81)	(312)	(433)
Trade and other payables <sup>#</sup>	(1,985)	(1,987)	(1,770)	(215)	(2)
	(14,575)	(16,210)	(3,628)	(10,666)	(1,916)
<b>Derivative financial assets/ (liabilities), at fair value</b>					
Interest rate swaps (net-settled)					
assets	114	117	78	37	2
Forward foreign exchange contracts (net-settled)					
- assets	11	11	11	-	-
- liabilities	(4)	(6)	(3)	(3)	-
Forward foreign exchange contracts (gross-settled)					
- outflow	(1)	(176)	(176)	-	-
- inflow		175	175	-	-
Cross currency swaps (gross-settled)					
- outflow	59	(537)	(156)	(381)	-
- inflow		638	192	446	-
Cross currency swaps (gross-settled)					
- outflow	(8)	(218)	(37)	(181)	-
- inflow		230	44	186	-
	171	234	128	104	2
	(14,404)	(15,976)	(3,500)	(10,562)	(1,914)

## Notes to the Financial Statements

### 32 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (d) Liquidity risk (continued)

	Carrying amount \$'M	Contractual cash flows			
		Total \$'M	Not later than 1 year \$'M	Between 1 and 5 years \$'M	After 5 years \$'M
<b>The Group</b>					
<b>31 December 2021</b>					
<b>Financial liabilities, at amortised cost</b>					
Bank borrowings	(11,598)	(12,454)	(2,088)	(9,105)	(1,261)
Debt securities	(1,179)	(1,233)	(641)	(592)	-
Lease liabilities	(771)	(1,008)	(95)	(334)	(579)
Trade and other payables <sup>#</sup>	(2,082)	(2,082)	(1,775)	(276)	(31)
	(15,630)	(16,777)	(4,599)	(10,307)	(1,871)
<b>Derivative financial assets/ (liabilities), at fair value</b>					
Interest rate swaps (net-settled)					
- assets	5	5	(3)	8	-
- liabilities	(59)	(68)	(53)	(15)	-
Forward foreign exchange contracts (net-settled)					
- assets	3	3	3	-	-
Cross currency swaps (gross-settled)					
- outflow		(700)	(322)	(378)	-
- inflow		738	340	398	-
	(23)	(22)	(35)	13	-
	(15,653)	(16,799)	(4,634)	(10,294)	(1,871)

# Excludes advanced billings, advance payments received, accruals and other payables relating to staff cost, deferred income, derivative liabilities and liability for employee benefits.

	Carrying amount \$'M	Contractual cash flows			
		Total \$'M	Not later than 1 year \$'M	Between 1 and 5 years \$'M	After 5 years \$'M
<b>The Company</b>					
<b>31 December 2022</b>					
<b>Financial liabilities, at amortised cost</b>					
Lease liabilities	(13)	(13)	(12)	(1)	-
Trade and other payables <sup>*</sup>	(1,028)	(1,040)	(223)	(817)	-
	(1,041)	(1,053)	(235)	(818)	-
<b>31 December 2021</b>					
<b>Financial liabilities, at amortised cost</b>					
Lease liabilities	(23)	(23)	(11)	(12)	-
Trade and other payables <sup>*</sup>	(1,077)	(1,101)	(276)	(339)	(486)
	(1,100)	(1,124)	(287)	(351)	(486)

\* Excludes liability for employee benefits.

## (d) Liquidity risk (continued)

At 31 December 2022, 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	Weighted average hedge forex rate/ interest rate (%)	Maturity date
	Contractual notional amount \$'M	Assets/ (Liabilities) \$'M	Financial statement line item	Hedging instrument \$'M			
<b>The Group</b>							
<b>31 December 2022</b>							
<b>Cashflow hedges</b>							
Foreign exchange risk to hedge foreign currency borrowings	195	2	Derivative financial instruments	3	(3)	USD: SGD1.371	January 2022 to August 2025
Forward contracts to hedge foreign currency receivable	61	(3)	Derivative financial instruments	(3)	3	KRW: SGD0.001	October 2024
Interest rate risk	4,289	114	Derivative financial instruments	145	(145)	1.339%	March 2023 to October 2027
– Interest rate swaps to hedge floating rate borrowings							
<b>Net investment hedges</b>							
Foreign exchange risk							
– Borrowings to hedge net investments in foreign operations	–	(593)	Borrowings	16	(16)	JPY: SGD0.01022 EUR: SGD1.504 GBP: SGD1.753 AUD: SGD0.903	April 2023 to June 2025
Forward contracts to hedge net investments in foreign operations	462	9	Derivative financial instruments	7	(7)	USD: SGD1.371 RMB: SGD0.194 JPY: SGD0.0102 EUR: SGD1.430 GBP: SGD1.626 MYR: SGD0.302	January 2023 to November 2023
– Cross currency swaps to hedge net investments in foreign operations	585	49	Derivative financial instruments	44	(44)	JPY: SGD0.0102 EUR: SGD1.545	April 2023 to May 2026

## 32 FINANCIAL RISK MANAGEMENT (CONTINUED)

## (d) Liquidity risk (continued)

	← Carrying amount →		Changes in fair value used for calculating		Hedge ineffectiveness	Weighted average hedge forex rate/ interest rate (%)	Maturity date
	Contractual notional amount \$'M	Assets/ (Liabilities) \$'M	Financial statement line item	Hedging instrument \$'M			
<b>The Group</b>							
<b>31 December 2021</b>							
<b>Cashflow hedges</b>							
Foreign exchange risk to hedge foreign currency borrowings	262	1	Derivative financial instruments	5	(5)	USD: SGD1.347	January 2022 to August 2025
Interest rate risk	5,126	(54)	Derivative financial instruments	51	(51)	1.305%	May 2022 to December 2024
– Interest rate swaps to hedge floating rate borrowings							
<b>Net investment hedges</b>							
Foreign exchange risk							
– Borrowings to hedge net investments in foreign operations	–	(721)	Borrowings	25	(25)	JPY: SGD0.0119 EUR: SGD1.534 GBP: SGD1.753 AUD: SGD0.99 KRW: SGD0.0009	January 2022 to November 2024
Forward contracts to hedge net investments in foreign operations	311	3	Derivative financial instruments	(2)	2	USD: SGD1.353 RMB: SGD0.212 JPY: SGD0.0119 EUR: SGD1.538 GBP: SGD1.815 MYR: SGD0.325	January 2022 to March 2022
– Cross currency swaps to hedge net investments in foreign operations	489	27	Derivative financial instruments	42	(42)	JPY: SGD0.013 EUR: SGD1.531 KRW: SGD0.0009	January 2022 to August 2025

\* Less than \$1 million

## Notes to the Financial Statements

### 32 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (d) Liquidity risk (continued)

The following table provides a reconciliation by risk category of components of equity and analysis of other comprehensive income items (net of tax) resulting from cashflow hedge accounting.

	2022 \$'M	2021 \$'M
<b>The Group</b>		
At 1 January	(1)	(51)
Change in fair value:		
– Interest rate risk	147	49
– Foreign currency risk	(3)	*
Amount reclassified to profit or loss:		
– Interest rate risk	(33)	1
At 31 December	<u>110</u>	<u>(1)</u>

\* Less than \$1 million

#### (e) Offsetting financial assets and financial liabilities

The Group's derivative transactions that are not transacted through an exchange, are governed by the ISDA Master Netting Agreements. In general, under such agreements, the amounts due on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount and settled between the counterparties. In certain circumstances, for example when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and set off into a single net amount to be settled.

The above ISDA agreements do not meet the criteria for offsetting in the balance sheets as a right of set-off of recognised amounts is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

There is no offset of the Group and the Company's financial assets and financial liabilities as of the reporting dates.

