ANNUAL REPORT 2023

CAPITALAND INTEGRATED COMMERCIAL TRUST

CapitaLand Integrated Commercial Trust (CICT or the Trust) is the first and largest real estate investment trust (REIT) listed on Singapore Exchange Securities Trading Limited (SGX-ST) with a market capitalisation of US$10.3 billion or S$13.7 billion as at 31 December 2023. It debuted on SGX-ST as CapitaLand Mall Trust in July 2002 and was renamed CICT in November 2020 following the merger with CapitaLand Commercial Trust.

As the largest proxy for Singapore commercial real estate, CICT owns and invests in quality income-producing assets primarily used for commercial (including retail and/or office) purpose, located predominantly in Singapore. CICT's portfolio comprises 21 properties in Singapore, two properties in Frankfurt, Germany, and three properties in Sydney, Australia with a total property value of S$24.5 billion based on valuations of its proportionate interests in the portfolio as at 31 December 2023.

CICT is managed by CapitaLand Integrated Commercial Trust Management Limited, a wholly owned subsidiary of CapitaLand Investment Limited, a leading global real estate investment manager with a strong Asia foothold.

WHERE IDEAS TAKE SHAPE

At CapitaLand Integrated Commercial Trust, we remain focused on creating sustainable value for our stakeholders. We bring diverse ideas and leverage our global real estate investment management expertise across our multifaceted portfolio - office, retail and integrated developments - supported by our strong team on the ground.

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

OUR MISSION

To deliver stable distributions and sustainable total returns to Unitholders

OUR VISION

Asia's premier commercial REIT

OUR PURPOSE

Creating inspiring work-play environments and delightful experiences anchored by a strong ESG commitment

OUR VALUES

- Winning Mindset
- Integrity
- Respect
- Enterprising

GLOSSARY

AEI	: Asset Enhancement Initiative
AGM	: Annual General Meeting
AR / AR 2023	: CICT's Annual Report 2023
CBD	: Central Business District
CCT	: CapitaLand Commercial Trust
CICT / Trust	: CapitaLand Integrated Commercial Trust
CICTML / Manager	: CapitaLand Integrated Commercial Trust Management Limited, the manager of CapitaLand Integrated Commercial Trust
CICT Group	: CICT and its subsidiaries
CLI / Sponsor	: CapitaLand Investment Limited
CMT	: CapitaLand Mall Trust (renamed CICT after the merger with CapitaLand Commercial Trust)
CSFS	: Community Sports Facilities Scheme
CSXC	: CapitaLand Sustainability X Challenge
DPU	: Distribution per unit
ESG	: Environmental, Social and Governance
FY 2023	: Financial period from 1 January 2023 to 31 December 2023
GFA	: Gross Floor Area
GRI	: Gross Rental Income
NAV	: Net Asset Value
NLA	: Net Lettable Area
NPI	: Net Property Income
QoQ	: Quarter-on-quarter refers to the comparison with the preceding quarter
REIT / SREITs	: Real Estate Investment Trust / Singapore Real Estate Investment Trusts
SMP	: CLI's 2030 Sustainability Master Plan
SR / SR 2023	: CICT's Sustainability Report 2023
Sq ft	: Square feet
Sq m	: Square metre
TCFD	: Task Force on Climate-related Financial Disclosures
Unitholders	: Unitholders of CICT
WALE	: Weighted Average Lease Expiry
YoY	: Year-on-year refers to the comparison with the same period in the previous year

CONTENTS

Note: In this AR, any discrepancies in the tables and charts between the listed figures and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

RAFFLES CITY SINGAPORE

The Flight
by Etienne

This sculpture depicts a flight of seven birds spreading their wings in formation, rising from water to air. The birds symbolise liberty and peace while the sky carries joy and hope. Each bird is of a different size, with the four larger ones tilting their bodies and providing elegant visual contrast to the three smaller ones above them. This graceful sculpture on a pond exudes a dreamy tranquility amid the bustle of the city.

DISTRIBUTABLE INCOME
S$715.7 million
Up 1.9% YoY

DISTRIBUTION PER UNIT
10.75 cents
Up 1.6% YoY

NET PROPERTY INCOME
S$1,115.9 million
Up 7.0% YoY

ELEVATE

Focusing on growth, we maintain discipline in enhancing our competitive edge, elevating our market leadership and striving to be the partner of choice for our stakeholders.