### 33 COMMITMENTS

As at the reporting date, the Group had the following commitments:

#### (a) Operating lease

The Group's operating lease relates to leases with lease terms of 12 months or less or low value assets. Future minimum lease payments for the Group on non-cancellable operating leases are as follows:

	The Group	
	2022 \$'M	2021 \$'M
Lease payments payable:		
Not later than 1 year	58	68
Between 1 and 5 years	*	1
	<u>58</u>	<u>69</u>

\* Less than \$1 million

## Notes to the Financial Statements

### 33 COMMITMENTS (CONTINUED)

#### (b) Commitments

	The Group	
	2022 \$'M	2021 \$'M
Commitments in respect of:		
– capital expenditure contracted but not provided for in the financial statements	17	12
– development expenditure contracted but not provided for in the financial statements	374	500
– capital contribution in associates, joint ventures and investee companies	940	944
– purchase of land/properties contracted but not provided for in the financial statements	107	92
	<u>1,438</u>	<u>1,548</u>

#### (c) As at the reporting date, the notional principal values of financial instruments were as follows:

	The Group	
	2022 \$'M	2021 \$'M
Interest rate and forward start interest rate swaps	4,289	5,126
Forward foreign exchange contracts	523	311
Cross currency swaps	780	751
	<u>5,592</u>	<u>6,188</u>

The maturity profile of these financial instruments was:

	The Group	
	2022 \$'M	2021 \$'M
Not later than 1 year	3,366	1,676
Between 1 and 5 years	2,226	4,512
	<u>5,592</u>	<u>6,188</u>

### 34 FINANCIAL GUARANTEE CONTRACTS AND CONTINGENT LIABILITIES

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

	The Group		The Company	
	2022 \$'M	2021 \$'M	2022 \$'M	2021 \$'M
(a) Guarantees given to banks to secure banking facilities provided to:				
– subsidiaries	–	–	5,685	4,626
– joint ventures	4	5	–	–
	<u>4</u>	<u>5</u>	<u>5,685</u>	<u>4,626</u>

## Notes to the Financial Statements

### 34 FINANCIAL GUARANTEE CONTRACTS AND CONTINGENT LIABILITIES (CONTINUED)

- (b) Undertakings by the Group:
- (i) As at 31 December 2022, two subsidiaries of the Group have pledged their shares in joint ventures for term loan and revolving facilities of \$1,076 million (2021: \$1,062 million) obtained by the joint ventures. As at 31 December 2022, the outstanding amount was \$982 million (2021: \$933 million).
- (ii) As at 31 December 2022, a subsidiary of the Group has provided several undertakings on cost overrun, security margin and interest shortfall on several basis as well as project completion undertakings on a joint and several basis, in respect of term loan and revolving construction facilities amounting to \$351 million (2021: \$390 million) granted to joint ventures. As at 31 December 2022, the amounts outstanding under the term loan and revolving facilities is \$224 million (2021: \$197 million).
- (iii) As at 31 December 2021, a subsidiary of the Group provided an indemnity for banker's guarantee issuance on a joint and several basis, in respect of term loan and revolving loan facilities amounting to \$162 million granted to a joint venture. As at 31 December 2022, there was no financial guarantees arising from the term loan and revolving loan facilities as the facilities were refinanced during the year.

(c) Government assistance

In response to the economic impacts of the COVID-19 pandemic, the governments of the Japan, France and United States of America introduced various financial support schemes, which provided guarantees for bank loans borrowed by the Group's subsidiaries amounting to \$38 million (2021: \$46 million) issued by the respective banks during the year. The interest rates of the loans ranged from 0.21% to 1.11% (2021: 0.21% to 1.11%).

The Group determined that the interest rates for an equivalent loan issued on an arm's length basis without the guarantee would have ranged from 0.7% to 3.1% (2021: 0.5% to 1.2%). There are no unfulfilled conditions or contingencies for the government assistance as at 31 December 2022.

### 35 SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the direct and indirect ability to control the party, jointly control or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or significant influence. Related parties may be individuals or other entities.

The Group considers the directors of the Company, Group CEO and key management officers of the corporate office as well as CEOs of the businesses to be key management personnel in accordance with SFRS(I) 1-24 *Related Party Disclosures*. Prior to the listing of the Company in September 2021, most of the key management personnel were directors or employees of the immediate holding company or related corporations and no consideration was paid to these companies for services rendered by the key management personnel, as the services provided by them to the Company and the Group were incidental to their responsibilities to the larger group.

## Notes to the Financial Statements

### 35 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

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

	The Group	
	2022 \$'M	2021 \$'M
<b>Related corporations of ultimate holding company</b>		
Management fee income	17	7
Utilities expenses	(1)	(1)
Telecommunication expenses	(5)	(5)
Purchase consideration for acquisition of investment	147	–
Capital contribution in a joint venture	23	–
Receivables included in trade and other receivables	14	2
<b>Immediate holding company</b>		
Management fee income	8	3
IT support services income	4	9
Management fee expenses	–	(24)
Administrative support services expenses	–	(5)
Others	7	4
<b>Fellow subsidiaries under the immediate holding company</b>		
Management fee income	30	29
IT support services income	8	22
Rental income	2	6
Administrative support services income	4	4
Management fee expenses	(4)	(42)
Rental expense	(3)	(3)
(Return of capital) / Capital contribution in joint ventures	(48)	332
Others	14	*
<b>Associates and joint ventures</b>		
Management fee income	433	435
Rental expense	(10)	(3)
Fees from acquisition and divestment fees, accounting service fee, marketing income and others	174	188
Proceeds from sale of investment properties	–	298
Proceeds from sale of investments	556	553
<b>Key management personnel</b>		
Purchase of fixed rate notes issued by a subsidiary	2	–
<b>Remuneration of key management personnel (KMP)</b>		
Salary, bonus and other benefits	17	8
Employer's contributions to defined contribution plans	*	*
Equity compensation benefits	20	5
	37	13 <sup>#</sup>

\* Less than \$1 million

<sup>#</sup> Remuneration of KMP in 2021 excludes remuneration of certain KMP paid by the immediate holding company, CapitaLand Group Pte. Ltd., prior to the strategic restructuring of the Group.

## Notes to the Financial Statements

### 36 OPERATING SEGMENTS

Management determines the operating segment based on the reports reviewed and used for strategic decision making and resources allocation. The Group organises its reporting structure into segments by business activities to more accurately reflect the way the Group manage its businesses.

For segment reporting purpose, the Group's primary segment is based on business activities. The Group's secondary segment is reported by geographical locations.

The Group's reportable operating segments are as follows:

- (i) Fee Income-related Business involves investment and asset management of listed and unlisted funds, lodging management and project management.
- (ii) Real Estate Investments Business involves investments in real estate assets and related financial products.
- (iii) Corporate and Others.

Information regarding the operations of each reportable segment is included below. Management monitors the operating results of each of its primary segments for the purpose of making decisions on resource allocation and performance assessment. Performance is measured based on segment earnings before interest, tax, depreciation and amortisation (EBITDA). EBITDA is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments. Segment assets and liabilities are presented net of inter-segment balances. Inter-segment pricing is determined on arm's length basis.

In term of secondary segment, the Group presents its businesses based on geographical locations based on Singapore, China, other emerging markets and other developed markets.

## Notes to the Financial Statements

### 36 OPERATING SEGMENTS (CONTINUED)

#### Operating Segments

	Fee Income-related Business \$'M	Real Estate Investment Business \$'M	Corporate and Others \$'M	Elimination \$'M	Total \$'M
<b>2022</b>					
<b>Revenue</b>					
External revenue	788	2,069	19	–	2,876
Inter-segment revenue	167	41	246	(454)	–
<b>Total revenue</b>	<b>955</b>	<b>2,110</b>	<b>265</b>	<b>(454)</b>	<b>2,876</b>
<b>Segment results</b>					
Company and subsidiaries	403	991	41	–	1,435
Associates	–	425	–	–	425
Joint ventures	3	103	–	–	106
<b>EBITDA</b>	<b>406</b>	<b>1,519</b>	<b>41</b>	<b>–</b>	<b>1,966</b>
Depreciation and amortisation					(146)
Finance costs					(432)
Tax expense					(318)
<b>Profit for the year</b>					<b>1,070</b>
<b>Segment assets</b>	<b>2,257</b>	<b>31,666</b>	<b>8,060</b>	<b>(6,873)</b>	<b>35,110</b>
<b>Segment liabilities</b>	<b>480</b>	<b>10,451</b>	<b>5,250</b>	<b>–</b>	<b>16,181</b>
<b>Other segment items:</b>					
Interest income	3	20	30	–	53
Depreciation and amortisation	(16)	(119)	(11)	–	(146)
Allowance for impairment losses on assets	(5)	(20)	–	–	(25)
Fair value gain on investment properties	–	250	–	–	250
Write back of listing and restructuring expenses	–	–	23	–	23
Share-based expenses	(31)	(13)	(24)	–	(68)
Net gains on disposal of investments and investment properties	–	224	–	–	224
Mark-to-market gain on derivative instruments	–	34	–	–	34
Associates	169	10,248	–	–	10,417
Joint ventures	8	2,727	–	–	2,735
Capital expenditure <sup>#</sup>	178	1,353	6	–	1,537

\* Less than \$1 million

# Capital expenditure consists of additions of property, plant and equipment, investment properties and intangible assets.

## Notes to the Financial Statements

### 36 OPERATING SEGMENTS (CONTINUED)

#### Operating Segments

	Fee Income-related Business \$'M	Real Estate Investment Business \$'M	Corporate and Others \$'M	Elimination \$'M	Total \$'M
<b>2021</b>					
<b>Revenue</b>					
External revenue	755	1,478	60	–	2,293
Inter-segment revenue	150	28	197	(375)	–
<b>Total revenue</b>	<b>905</b>	<b>1,506</b>	<b>257</b>	<b>(375)</b>	<b>2,293</b>
<b>Segment results</b>					
Company and subsidiaries	312	1,157	(218)	–	1,251
Associates	–	927	81	–	1,008
Joint ventures	3	146	61	–	210
<b>EBITDA</b>	<b>315</b>	<b>2,230</b>	<b>(76)</b>	<b>–</b>	<b>2,469</b>
Depreciation and amortisation					(160)
Finance costs					(353)
Tax expense					(396)
<b>Profit for the year</b>					<b>1,560</b>
<b>Segment assets</b>	<b>1,864</b>	<b>33,984</b>	<b>8,479</b>	<b>(6,681)</b>	<b>37,646</b>
<b>Segment liabilities</b>	<b>444</b>	<b>11,731</b>	<b>5,370</b>	<b>–</b>	<b>17,545</b>
<b>Other segment items:</b>					
Interest income	1	20	8	–	29
Depreciation and amortisation	(16)	(116)	(28)	–	(160)
Reversal of/(Allowance for) impairment losses on assets	(9)	73	(15)	–	49
Fair value gain on investment properties	–	255	–	–	255
Accrual of listing and restructuring expenses	–	–	(186)	–	(186)
Share-based expenses	(27)	(8)	(23)	–	(58)
Net gains on disposal of investments and investment properties	–	360	–	–	360
Associates	*	10,466	–	–	10,466
Joint ventures	7	2,775	–	–	2,782
Capital expenditure <sup>#</sup>	16	1,307	39	–	1,362

\* Less than \$1 million

# Capital expenditure consists of additions of property, plant and equipment, investment properties and intangible assets.

## Notes to the Financial Statements

### 36 OPERATING SEGMENTS (CONTINUED)

#### Geographical Information

	Singapore \$'M	China \$'M	Other developed markets <sup>1</sup> \$'M	Other emerging markets <sup>2</sup> \$'M	Group \$'M
<b>2022</b>					
External revenue	557	466	1,536	317	2,876
EBITDA <sup>4</sup>	915	215	708	128	1,966
Non-current assets <sup>3</sup>	8,183	9,470	9,399 <sup>6</sup>	2,770	29,822
Total assets	10,032	11,248	10,311	3,519	35,110
<b>2021</b>					
External revenue	620	442	985 <sup>5</sup>	246	2,293
EBITDA <sup>4</sup>	803	699	896	71	2,469
Non-current assets <sup>3</sup>	9,276	9,736	9,087 <sup>6</sup>	3,033	31,132
Total assets	11,119	12,911	10,043	3,573	37,646

1 Includes United Kingdom, France, Germany, Spain, Belgium, Ireland, Japan, South Korea, United States of America, Australia and New Zealand.

2 Other emerging markets refers to Asia, but excludes Singapore, China, Hong Kong, Japan and South Korea.

3 Non-current assets comprised property, plant and equipment, intangible assets, investment properties, investment in associates and joint ventures.

4 Fair value gains of \$250 million in 2022 included in EBITDA (2021: gains of \$255 million).

5 Includes revenue from United States of America of \$776 million (2021: \$440 million), Australia of \$293 million (2021: \$196 million), France of \$170 million (2021: \$100 million), United Kingdom of \$99 million (2021: \$55 million) and Japan of \$92 million (2021: \$124 million).

6 Includes non-current assets from United States of America of \$3,471 million (2021: \$3,132 million), Japan of \$1,555 million (2021: \$1,600 million) and Australia of \$1,575 million (2021: \$1,620 million).

### 37 ADOPTION OF NEW ACCOUNTING STANDARDS

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2022:

- Amendment to SFRS(I) 16: *COVID-19 – Related Rent Concessions beyond 30 June 2021*
- Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*
- Amendments to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Annual Improvements to SFRS(I)s 2018-2020
- Amendments to SFRS(I) 1-37 *Provision, contingent liabilities and contingent assets*

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

The Group has not early adopted the new standards, interpretations and amendments to standards (collectively, Changes) which are effective for annual periods beginning on or on or after 1 January 2023, in preparing these consolidated financial statements. These Changes are not expected to have a significant impact on the Group's financial statements.

# Notes to the Financial Statements

## 38 SUBSEQUENT EVENTS

- (a) On 22 February 2023, CLI announced that it has established a China data centre development fund, CapitaLand China Data Centre Partners (CDCP). CDCP has committed to invest in two hyperscale data centre development projects in Greater Beijing, China and upon completion of the projects, it will add approximately \$1 billion to CLI's funds under management. Total equity committed to CDCP is \$530 million, with existing and new global institutional investors holding an 80% effective stake in CDCP and CLI holding the remaining 20%.
- (b) On 23 February 2023, CLI announced that it has established the CapitaLand China Opportunistic Partners Programme (CCOP Programme), with a total of \$1.1 billion equity committed to invest in special situation opportunities in China. CLI has secured \$892 million from global institutional investors, which hold an 80% stake in the Programme and CLI holds the remaining 20% stake. The CCOP Programme comprises a \$291 million single-asset fund and a \$824 million programmatic joint venture.

# Principal Subsidiaries Property Portfolio

As at 31 December 2022

## INTEGRATED DEVELOPMENTS

City	Property	Effective Stake (%)	GFA (sqm)	Tenure (Years)	Tenure Expiry
<b>CHINA</b>					
<b>Tianjin</b>	Tianjin International Trade Centre R: 45% O: 55%	100	77,428	Leasehold	2057
<b>Wuhan</b>	CapitaMall Westgate R: 72% O: 10% S: 18%	100	217,556	Leasehold	2053/2063
<b>China Total</b>			<b>294,984</b>		

City	Property	Effective Stake (%)	GFA (sqm)	Tenure (Years)	Tenure Expiry
<b>MALAYSIA</b>					
<b>Petaling Jaya</b>	3 Damansara R: 83% O: 17%	39.5	71,452	Freehold	-
<b>Malaysia Total</b>			<b>71,452</b>		
<b>Grand Total</b>			<b>366,436</b>		

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

## MALLS

City	Property	Effective Stake (%)	GFA (sqm)	Tenure (Years)	Tenure Expiry
<b>CHINA</b>					
<b>Beijing</b>	CapitaMall Daxing	100	134,693	Leasehold	2051
<b>China Total</b>			<b>134,693</b>		
<b>MALAYSIA</b>					
<b>Kuala Lumpur</b>	Sungei Wang Plaza	39.5 <sup>1,2</sup>	47,483	Freehold	-
<b>Kuantan</b>	East Coast Mall	39.5 <sup>1,3</sup>	98,765	99	2106
<b>Penang</b>	Gurney Plaza	39.5 <sup>1</sup>	116,437	Freehold	-
	Queensbay Mall	100 <sup>4</sup>	86,137	Freehold	-
<b>Selangor</b>	The Mines	39.5 <sup>1</sup>	106,913	99	2091
<b>Malaysia Total</b>			<b>455,735</b>		
<b>Grand Total</b>			<b>590,428</b>		