CREDIT RATING

'A3' by Moody's

'A-' by S&P

GRESB 2023

5-Star Rating

GREEN RATING

99% of Portfolio by GFA

EMBRACE

Remaining receptive to market shifts and adeptly navigating volatility, we embrace change and infuse sustainability into our business model, ensuring long-term viability in a dynamic environment.

WESTGATE

The Panda Family
by Julien Marinetti

The art piece features a family of four pandas in identical sitting posture with the parents looking at their children lovingly. Subtly reflecting proximity of Westgate to the Chinese Garden, where pagoda and pavilions are prominent landmarks, the vibrant and abstract hues on the pandas carries significant symbolism - orange and red for the sun, pagoda and pavilions; blue for water and sky; and green for nature.

TOTAL PROPERTY VALUE
S$24.5 billion

PORTFOLIO OCCUPANCY
97.3%

PORTFOLIO WEIGHTED AVERAGE LEASE EXPIRY
3.4 years

EXCEL

Adopting a proactive stance to portfolio and capital management and a disciplined approach to investment management, we strive to excel and strengthen our portfolio through value creation, effective cost management and portfolio reconstitution. We are dedicated to achieving excellence, enhancing resilience and advancing year after year.

BEDOK MALL

Shopping with the Family
by Kim Gyung Min

The art piece features a family of five happily going shopping together. The figures, larger than life, are deliberately distorted to give a caricatured effect and exude a sense of fun. Vibrant colours further add to the sculptures' overall cheerfulness.

Note: All information as at 31 December 2023

BUSINESS MODEL

Our Mission & Vision

TO BE ASIA'S PREMIER COMMERCIAL REIT AND DELIVER SUSTAINABLE RETURNS

Our Resources

Financial
- Net property income
- Distributable income
- Distribution per unit
- Capital management & financial indicators

People & Structure
- Performance against benchmarks

Properties
- Portfolio occupancy
- Tenant retention
- Social integration

Environment
- Climate resilience
- Resource efficiency & 2030 SMP

Stakeholders & Communities
- Customer experience
- Stakeholder engagement
- Health & safety

How We Create Value

INVEST/DIVEST

MANAGE

ENHANCE

Value Drivers

- Asset & Portfolio Management
- Investment & Divestment
- Capital Management
- Stakeholder Engagement
- ESG Management

The Value We Create

- SUSTAINABLE RETURNS
- HIGH STANDARDS OF GOVERNANCE & ACCOUNTABILITY
- QUALITY ASSETS & DIFFERENTIATED OFFERINGS
- PORTFOLIO RESILIENCE, RESOURCE EFFICIENCY & INNOVATION
- PARTNER OF CHOICE, THRIVING COMMUNITIES & HIGH-PERFORMANCE CULTURE

Our Competitive Advantage

- Leadership
- Growth
- Resilience
- Partnership

VALUE DRIVERS

Asset & Portfolio Management

Identify assets for highest and best use that maximises properties' potential through AEIs and proactive tenant management

Investment & Divestment

Execute timely acquisitions for portfolio growth and/or divestments to unlock value for capital recycling into higher yielding opportunities

Capital Management

Maintain prudent capital management and diversify sources of funding to ensure adequate liquidity to execute growth opportunities

Stakeholders Engagement

Engage stakeholders to build partnerships and enhance offerings that meet their needs and ensure transparent disclosures for investment community

ESG Management

Integrate ESG into the business management and property life cycle to ensure strong governance, risk management and resource efficiency to drive sustainable performance

INVESTMENT & DIVESTMENT

2021
Divestment of One George Street (50.0% interest) for S$640.7 million
Exit yield: 3.17%

2022
Divestment of JCube for S$340.0 million
Exit yield: <4.0%

2022
Acquisition of 66 Goulburn Street & 100 Arthur Street for A$672.0 million
Implied NPI yield: 5.2%[1]

2022
Acquisition of 101-103 Miller Street & Greenwood Plaza (50.0% interest) for A$422.0 million
Implied NPI yield: 4.9%[2]

2022
Acquisition of CapitaSky (70.0% interest) for S$882.0 million
NPI yield: 4.0%[3]

ASSET ENHANCEMENT INITIATIVES

2022

Raffles City Singapore
- Undergone AEI from 1Q 2022 to 4Q 2022 to reconfigure former anchor tenant's space and rejuvenated tenant mix to house established international brands in fashion, beauty and lifestyle trades