# Principal Subsidiaries Property Portfolio

As at 31 December 2022

## LODGING

City	Property	Effective Stake (%)	No. of Units	Tenure (Years)	Tenure Expiry
<b>AUSTRALIA</b>					
<b>Brisbane</b>	Pullman and Mercure Brisbane King George Square	37.5 <sup>9</sup>	438	Freehold	-
	Quest Cannon Hill	37.5 <sup>9</sup>	100	Freehold	-
<b>Melbourne</b>	Citadines on Bourke Melbourne	37.5 <sup>9</sup>	380	Freehold	-
	Pullman and Mercure Melbourne Albert Park	37.5 <sup>9</sup>	378	Freehold	-
	Somerset on Elizabeth Melbourne	100	34	Freehold	-
<b>Perth</b>	Citadines St Georges Terrace Perth	37.5 <sup>9</sup>	85	Freehold	-
<b>Sydney</b>	Citadines Connect Sydney Airport	37.5 <sup>9</sup>	150	Freehold	-
	Courtyard by Marriott Sydney-North Ryde	37.5 <sup>9</sup>	196	Freehold	-
	Novotel Sydney Central	37.5 <sup>9</sup>	255	Freehold	-
	Novotel Sydney Parramatta	37.5 <sup>9</sup>	194	Freehold	-
	Pullman Sydney Hyde Park	37.5 <sup>9</sup>	241	Freehold	-
	Quest Campbelltown	37.5 <sup>9</sup>	81	Freehold	-
	Quest Macquarie Park Sydney	37.5 <sup>9</sup>	111	Freehold	-
	Quest Mascot	37.5 <sup>9</sup>	91	Freehold	-
	Quest Sydney Olympic Park	37.5 <sup>9</sup>	140	99	2111
<b>Australia Total</b>			<b>2,874</b>		
<b>BELGIUM</b>					
<b>Brussels</b>	Citadines Sainte-Catherine Brussels	37.5 <sup>9</sup>	169	Freehold	-
	Citadines Toison d'Or Brussels	37.5 <sup>9</sup>	155	Freehold	-
<b>Belgium Total</b>			<b>324</b>		
<b>CHINA</b>					
<b>Chengdu</b>	Somerset Riverview Chengdu	100	200	50	2049
<b>Dalian</b>	Somerset Grand Central Dalian	37.5 <sup>9</sup>	195	50	2056
<b>Shenyang</b>	Somerset Heping Shenyang	37.5 <sup>9</sup>	270	40	2046
<b>Suzhou</b>	Citadines Xinghai Suzhou	37.5 <sup>9</sup>	167	70	2066
<b>Tianjin</b>	Somerset Olympic Tower Property Tianjin	37.5 <sup>9</sup>	185	70	2062
<b>Wuhan</b>	Citadines Zhuankou Wuhan	37.5 <sup>9</sup>	249	40	2043
<b>China Total</b>			<b>1,266</b>		
<b>FRANCE</b>					
<b>Cannes</b>	Citadines Croisette Cannes	37.5 <sup>9</sup>	58	Freehold	-
<b>Lille</b>	Citadines City Centre Lille	37.5 <sup>9</sup>	101	Freehold	-
<b>Lyon</b>	Citadines Presqu'île Lyon	37.5 <sup>9</sup>	116	Freehold	-
<b>Marseille</b>	Citadines Castellane Marseille	37.5 <sup>9</sup>	98	Freehold	-
	Citadines Prado Chanot Marseille	37.5 <sup>9</sup>	77	Freehold	-
<b>Montpellier</b>	Citadines Antigone Montpellier	37.5 <sup>9</sup>	122	Freehold	-
<b>Paris</b>	Citadines Austerlitz Paris	37.5 <sup>9</sup>	50	Freehold	-
	Citadines Les Halles Paris	37.5 <sup>9</sup>	189	Freehold	-
	Citadines Maine Montparnasse Paris	37.5 <sup>9</sup>	67	Freehold	-
	Citadines Montmartre Paris	37.5 <sup>9</sup>	111	Freehold	-
	Citadines Place d'Italie Paris	37.5 <sup>9</sup>	169	Freehold	-
	Citadines République Paris	37.5 <sup>9</sup>	76	Freehold	-
	Citadines St Germain	100	204	Freehold	-
	Citadines Tour Eiffel Paris	37.5 <sup>9</sup>	104	Freehold	-
	Citadines Trocadéro Paris	37.5 <sup>9</sup>	97	Freehold	-
	La Clef Louvre Paris	37.5 <sup>9</sup>	51	Freehold	-
	La Clef Tour Eiffel Paris	37.5 <sup>9</sup>	112	Freehold	-
<b>France Total</b>			<b>1,802</b>		

# Principal Subsidiaries Property Portfolio

As at 31 December 2022

## LODGING

City	Property	Effective Stake (%)	No. of Units	Tenure (Years)	Tenure Expiry
<b>GERMANY</b>					
<b>Berlin</b>	Citadines Kurfürstendamm Berlin	37.5 <sup>9</sup>	117	Freehold	-
<b>Frankfurt</b>	Citadines City Centre Frankfurt	34.9 <sup>9,10</sup>	165	Freehold	-
<b>Hamburg</b>	Citadines Michel Hamburg	34.9 <sup>9,10</sup>	127	99	2111
	The Madison Hamburg	37.5 <sup>9</sup>	166	Freehold	-
<b>Munich</b>	Citadines Arnulfpark Munich	37.2 <sup>9</sup>	146	Freehold	-
<b>Germany Total</b>			<b>721</b>		
<b>INDIA</b>					
<b>Chennai</b>	Citadines OMR Gateway Chennai	100	269	Freehold	-
	Somerset Greenways Chennai	51.0	187	Freehold	-
<b>India Total</b>			<b>456</b>		
<b>INDONESIA</b>					
<b>Jakarta</b>	Ascott Jakarta	37.5 <sup>9</sup>	204	26	2024
	Ascott Kuningan Jakarta	100	185	30	2027
	Somerset Grand Citra Jakarta	21.4 <sup>9</sup>	200	30	2024
<b>Indonesia Total</b>			<b>589</b>		
<b>IRELAND</b>					
<b>Dublin</b>	Temple Bar Hotel	100	136	Freehold	-
<b>Ireland Total</b>			<b>136</b>		
<b>JAPAN</b>					
<b>Fukuoka</b>	Actus Hakata V-Tower	37.5 <sup>9</sup>	296	Freehold	-
	Infini Garden	37.5 <sup>9</sup>	389	Freehold	-
<b>Hiroshima</b>	Gravis Court Kakomachi	37.5 <sup>9</sup>	63	Freehold	-
	Gravis Court Kokutaiji	37.5 <sup>9</sup>	48	Freehold	-
	Gravis Court Nishiharaekimae	37.5 <sup>9</sup>	29	Freehold	-
<b>Kobe</b>	S-Residence Shukugawa	37.5 <sup>9</sup>	33	Freehold	-
<b>Kyoto</b>	Citadines Karasuma-Gojo Kyoto	37.5 <sup>9</sup>	124	Freehold	-
	House Saison Shijo-dori	37.5 <sup>9</sup>	190	Freehold	-
<b>Nagoya</b>	Marunouchi Central Heights	37.5 <sup>9</sup>	30	Freehold	-
<b>Osaka</b>	Eslead College Gate Kindaimae	37.5 <sup>9</sup>	112	Freehold	-
	Eslead Residence Bentecho Grande	37.5 <sup>9</sup>	120	Freehold	-
	Eslead Residence Umeda Grande	37.5 <sup>9</sup>	70	Freehold	-
	Hotel WBF Honmachi	37.5 <sup>9</sup>	182	Freehold	-
	Hotel WBF Kitasamba East	37.5 <sup>9</sup>	168	Freehold	-
	Hotel WBF Kitasamba West	37.5 <sup>9</sup>	168	Freehold	-
	Sotetsu Grand Fresa Osaka-Namba	37.5 <sup>9</sup>	698	Freehold	-
	S-Residence Fukushima Luxe	37.5 <sup>9</sup>	178	Freehold	-
	S-Residence Gakuenzaka	37.5 <sup>9</sup>	58	Freehold	-
	S-Residence Hommachi Marks	37.5 <sup>9</sup>	110	Freehold	-
	S-Residence Midoribashi Serio	37.5 <sup>9</sup>	98	Freehold	-
	S-Residence Namba Viale	37.5 <sup>9</sup>	116	Freehold	-
	S-Residence Tanimachi 9 chome	37.5 <sup>9</sup>	102	Freehold	-
<b>Sapporo</b>	Alpha Square Kita 15 jo	37.5 <sup>9</sup>	127	Freehold	-
	Big Palace Kita 14 jo	37.5 <sup>9</sup>	140	Freehold	-
	Big Palace Minami 5 jo	37.5 <sup>9</sup>	158	Freehold	-
	City Court Kita 1 jo	37.5 <sup>9</sup>	126	Freehold	-
<b>Tokyo</b>	Citadines Central Shinjuku Tokyo	37.5 <sup>9</sup>	206	Freehold	-
	Citadines Shinjuku Tokyo	37.5 <sup>9</sup>	160	Freehold	-
	Roppongi Residences Tokyo	37.5 <sup>9</sup>	64	Freehold	-
	Sotetsu Grand Fresa Tokyo-Bay Ariake	37.5 <sup>9</sup>	912	Freehold	-
<b>Japan Total</b>			<b>5,275</b>		
<b>MALAYSIA</b>					
<b>Kuala Lumpur</b>	Somerset Kuala Lumpur	37.5 <sup>9</sup>	205	Freehold	-
<b>Malaysia Total</b>			<b>205</b>		



# Principal Subsidiaries Property Portfolio

As at 31 December 2022

## LODGING

City	Property	Effective Stake (%)	No. of Units	Tenure (Years)	Tenure Expiry
<b>PHILIPPINES</b>					
<b>Makati</b>	Ascott Makati	37.5 <sup>9</sup>	362	48	2044
	Somerset Millennium Makati	23.6 <sup>9</sup>	118	Freehold	
<b>Philippines Total</b>			<b>480</b>		
<b>SINGAPORE</b>					
<b>Singapore</b>	Ascott Orchard Singapore	37.5 <sup>9</sup>	220	99	2113
	Citadines Mount Sophia Property Singapore	37.5 <sup>9</sup>	154	96	2105
	lyf one-north Singapore	37.5 <sup>9</sup>	324	60	2078
	Riverside Hotel Robertson Quay	37.5 <sup>9</sup>	336	99	2105
	Somerset Liang Court Property Singapore	37.5 <sup>9,A</sup>	192	99	2120
<b>Singapore Total</b>			<b>1,226</b>		
<b>SOUTH KOREA</b>					
<b>Seoul</b>	ibis Ambassador Seoul Insadong	38.2 <sup>9,10</sup>	363	Freehold	-
	Sotetsu Hotels The Splaisir Seoul Dongdaemun	38.2 <sup>9,10</sup>	215	Freehold	-
<b>South Korea Total</b>			<b>578</b>		
<b>SPAIN</b>					
<b>Barcelona</b>	Citadines Ramblas Barcelona	37.5 <sup>9</sup>	131	Freehold	-
<b>Spain Total</b>			<b>131</b>		
<b>UNITED KINGDOM</b>					
<b>London</b>	Citadines Barbican London	37.5 <sup>9</sup>	129	Freehold	-
	Citadines Holborn-Covent Garden London	37.5 <sup>9</sup>	192	Freehold	-
	Citadines South Kensington London	37.5 <sup>9</sup>	92	Freehold	-
	Citadines Trafalgar Square London	37.5 <sup>9</sup>	187	Freehold	-
	The Cavendish London	100	230	150	2158
<b>United Kingdom Total</b>			<b>830</b>		
<b>UNITED STATES OF AMERICA</b>					
<b>Atlanta</b>	Paloma West Midtown	37.5 <sup>9</sup>	183	Freehold	-
<b>Champaign</b>	Seven07	37.5 <sup>9</sup>	218	Freehold	-
<b>Columbia</b>	Standard at Columbia	33.8 <sup>9,A</sup>	247	Freehold	-
<b>Kent</b>	Paloma Kent (f.k.a Latitude at Kent)	37.5 <sup>9</sup>	126	Freehold	-
<b>Lubbock</b>	Wildwood Lubbock	37.5 <sup>9</sup>	294	Freehold	-
<b>New York City</b>	Citadines Connect Fifth Avenue New York	100	125	Freehold	-
	Element New York Times Square West	37.5 <sup>9</sup>	411	99	2112
	Sheraton Tribeca New York Hotel	37.5 <sup>9</sup>	369	99	2112
	voco Times Square South	37.5 <sup>9</sup>	224	Freehold	-
<b>Philadelphia</b>	Paloma University City (f.k.a The Link University City)	37.5 <sup>9</sup>	126	Freehold	-
<b>Raleigh</b>	Paloma Raleigh (f.k.a Latitude on Hillsborough)	37.5 <sup>9</sup>	180	Freehold	-
<b>Sunnyvale</b>	The Domain Hotel	100	136	Freehold	-
<b>Wilmington</b>	Uncommon Wilmington	37.5 <sup>9</sup>	150	Freehold	-
<b>United States of America Total</b>			<b>2,789</b>		
<b>VIETNAM</b>					
<b>Hai Phong City</b>	Somerset Central TD Hai Phong City	37.5 <sup>9</sup>	132	64	2075
<b>Hanoi</b>	Somerset Grand Hanoi	26.3 <sup>9</sup>	185	45	2038
	Somerset Hoa Binh Hanoi	33.8 <sup>9</sup>	206	36	2042
<b>Ho Chi Minh City</b>	Somerset Chancellor Court Ho Chi Minh City	25.1 <sup>9</sup>	172	48	2041
	Somerset Ho Chi Minh City	22.3 <sup>9</sup>	198	45	2039
<b>Vietnam Total</b>			<b>893</b>		
<b>Grand Total</b>			<b>20,575</b>		

# Principal Subsidiaries Property Portfolio

As at 31 December 2022

## LODGING – MULTIFAMILY

City	Property	Effective Stake (%)	No. of Units	Tenure (Years)
<b>UNITED STATES OF AMERICA</b>				
<b>Aurora</b>	Canterra at Fitzsimons	100	188	Freehold
	Silverbrook	100	165	Freehold
<b>Austin</b>	A Multifamily property in Austin, Texas	80 <sup>A</sup>	341	Freehold
	A Single-family rental property in Austin, Texas	80 <sup>A</sup>	380	Freehold
<b>Corona</b>	Deerwood Apartments	100	316	Freehold
	Marquessa Villas	100	336	Freehold
	The Ashton	100	492	Freehold
<b>Denver</b>	Parkfield	100	476	Freehold
	Sienna at Cherry Creek	100	220	Freehold
<b>Everett</b>	CentrePointe Greens	100	186	Freehold
	Timberline Court	100	126	Freehold
<b>Kirkland</b>	Heronfield	100	202	Freehold
<b>Lacey</b>	Capitol City on the Course	100	96	Freehold
	Village at Union Mills	100	182	Freehold
<b>Lakewood</b>	Dartmouth Woods	100	201	Freehold
<b>Milwaukie</b>	Miramonte Lodge	100	231	Freehold
	The Bluffs	100	137	Freehold
<b>Nashville</b>	A Multifamily property in Nashville, Tennessee	80 <sup>A</sup>	750	Freehold
<b>Portland</b>	Stoneridge at Cornell	100	233	Freehold
<b>United States Of America Total</b>			<b>5,258</b>	
<b>Grand Total</b>			<b>5,258</b>	

# Principal Subsidiaries Property Portfolio

As at 31 December 2022

## NEW ECONOMY

City	Property	Effective Stake (%)	GFA (sqm)	Tenure (Years)	Tenure Expiry	Lease Type
<b>CHINA</b>						
<b>Beijing</b>	Projects in the Beijing Economic Technological Development Area (BDA)	99.7	15,233	Leasehold	2051-2053	Industrial/Logistics
<b>Dalian</b>	Dalian Ascendas IT Park	100 <sup>A</sup>	337,743	Leasehold	2055	Business Park
<b>Shanghai</b>	Shanghai Zhuanqiao Data Centre	80	54,931	Leasehold	2057	Data Centre
<b>Suzhou</b>	Ascendas iHub Suzhou	100	170,797	Leasehold	2058	Business Park
<b>Zhuozhou</b>	Zhuozhou 1 DC	100 <sup>B</sup>	98,304	Leasehold	2059	Data Centre
	Zhuozhou 2 DC	100 <sup>A</sup>	53,344	Leasehold	2067	Data Centre
<b>China Total</b>			<b>730,351</b>			
<b>INDIA</b>						
<b>Chennai</b>	International Tech Park Chennai, Radial Road	100 <sup>5,6,A,B</sup>	468,535	Freehold	-	IT park
<b>National Capital Region</b>	International Tech Park Gurgaon (SEZ 2)	100 <sup>7,B</sup>	96,319	Freehold	-	IT park
<b>Pune</b>	International Tech Park Pune, Hinjawadi	78.5	214,258	Leasehold	2103	IT park
<b>India Total</b>			<b>779,112</b>			
<b>JAPAN</b>						
<b>Osaka</b>	Osaka Saito Logistics Center project	100 <sup>A</sup>	26,746	Freehold	-	Logistics
<b>Tokyo</b>	Tokyo Hamura Logistics Center project	100 <sup>A</sup>	32,606	Freehold	-	Logistics
<b>Japan Total</b>			<b>59,352</b>			
<b>MALAYSIA</b>						
<b>Penang</b>	Valdor Logistics Hub	39.5 <sup>B</sup>	31,123	Freehold	-	Logistics
<b>Malaysia Total</b>			<b>31,123</b>			
<b>SINGAPORE</b>						
<b>Singapore</b>	ICON@IBP	100	41,956	53	2060	Business Park
	Pratt & Whitney Singapore Component Repair	100	14,948	59	2070	Industrial
<b>Singapore Total</b>			<b>56,904</b>			
<b>UNITED KINGDOM</b>						
<b>Reading</b>	Arlington Business Park	100 <sup>B</sup>	33,983	Freehold	-	Business Park
<b>United Kingdom Total</b>			<b>33,983</b>			
<b>Grand Total</b>			<b>1,690,825</b>			

# Principal Subsidiaries Property Portfolio

As at 31 December 2022

## OFFICES

City	Property	Effective Stake (%)	GFA (sqm)	Tenure (Years)	Tenure Expiry
<b>CHINA</b>					
<b>Beijing</b>	Capital Square Beijing	100	44,759	Leasehold	2054
<b>Shanghai</b>	Innov Center	51.1	80,329	Leasehold	2059
<b>Shenzhen</b>	One iPark	73	22,507	Leasehold	2056
<b>China Total</b>			<b>147,596</b>		
<b>JAPAN</b>					
<b>Tokyo</b>	Kokugikan Front	100	7,864	Freehold	-
<b>Japan Total</b>			<b>7,864</b>		
<b>Grand Total</b>			<b>155,460</b>		

### Notes

Any discrepancies in the tables between the listed figures are thereof due to rounding. For China integrated developments, malls and offices, GFA excludes carpark area and sold strata sales. For business parks, logistics and data center, GFA per property titled certs, or planning permits.