2022

CQ @ Clarke Quay
- Undergone a S$62.0 million AEI from 3Q 2022 to 1Q 2024 to transform into a day-and-night destination, blending modern interpretations of the precinct's rich heritage with a vibrant mix of lifestyle, entertainment, and F&B brands

2024

IMM Building
- Undergoing a S$48.0 million AEI from 1Q 2024 to 3Q 2025 to strengthen its position as a regional outlet destination through reconfiguring level 1 space, optimising tenant mix and refreshing common areas

2024

Gallileo
- Undergoing a EUR175 million - EUR215 million AEI to upgrade to modern Grade A office specifications to increase building's relevance, functionality and operational efficiency

REDEVELOPMENTS

2016 → **2019**

Funan
- Redevelopment of Funan DigitaLife Mall into an integrated development, Funan comprising retail, office and serviced residence

2018 → **2021**

CapitaSpring
- Redevelopment of Golden Shoe Car Park into an integrated development, CapitaSpring comprising Grade A office, serviced residence and ancillary retail, via a joint venture with CapitaLand Development and Mitsubishi Estate Co., Ltd.

1 Refer to announcement dated 3 December 2021 for the acquisition of 66 Goulburn Street and 100 Arthur Street.
2 Refer to announcement dated 23 December 2021 for the acquisition of 50.0% interest in 101-103 Miller Street & Greenwood Plaza.
3 Refer to announcement dated 25 March 2022 for the acquisition of 70.0% interest in 79 Robinson Road (CapitaSky).

GLOBAL TRENDS

At CICT, we proactively assess global trends and environmental shifts impacting our investment decisions, business operations and financial performance. Our strategic positioning and vigilant risk management enable us to seize valuable opportunities arising alongside these trends.

CLIMATE CHANGE

Trend

Sustainability gains momentum as global economies and companies drive towards a carbon-neutral society.

- Governments increasingly commit to Net Zero, signalling policy shifts from awareness to concrete action on climate change.
- Businesses place greater emphasis on transparency of ESG measurement and disclosures, human rights, diversity, equity and inclusivity as well as supply chain management.
- Investors and stakeholders prioritise measuring and reporting performance against sustainability benchmarks and frameworks.

Response

CICT shares CLI's commitment to the 2030 SMP and to achieve Net Zero by 2050. Our operational focus is on greening our portfolio, improving resource efficiency, piloting innovation and implementing conservation measures in line with the SMP targets. We maintain transparent reporting and disclosures, adhering to global GRI Standards and TCFD recommendations. We regularly assess our portfolio's performance through global independent benchmarks like GRESB and investor surveys. Environmental impact is one of the key consideration factors for our new acquisitions.

EVOLVING REAL ESTATE TRENDS

Trend

Evolving workspace requirements and the shift towards blending physical and digital (phygital) elements into retail experiences are redefining real estate usage.

- Hybrid work styles drive corporate demand for quality and adaptive workspaces that emphasise collaboration and employee wellness.
- Resilience of physical retail and normalisation of e-commerce propel retailers towards a phygital presence, with retail spaces designed for omnichannel approaches to facilitate online and offline transactions.
- Demand for quality and green spaces emerging as a prerequisite for occupiers, especially those committed to carbon neutrality.

Response

CICT is future-proofing its portfolio through AEIs, redevelopments, portfolio reconstitution and portfolio management to address evolving tenant needs. Our diversified portfolio comprising retail, office and integrated developments allow CICT to weather through property market cycles and offer tenants a ready network to grow within our portfolio. We actively engage stakeholders and recalibrate space strategies to keep pace with evolving needs. Our retail spaces are designed for connection, collaboration, experimentation, and facilitating end-to-end omnichannel experiences such as click-and-collect services. Office tenants benefit from our core and flex strategy, offering flexible and scalable workspace solutions within the portfolio. Such initiatives boost occupancy and enable a vibrant and differentiated consumer experience.

TECHNOLOGICAL DEVELOPMENT

Trend

Digital adoption and innovation are accelerating rapidly in response to the evolving environment.

- Commercialisation of emerging technology is accelerated to enhance automation, consumer experiences and cybersecurity in business and daily life.
- Data usage and cybersecurity have become increasingly important for businesses and stakeholders.