### Status

A Under Development  
B Future Development

- Held through CapitaLand Malaysia Trust.
- Approximately 61.9% of aggregate retail floor area and 100% of car park bays.
- GFA includes carpark area.
- CLI owns 91.8% of aggregate retail floor area and 100% of car park bays.
- Stipulated Gross Floor Areas are estimated.
- Gross Floor Area includes under development and future development.
- Gross Floor Area indicated for site refers to land area.
- The floor area is stated using NLA.
- Held through CapitaLand Ascott Trust.
- Includes other stake not held through the REIT.

## Shareholding Statistics

As at 15 March 2023

Number of Issued Shares (including Treasury Shares)	: 5,203,195,792
Number and Percentage of Treasury Shares	: 81,559,949 or 1.59% <sup>1</sup>
Number of Issued Shares (excluding Treasury Shares)	: 5,121,635,843
Number and Percentage of Subsidiary Holdings <sup>2</sup>	: 0 or 0%
Class of Shares	: Ordinary Shares
Voting Rights	: One vote per share. The Company cannot exercise any voting rights in respect of the shares held by it as treasury shares.

### TWENTY LARGEST SHAREHOLDERS

As shown in the Register of Members and Depository Register

No.	Name	No. of Shares	% <sup>1</sup>
1	CAPITALAND GROUP PTE. LTD.	2,693,106,549	52.58
2	CITIBANK NOMINEES SINGAPORE PTE LTD	649,076,304	12.67
3	DBSN SERVICES PTE. LTD.	420,235,383	8.21
4	HSBC (SINGAPORE) NOMINEES PTE LTD	277,101,990	5.41
5	RAFFLES NOMINEES (PTE.) LIMITED	271,526,163	5.30
6	DBS NOMINEES (PRIVATE) LIMITED	134,474,171	2.63
7	BPSS NOMINEES SINGAPORE (PTE.) LTD.	58,408,508	1.14
8	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	26,722,848	0.52
9	PHILLIP SECURITIES PTE LTD	19,639,230	0.38
10	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	12,882,094	0.25
11	OCBC SECURITIES PRIVATE LIMITED	7,980,891	0.16
12	IFAST FINANCIAL PTE. LTD.	6,064,552	0.12
13	NANYANG GUM BENJAMIN MANUFACTURING (PRIVATE) LIMITED	5,760,000	0.11
14	MAYBANK SECURITIES PTE. LTD.	4,467,448	0.09
15	UOB KAY HIAN PRIVATE LIMITED	4,417,836	0.09
16	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	3,904,595	0.08
17	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	3,378,913	0.07
18	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	2,960,871	0.06
19	DB NOMINEES (SINGAPORE) PTE LTD	2,920,227	0.06
20	PEI HWA FOUNDATION LIMITED	2,607,901	0.05
	<b>Total</b>	<b>4,607,636,474</b>	<b>89.98</b>

#### Notes:

- Percentage is calculated based on 5,121,635,843 issued shares, excluding treasury shares.
- "Subsidiary Holdings" is defined in the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967.

## Shareholding Statistics

As at 15 March 2023

### SUBSTANTIAL SHAREHOLDERS

As shown in the Register of Substantial Shareholders

Substantial Shareholders	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% <sup>4</sup>	No. of Shares	% <sup>4</sup>	No. of Shares	% <sup>4</sup>
CapitaLand Group Pte. Ltd.	2,693,106,549	52.58	–	–	2,693,106,549	52.58
CLA Real Estate Holdings Pte. Ltd.	–	–	2,693,106,549 <sup>1</sup>	52.58	2,693,106,549	52.58
TJ Holdings (III) Pte. Ltd.	–	–	2,693,106,549 <sup>1</sup>	52.58	2,693,106,549	52.58
Glenville Investments Pte. Ltd.	–	–	2,693,106,549 <sup>1</sup>	52.58	2,693,106,549	52.58
Mawson Peak Holdings Pte. Ltd.	–	–	2,693,106,549 <sup>1</sup>	52.58	2,693,106,549	52.58
Bartley Investments Pte. Ltd.	–	–	2,693,106,549 <sup>1</sup>	52.58	2,693,106,549	52.58
Tembusu Capital Pte. Ltd.	–	–	2,715,798,249 <sup>1,2</sup>	53.03	2,715,798,249	53.03
Temasek Holdings (Private) Limited	–	–	2,716,665,638 <sup>1,3</sup>	53.04	2,716,665,638	53.04

### SIZE OF HOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares excluding Treasury Shares	% <sup>4</sup>
1 – 99	1,022	1.87	36,168	0.00
100 – 1,000	9,693	17.71	7,731,317	0.15
1,001 – 10,000	34,932	63.83	147,662,578	2.88
10,001 – 1,000,000	9,038	16.52	332,218,025	6.49
1,000,001 and above	39	0.07	4,633,987,755	90.48
<b>Total</b>	<b>54,724</b>	<b>100.00</b>	<b>5,121,635,843</b>	<b>100.00</b>

Based on the information available to the Company, approximately 47%<sup>4</sup> of the issued shares are held in the hands of the public as at 15 March 2023. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

#### Notes:

- CapitaLand Group Pte. Ltd. ("CLG") was formerly known as CapitaLand Limited.  
CLG is a wholly owned subsidiary of CLA Real Estate Holdings Pte. Ltd. ("CLA Real Estate") (formerly known as Ascendas-Singbridge Pte. Ltd.), which in turn is a wholly owned subsidiary of TJ Holdings (III) Pte. Ltd. ("TJIII"), which in turn is a wholly owned subsidiary of Glenville Investments Pte. Ltd. ("Glenville"), which in turn is a wholly owned subsidiary of Mawson Peak Holdings Pte. Ltd. ("Mawson"), which in turn is a wholly owned subsidiary of Bartley Investments Pte. Ltd. ("Bartley"), which in turn is a wholly owned subsidiary of Tembusu Capital Pte. Ltd. ("Tembusu"), which in turn is a wholly owned subsidiary of Temasek Holdings (Private) Limited ("Temasek").  
CLA Real Estate, TJIII, Glenville, Mawson, Bartley, Tembusu and Temasek, respectively, are deemed to have an interest in the shares in which CLG has or is deemed to have an interest, by virtue of Section 4 of the Securities and Futures Act 2001 ("SFA").
- Tembusu is deemed to have an interest in the shares in which its subsidiaries (including but not limited to CLA Real Estate) have or are deemed to have an interest, by virtue of Section 4 of the SFA.
- Temasek is deemed to have an interest in the shares in which its subsidiaries and associated companies (including but not limited to CLA Real Estate) have or are deemed to have an interest, by virtue of Section 4 of the SFA.
- Percentage is calculated based on 5,121,635,843 issued shares, excluding treasury shares.



## Directors Seeking Reelection

The following information relating to Mr Miguel Ko Kai Kwun, Mr Chaly Mah Chee Kheong, Mr Gabriel Lim Meng Liang and Tan Sri Abdul Farid bin Alias, each of whom is standing for reelection as a Director at the 2023 Annual General Meeting (AGM) of the Company, is provided pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

NAME OF DIRECTOR	MIGUEL KO KAI KWUN	CHALY MAH CHEE KHEONG	GABRIEL LIM MENG LIANG	TAN SRI ABDUL FARID BIN ALIAS
Date of first appointment as a Director	2 June 2021	2 June 2021	2 June 2021	1 January 2023
Date of last reelection as a Director	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Age	70	67	47	55
Country of principal residence	Singapore	Singapore	Singapore	Malaysia
The Board's comments on the reelection	Based on the recommendation of the Nominating Committee, the Board is satisfied that Mr Ko will continue to bring invaluable insights beneficial to the Company and the Board. Mr Ko's credentials, experience, background, knowledge and expertise continue to provide and complement the diversity of skill sets which are relevant to the Company and his perspectives contribute to the Board's deliberations.	Based on the recommendation of the Nominating Committee, the Board is satisfied that Mr Mah will continue to bring invaluable insights beneficial to the Company and the Board. Mr Mah's credentials, experience, background, knowledge and expertise continue to provide and complement the diversity of skill sets which are relevant to the Company and his perspectives contribute to the Board's deliberations.	Based on the recommendation of the Nominating Committee, the Board is satisfied that Mr Lim will continue to bring invaluable insights beneficial to the Company and the Board. Mr Lim's credentials, experience, background, knowledge and expertise continue to provide and complement the diversity of skill sets which are relevant to the Company and his perspectives contribute to the Board's deliberations.	Based on the recommendation of the Nominating Committee, the Board is satisfied that Tan Sri Abdul Farid will continue to bring invaluable insights beneficial to the Company and the Board. Tan Sri Abdul Farid's credentials, experience, background, knowledge and expertise continue to provide and complement the diversity of skill sets which are relevant to the Company and his perspectives contribute to the Board's deliberations.
Whether appointment is executive, and if so, the area of responsibility	Non-executive	Non-executive	Non-executive	Non-executive
Job title	<ul style="list-style-type: none"> <li>Non-Executive Non-Independent Director</li> <li>Executive Committee (Chairman)</li> <li>Executive Resource and Compensation Committee (Member)</li> <li>Nominating Committee (Member)</li> <li>Strategy and Sustainability Committee (Member)</li> </ul>	<ul style="list-style-type: none"> <li>Non-Executive Independent Director</li> <li>Audit Committee (Chairman)</li> <li>Executive Committee (Member)</li> </ul>	<ul style="list-style-type: none"> <li>Non-Executive Independent Director</li> <li>Nominating Committee (Chairman)</li> <li>Risk Committee (Member)</li> </ul>	<ul style="list-style-type: none"> <li>Non-Executive Independent Director</li> <li>Audit Committee (Member)</li> <li>Risk Committee (Member)</li> </ul>
Professional qualifications	<ul style="list-style-type: none"> <li>Bachelor of Arts in Economics, University of Massachusetts, Boston, USA</li> <li>Master of Business Administration, Suffolk University, USA</li> <li>Certified Public Accountant by the State of New Hampshire Board of Accountancy, New Hampshire, USA</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Commerce, University of Melbourne, Australia</li> <li>Fellow, The Institute of Chartered Accountants, Australia and New Zealand</li> <li>Fellow, Certified Practising Accountants, Australia</li> <li>Fellow, Institute of Singapore Chartered Accountants</li> <li>Fellow, Association of Chartered Certified Accountants, UK</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Arts in Economics, University of Cambridge, UK</li> <li>Master of Science in Economics, London School of Economics, UK</li> <li>Master of Science in Management, University of Stanford, USA</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Science in Accounting, Pennsylvania State University, University Park, USA</li> <li>Master of Business Administration (Finance), University of Denver, USA</li> <li>Advanced Management Program, Harvard Business School</li> <li>Fellow Chartered Banker, Asian Institute of Chartered Bankers</li> </ul>

## Directors Seeking Reelection

## Directors Seeking Reelection

NAME OF DIRECTOR	MIGUEL KO KAI KWUN	CHALY MAH CHEE KHEONG	GABRIEL LIM MENG LIANG	TAN SRI ABDUL FARID BIN ALIAS
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> <li>Executive Director and CEO of CLA Real Estate Holdings Pte. Ltd. (previously known as Ascendas-Singbridge Pte. Ltd.) (June 2015 to November 2020)</li> <li>Corporate Advisor of Temasek International Advisors Pte. Ltd. (October 2014 to June 2015 and November 2020 to Present)</li> <li>Non-Executive Chairman, Asia Pacific of Starwood Hotels Worldwide, Inc. (September 2012 to August 2015)</li> </ul>	<ul style="list-style-type: none"> <li>CEO of Deloitte Asia Pacific (May 2007 to May 2015)</li> <li>CEO of Deloitte Southeast Asia and Chairman of Deloitte Singapore (May 2006 to May 2016)</li> </ul>	<ul style="list-style-type: none"> <li>Permanent Secretary of Ministry of Trade and Industry (April 2019 to Present)</li> <li>Permanent Secretary of Ministry of Communications and Information (January 2017 to March 2019)</li> <li>CEO of Info-communications Media Development Authority of Singapore (October 2016 to December 2016)</li> <li>Co-Managing Director of Infocomm Development Authority of Singapore (May 2016 to October 2016)</li> <li>CEO of Media Development Authority of Singapore (December 2014 to October 2016)</li> <li>Principal Private Secretary to the Prime Minister (September 2011 to September 2014)</li> </ul>	<ul style="list-style-type: none"> <li>Group President and CEO of Malayan Banking Berhad (August 2013 to April 2022)</li> <li>Deputy President and Head, Global Banking of Malayan Banking Berhad (July 2010 to July 2013)</li> </ul>
Shareholding interest in the listed issuer and its subsidiaries	1,337,793 shares of the Company (direct interest)	130,367 shares of the Company (direct interest)	Nil	Nil
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	Mr Ko is the Deputy Chairman of CapitaLand Group Pte. Ltd. (previously known as CapitaLand Limited) and CLA Real Estate Holdings Pte. Ltd. (previously known as Ascendas-Singbridge Pte. Ltd.), both of which are related corporations of the Company and subsidiaries of Temasek Holdings (Private) Limited, a controlling shareholder of the Company.	Nil	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes

## Directors Seeking Reelection

## Directors Seeking Reelection

NAME OF DIRECTOR	MIGUEL KO KAI KWUN	CHALY MAH CHEE KHEONG	GABRIEL LIM MENG LIANG	TAN SRI ABDUL FARID BIN ALIAS
Other principal commitments including directorships Past (for the last 5 years)	<p><u>Public Listed Companies</u></p> <ul style="list-style-type: none"> <li>Ascendas Funds Management (S) Limited (Manager of Ascendas Real Estate Investment Trust) (Vice Chairman)</li> <li>CapitaLand Limited<sup>^</sup> (Director)</li> <li>Managers of Ascendas Hospitality Trust<sup>®</sup> (Chairman)</li> </ul> <p><u>Non-Listed Company</u></p> <ul style="list-style-type: none"> <li>Changi Airport Group (Singapore) Pte. Ltd. (Director)</li> </ul> <p>Various entities that were previously under 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 of CLA Real Estate Holdings Pte. Ltd.</p> <p><sup>^</sup> CapitaLand Limited was delisted from the Official List of the Singapore Exchange Securities Trading Limited on 21 September 2021.</p> <p><sup>®</sup> Managers of 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.</p>	<p><u>Public Listed Company</u></p> <ul style="list-style-type: none"> <li>CapitaLand Limited<sup>^</sup> (Director)</li> </ul> <p><u>Non-Listed Entities</u></p> <ul style="list-style-type: none"> <li>Deloitte Asia Pacific (CEO)</li> <li>Deloitte Global Board (Vice-Chairman)</li> <li>Deloitte Global Executive (Member)</li> <li>Deloitte Southeast Asia (CEO)</li> <li>Deloitte Singapore (Chairman)</li> </ul> <p><u>Others</u></p> <ul style="list-style-type: none"> <li>Asian Infrastructure Investment Bank (External Member of Audit Committee)</li> <li>Non-Resident High Commissioner of the Republic of Singapore to the Independent State of Papua New Guinea</li> <li>Sentosa Development Corporation (Member of the Board)</li> <li>Singapore Economic Development Board (Director)</li> <li>Singapore International Chamber of Commerce (Chairman &amp; Director)</li> </ul> <p>Various entities within the Deloitte &amp; Touche organisation which appointments were made as part of Mr Mah's duties and responsibilities as CEO of Deloitte Southeast Asia and Chairman of Deloitte Singapore.</p> <p><sup>^</sup> CapitaLand Limited was delisted from the Official List of the Singapore Exchange Securities Trading Limited on 21 September 2021.</p>	<p><u>Public Listed Company</u></p> <ul style="list-style-type: none"> <li>CapitaLand Limited<sup>^</sup> (Director)</li> </ul> <p><u>Non-Listed Company</u></p> <ul style="list-style-type: none"> <li>National Healthcare Group Pte Ltd (Director)</li> </ul> <p><u>Government/Statutory Boards</u></p> <ul style="list-style-type: none"> <li>Civil Service College (Board Member)</li> <li>Infocomm Development Authority of Singapore (Co-Managing Director)</li> <li>Media Development Authority of Singapore (CEO)</li> <li>Ministry of Communications and Information (Permanent Secretary)</li> <li>Singapore Computer Society Honorary Advisory Council (Council Member)</li> <li>Singapore Innovate Pte. Ltd. (Director)</li> <li>Singapore Workforce Development Agency (Member)</li> </ul> <p><u>Other</u></p> <ul style="list-style-type: none"> <li>CapitaLand Technology Council (Member)</li> </ul> <p><sup>^</sup> CapitaLand Limited was delisted from the Official List of the Singapore Exchange Securities Trading Limited on 21 September 2021.</p>	<p><u>Public Listed Companies</u></p> <ul style="list-style-type: none"> <li>Malayan Banking Berhad (Executive Director, Group President and CEO)</li> <li>PT Bank Maybank Indonesia Tbk (President Commissioner)</li> </ul> <p><u>Non-Listed Companies</u></p> <ul style="list-style-type: none"> <li>ASEAN Bankers Association (Chairman)</li> <li>Asian Banking School Sdn Bhd (Director)</li> <li>Asian Institute of Chartered Bankers (Vice Chairman)</li> <li>Cagamas Holdings Berhad (Director)</li> <li>Emerging Markets Advisory Council, The Institute of International Finance, Washington DC (Co-Chairman)</li> <li>Financial Industry Collective Outreach (FINCO) (Director)</li> <li>Kumpulan Wang Amanah Negara (Member, Investment Panel)</li> <li>Kumpulan Wang Amanah Pencen (Member, Investment Panel)</li> <li>Maybank Singapore Limited (Director)</li> <li>Payments Network Malaysia Sdn Bhd (Director)</li> <li>STF Resources Sdn Bhd (Director)</li> <li>The Association of Banks in Malaysia (Chairman)</li> <li>Visa Asia Pacific Senior Client Council (Member)</li> </ul>