Response

Digital transformation is vital for safeguarding our business, enhancing efficiency through improved operational systems, automated processes and effective data and cyber risk management. Besides leveraging CLI's capabilities, CICT is strengthening employees' digital literacy to augment cybersecurity management. In addition, we are proactively elevating operational efficiency through internal initiatives by the CapitaLand Innovation Fund, and through external initiatives such as those earmarked at the CSXC and the Jurong Lake District Innovation Challenge.

MACROECONOMIC ENVIRONMENT

Trend

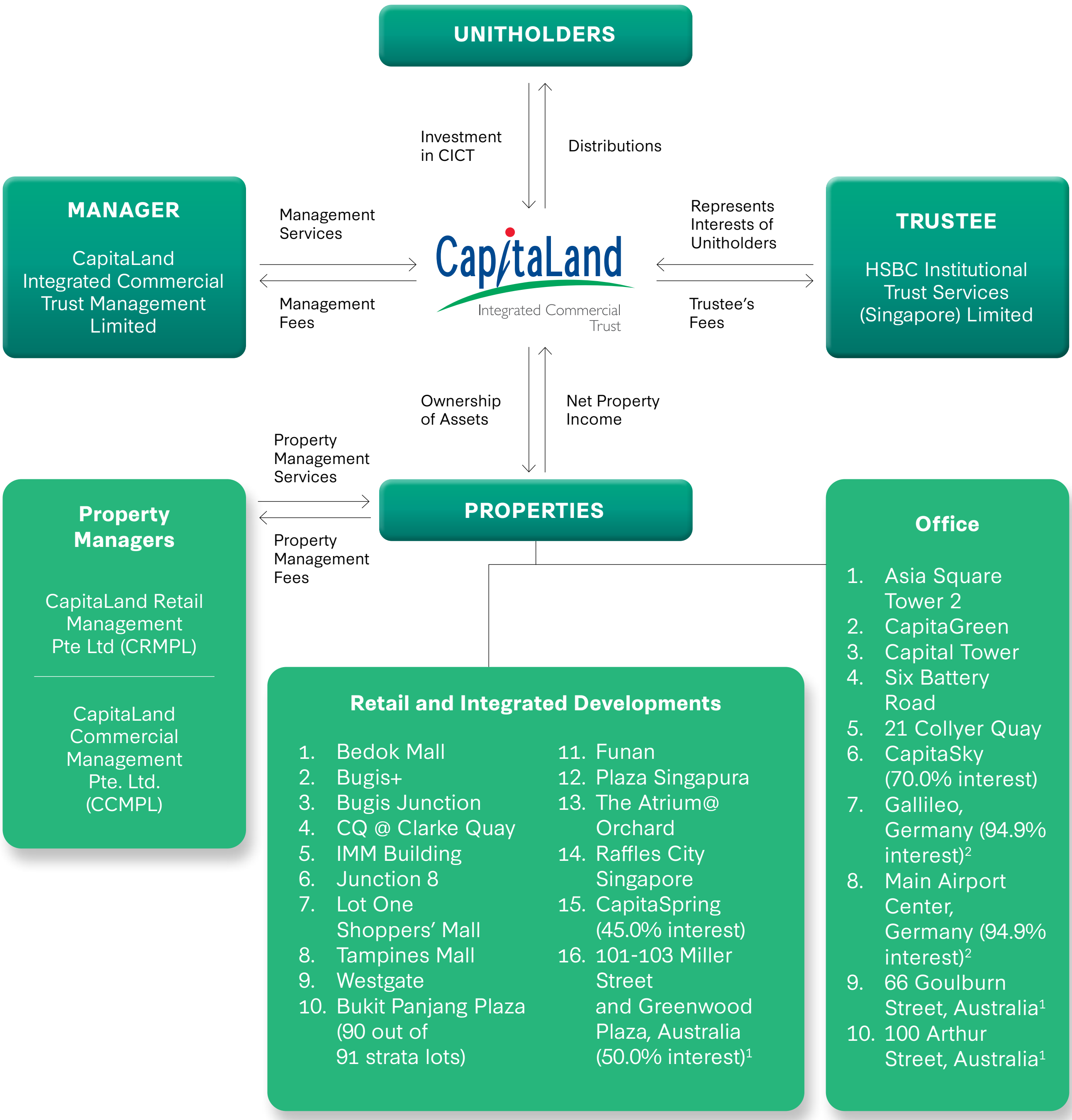
Emerging from the pandemic, economies are faced with heightened uncertainty, marked by surging inflation and high interest rates which are affecting capital flows.

- High inflation challenges cost-conscious businesses and consumers. Singapore's progressive wage model raises operating costs in sectors like retail, food services, cleaning, waste management and security.
- Prolonged periods of high interest rates impact capital management, raise debt concerns and limit opportunities for inorganic growth.
- With capital flowing to markets with resilient returns or opportunities, Singapore remains a relatively favourable economic safe haven.

Response

CICT is prudent in managing its operating costs, adopting bulk procurement and locking in utility rates until end-2024. CICT has also progressively increased the service charge for most of the REIT's Singapore properties to cover rising costs. In addition, we maintain an agile capital management strategy, retaining a healthy balance sheet through diversified sources of funding. Majority of our borrowings are on fixed rate, and we maintain a well-spread debt expiry profile to minimise concentration risks. Keeping a close eye on monetary policy, inflation trends and interest rate developments, CICT remains adaptable and flexible in making disciplined investment decisions.

TRUST STRUCTURE



1 Managed by third party service providers in Australia.
2 Managed by third party service providers in Germany.

YEAR IN BRIEF

1 February

- Reported FY 2022 DPU of 10.58 cents.

15 March

- CICT through CMT MTN Pte. Ltd. issued HK$755.0 million of fixed rate notes due 15 March 2033 at 4.85% per annum under the unsecured US$3.0 billion Euro-Medium Term Note Programme (EMTN Programme). The proceeds were swapped into Singapore dollars under a cross currency swap arrangement and used for refinancing purposes.

19 April

- Unitholders approved all resolutions at AGM and Extraordinary General Meeting.

28 April

- Announced business updates for the first quarter ended 31 March 2023.

31 May

- With the approval given by Unitholders, CICT entered into the new property management agreement relating to the properties of CICT located in Singapore. The duration of the agreement is 10 years from 1 June 2023.

19 June

- CICT through CMT MTN Pte. Ltd. issued S$400.0 million of fixed rate notes due 19 June 2030 at 3.938% per annum under the EMTN Programme. The proceeds were used for refinancing purposes.

26 June

- Moody's Investors Service affirmed CICT's credit rating at 'A3' with stable outlook.

12 July

- CapitaSpring awarded Design of the Year 2023 at the President*s Design Award Singapore.

1 August

- Reported 1H 2023 DPU of 5.30 cents.

2 August

- Ranked 5th in the REIT and Business Trust Category with an overall score of 106.5 for Singapore Governance and Transparency Index 2023.

25 August

- CapitaSpring awarded 1st Runner Up for ASEAN Energy Efficiency and Conservation Best Practices Awards under the Energy Efficient Building (New and Existing Building) at the ASEAN Energy Awards 2023.

▸ Received Silver for Best Investor Relations at Singapore Corporate Awards 2023

7 September

- Achieved the Silver award for Best Investor Relations for REITs & Business Trusts, at the Singapore Corporate Awards 2023.

4 October

- CICT achieved GRESB 5-star rating in Asia, Diversified-Office/Retail, Listed category with a total score of 91 and 'A' for public disclosure.

18 October

- CapitaSpring honoured four awards at the 2023 Council on Tall Buildings and Urban Habitat Awards:
  - Best Tall Building 200-299 metres award (Overall Category Winner)
  - Best Tall Building Asia (Overall Category Winner)
  - Award of Excellence for Systems (Facade System)
  - Award of Excellence for Systems (MEP System)

26 October

- Announced business updates for the third quarter ended 30 September 2023.

8 November

- Honoured two awards at the SIAS Investors' Choice Awards 2023:
  - Singapore Corporate Governance Award for REITs & Business Trusts Category
  - Investors' Choice Outstanding CEO Award

16 November

- Raffles City Singapore honoured the Best Retail Sustainability Initiative Award and My Favourite Shopping Mall at the Singapore Retailers Association Retail Awards 2023.

1 December

- CapitaSpring received Highly Commended for the International Building Beauty prize at World Architecture Festival 2023.