## Directors Seeking Reelection

## Directors Seeking Reelection

NAME OF DIRECTOR	MIGUEL KO KAI KWUN	CHALY MAH CHEE KHEONG	GABRIEL LIM MENG LIANG	TAN SRI ABDUL FARID BIN ALIAS
Other principal commitments including directorships (continued) Present	<p><u>Non-Listed Companies</u></p> <ul style="list-style-type: none"> <li>CapitaLand Group Pte. Ltd.^ (Deputy Chairman)</li> <li>CLA Real Estate Holdings Pte. Ltd. (previously known as Ascendas-Singbridge Pte. Ltd.) (Deputy Chairman)</li> <li>ClavystBio Investments L Pte. Ltd. (Director)</li> <li>ClavystBio Investments Pte. Ltd. (Director)</li> <li>ClavystBio Pte. Ltd. (Director)</li> <li>Temasek International Advisors Pte. Ltd. (Corporate Advisor)</li> </ul> <p><u>Other</u></p> <ul style="list-style-type: none"> <li>Integrated Resorts Evaluation Panel, Ministry of Trade &amp; Industry, Singapore (Vice Chairman)</li> </ul> <p><small>^ Previously known as CapitaLand Limited, which was delisted from the Official List of the Singapore Exchange Securities Trading Limited on 21 September 2021.</small></p>	<p><u>Public Listed Company</u></p> <ul style="list-style-type: none"> <li>Netlink NBN Management Pte. Ltd. (Manager of Netlink NBN Trust) (Chairman)</li> </ul> <p><u>Non-Listed Companies</u></p> <ul style="list-style-type: none"> <li>Flipkart Private Limited (Director)</li> <li>Surbana Jurong Private Limited (Chairman)</li> </ul> <p><u>Government/Statutory Boards</u></p> <ul style="list-style-type: none"> <li>Monetary Authority of Singapore (Director)</li> <li>Singapore Accountancy Commission (Chairman)</li> <li>Singapore Tourism Board (Chairman)</li> </ul> <p><u>Others</u></p> <ul style="list-style-type: none"> <li>National University of Singapore (Member of the Board of Trustees)</li> <li>Non-Resident Ambassador of the Republic of Singapore to the Republic of Costa Rica</li> </ul>	<p><u>Government/Statutory Boards</u></p> <ul style="list-style-type: none"> <li>Ministry of Trade and Industry (Permanent Secretary)</li> <li>National Research Foundation (Director)</li> </ul> <p><u>Others</u></p> <ul style="list-style-type: none"> <li>East Asian Institute (Member of the Management Board)</li> <li>St. Joseph's Institution International Elementary School Ltd (Member of the Board of Governors)</li> <li>St. Joseph's Institution International Ltd (Member of the Board of Governors)</li> </ul>	<p><u>Public Listed Companies</u></p> <ul style="list-style-type: none"> <li>Bursa Malaysia Berhad (Director)</li> <li>CelcomDigi Berhad (Director)</li> </ul> <p><u>Other</u></p> <ul style="list-style-type: none"> <li>Smeal College of Business, Pennsylvania State University, USA (Member, Board of Visitors)</li> </ul>

### INFORMATION REQUIRED

Disclosure on the following matters concerning each Director standing for reelection as a Director at the AGM:

NAME OF DIRECTOR	MIGUEL KO KAI KWUN	CHALY MAH CHEE KHEONG	GABRIEL LIM MENG LIANG	TAN SRI ABDUL FARID BIN ALIAS
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No



## Directors Seeking Reelection

## Directors Seeking Reelection

NAME OF DIRECTOR	MIGUEL KO KAI KWUN	CHALY MAH CHEE KHEONG	GABRIEL LIM MENG LIANG	TAN SRI ABDUL FARID BIN ALIAS
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—				
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	Mr Chaly Mah Chee Kheong was the subject of an inquiry by the Public Accountants Board Singapore under Part IV of the Accountants Act 1987 in relation to the conduct of the audit of Baring Futures (Singapore) Pte Ltd by his previous firm, Deloitte & Touche, Singapore, for the financial years ended 31 December 1992 and 1993 (the “PAB Inquiry”). The Public Accountants Board Singapore accepted the determination of the inquiry committee that Mr Mah was not guilty of professional misconduct, and the PAB Inquiry concluded in 2001 with no further action taken against him.	No	No

# Corporate Information

AS AT 15 MARCH 2023

## BOARD OF DIRECTORS

**Miguel Ko**  
Chairman

**Lee Chee Koon**  
Group CEO

**Anthony Lim Weng Kin**  
Lead Independent Director

**Chaly Mah Chee Kheong**  
**Kee Teck Koon**  
**Gabriel Lim Meng Liang**  
**Judy Hsu Chung Wei**  
**David Su Tuong Sing**  
**Helen Wong Siu Ming**  
**Tan Sri Abdul Farid bin Alias**

## BOARD COMMITTEES

**Audit Committee**  
**Chaly Mah Chee Kheong**  
Chairman

**David Su Tuong Sing**  
**Helen Wong Siu Ming**  
**Tan Sri Abdul Farid bin Alias**

**Executive Committee**  
**Miguel Ko**  
Chairman

**Lee Chee Koon**  
**Chaly Mah Chee Kheong**  
**Kee Teck Koon**

**Executive Resource and Compensation Committee**  
**Judy Hsu Chung Wei**  
Chairman

**Miguel Ko**  
**Anthony Lim Weng Kin**

**Nominating Committee**  
**Gabriel Lim Meng Liang**  
Chairman

**Miguel Ko**  
**Anthony Lim Weng Kin**

## Risk Committee

**Kee Teck Koon**  
Chairman

**Gabriel Lim Meng Liang**  
**Judy Hsu Chung Wei**  
**Helen Wong Siu Ming**  
**Tan Sri Abdul Farid bin Alias**

## Strategy and Sustainability Committee

**Anthony Lim Weng Kin**  
Chairman

**Miguel Ko**  
**Lee Chee Koon**  
**David Su Tuong Sing**  
**Helen Wong Siu Ming**

## COMPANY SECRETARIES

**Michelle Koh Chai Ping**  
**Hon Wei Seng**

## REGISTERED ADDRESS

168 Robinson Road  
#30-01 Capital Tower  
Singapore 068912  
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Fax : +65 6713 2999

## SHARE REGISTRAR

**Boardroom Corporate & Advisory Services Pte. Ltd.**  
1 Harbourfront Avenue  
Keppel Bay Tower #14-07  
Singapore 098632  
Tel : +65 6536 5355  
Fax : +65 6536 1360

## AUDITORS

**KPMG LLP**  
12 Marina View, #15-01  
Asia Square Tower 2  
Singapore 018961  
Tel : +65 6213 3388  
Fax : +65 6225 0984  
(Engagement Partner since financial year ended 31 December 2022:  
Lim Pang Yew, Victor)

## PRINCIPAL BANKERS

**Agricultural Bank of China Limited**  
**Australia and New Zealand Banking Group Limited**  
**Bank of China**  
**Bank of Communications Co., Ltd**  
**BNP Paribas**  
**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.**  
**Natixis Corporate & Investment Banking**  
**Oversea-Chinese Banking Corporation Limited**  
**Public Bank Berhad**  
**Société Générale**  
**Sumitomo Mitsui Banking Corporation**  
**The Bank of East Asia, Limited**  
**The Hongkong and Shanghai Banking Corporation Limited**  
**United Overseas Bank Limited**

For more information about CapitaLand Investment Limited, please contact:

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**CAPITALAND INVESTMENT LIMITED**

Company Registration Number: 200308451M  
Incorporated in the Republic of Singapore

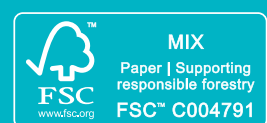
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