7 December

- Six Battery Road awarded the Architectural Design - Commercial Architecture category at the Architectural MasterPrize 2023.

14 December

- 21 Collyer Quay renewed its BCA Green Mark Platinum certification.

PROPERTY PORTFOLIO

RETAIL

1 Bedok Mall
2 Bugis Junction
3 CQ @ Clarke Quay
4 IMM Building
5 Junction 8
6 Lot One Shoppers' Mall
7 Tampines Mall
8 Westgate
9 Bugis+
10 Bukit Panjang Plaza

OFFICE

1 Asia Square Tower 2
2 CapitaGreen
3 Capital Tower
4 CapitaSky (70.0% interest)
5 Six Battery Road
6 21 Collyer Quay

INTEGRATED DEVELOPMENT

1 CapitaSpring (45.0% interest)
2 Funan
3 Plaza Singapura
4 The Atrium@Orchard
5 Raffles City Singapore

PROPERTY PORTFOLIO

1
66 GOULBURN STREET

- 350m or 5-min walk to Museum Station
- 550m or 7-min walk to Town Hall Station
- 600m or 8-min walk to Central Station

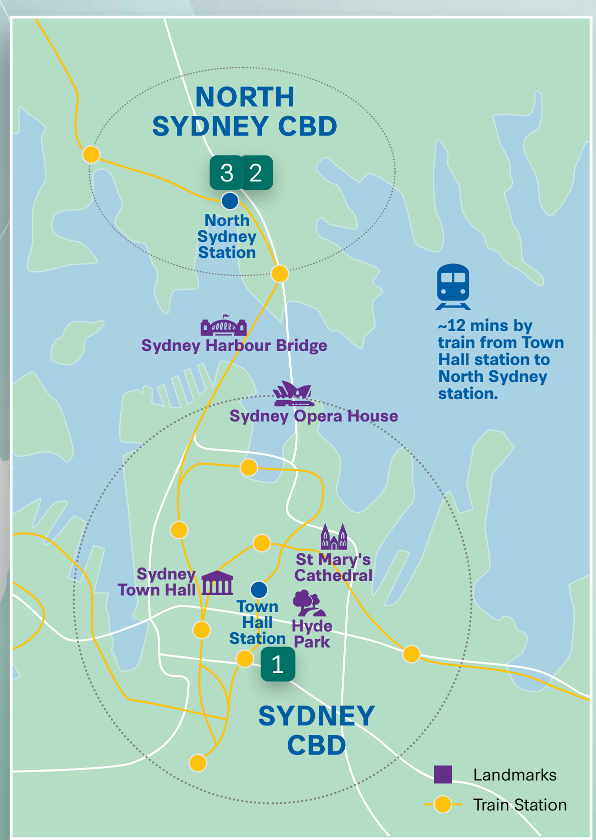
2
100 ARTHUR STREET

- 290m or 5-min walk to North Sydney Train Station
- 500m or 7-min walk to the upcoming Victoria Cross Metro Station to be completed in 2024
- Direct access to Sydney's major arterial roads

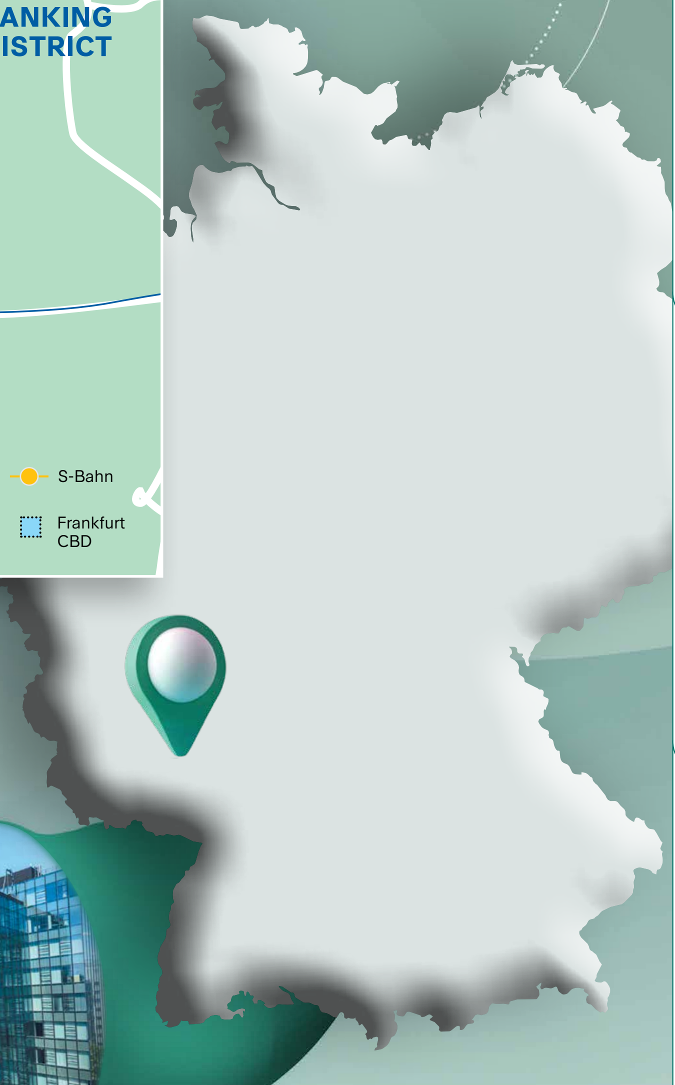
3
101-103 MILLER STREET AND GREENWOOD PLAZA
(50.0% interest)

- Direct integration to North Sydney Train Station via Greenwood Plaza
- 200m or 2-min walk to the upcoming Victoria Cross Metro Station to be completed in 2024
- Direct access to Sydney's major arterial roads

SYDNEY, AUSTRALIA



FRANKFURT, GERMANY



4
GALLILEO
(94.9% interest)

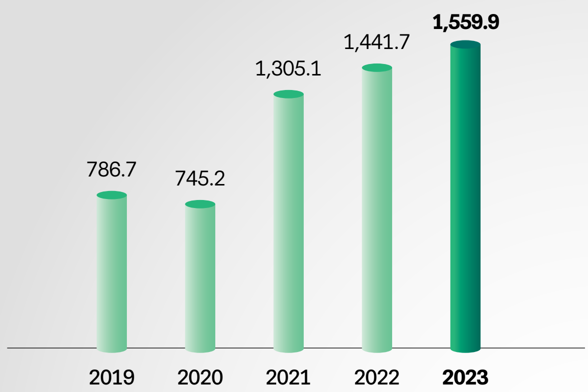
- 12 mins by car to Frankfurt Airport via A3 / A5 motorways
- 4 mins by car to Frankfurt Central Station
- 4-min walk to U-Bahn station at Willy-Brandt Platz

5
MAIN AIRPORT CENTER
(94.9 % interest)

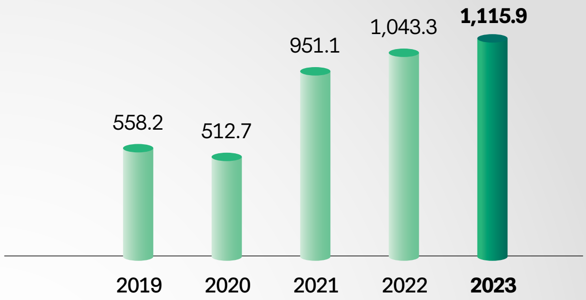
- 3 mins by car to Frankfurt Airport via motorway
- 20 mins by car to Frankfurt City Centre
- 10-min walk to Frankfurt (Main) Gateway Gardens Nord Train Station

FINANCIAL HIGHLIGHTS

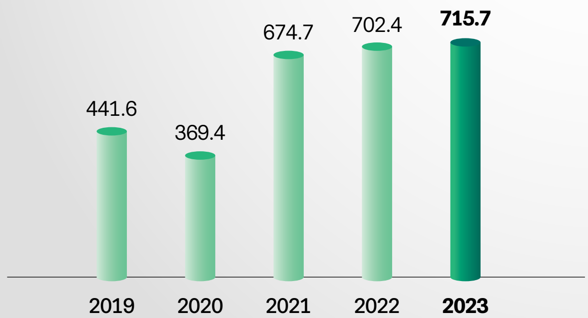
GROSS REVENUE (S$ MILLION)



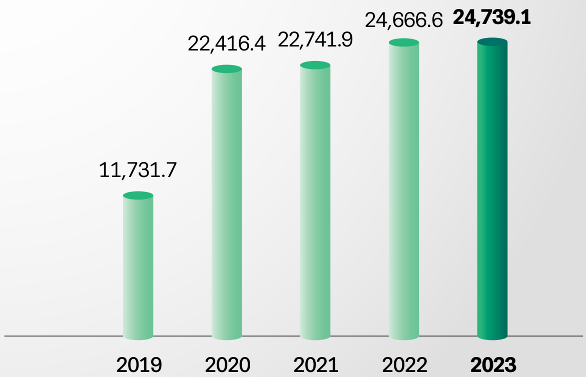
NET PROPERTY INCOME (S$ MILLION)



DISTRIBUTABLE INCOME (S$ MILLION)



TOTAL ASSETS (S$ MILLION)
As at 31 December



CICT Group[i]

i On 21 October 2020, CMT and CCT were merged by way of a trust scheme of arrangement with the merged entity renamed CICT on 3 November 2020.

GROUP For the Financial Year	2019	2020[i]	2021	2022	2023
Selected Statement of Total Return and Distribution Data (S$ million)					
Gross Rental Income	722.4	697.6	1,233.3	1,352.2	**1,459.6**
Car Park Income	19.8	17.7	27.7	35.4	**40.9**
Other Income	44.5	29.9	44.1	54.1	**59.4**
Gross Revenue	**786.7**	**745.2**	**1,305.1**	**1,441.7**	**1,559.9**
Net Property Income	558.2	512.7	951.1	1,043.3	**1,115.9**
Distributable income	441.6	369.4	674.7	702.4	**715.7**
Selected Statement of Financial Position Data (S$ million)					
Total Assets	11,731.7	22,416.4	22,741.9	24,666.6	**24,739.1**
Total Borrowings[ii]	3,547.0	8,632.0	8,119.0	9,457.0	**9,390.5**
Net Asset Value Per Unit[iii] (S$)	2.07	2.00	2.06	2.06	**2.07**
Unitholders' Funds	7,767.2	13,037.6	13,667.8	14,073.4	**14,199.8**
Investment Properties	10,415.8	21,366.1	21,431.1	23,744.8	**24,024.9**
Key Financial Indicators					
Earnings Per Unit (cents)	18.90	8.36	16.71	10.92	**12.97**
Distribution Per Unit (cents)	11.97	8.69	10.40	10.58	**10.75**
Management Expense Ratio[iv] (%)	0.7	0.6	0.7	0.7	**0.7**
% of Total Assets that are Unencumbered (%)	100.0	95.8	96.1	93.5	**93.7**
Aggregate Leverage (%)	32.9	40.6	37.2	40.4	**39.9**
Interest Coverage (times)	4.7	3.8	4.1	3.7	**3.1**
Average Term to Maturity (years)	5.0	4.1	3.9	3.9	**3.9**
Average Cost of Debt (%)	3.2	2.8	2.3	2.7	**3.4**

i On 21 October 2020, CMT and CCT were merged by way of a trust scheme of arrangement with the merged entity renamed CICT on 3 November 2020.

ii In respect of the foreign currency denominated notes which have been swapped into Singapore dollars, the outstanding amounts reflect the nominal amounts of the swapped contracts based on their respective swap rates.

iii Excludes the distribution to be paid for the last quarter or last half year (as the case may be) of the respective financial years except for 2020 and 2021 which exclude the distribution for the period from 21 October 2020 to 31 December 2020 and 16 December 2021 to 31 December 2021 respectively.

iv Refers to the expenses excluding property expenses and finance costs but including performance component of management fees, expressed as a percentage of weighted average net assets.

SUSTAINABILITY HIGHLIGHTS

ADVANCING OUR LOW CARBON TRANSITION

Targets and Performance

	2030 Targets	2023 Progress[1]
To Reduce	Absolute scope 1 & 2 GHG emissions by 46%[2]	↓ 10%
To Reduce	Carbon Emissions Intensity by 72%[2]	↓ 19%
To Reduce	Energy Consumption Intensity by 15%[2]	↓ 15%
To Reduce	Water Consumption Intensity by 15%[2]	↓ 15%
To Reduce	Waste Intensity in Daily Operations by 20%[2]	↓ 21%
To Achieve	Recycling Rate in Daily Operations 25%	8%

Green Rating
99%
of Portfolio by GFA[3]

EMBRACING THE TENETS OF SOUND CORPORATE GOVERNANCE

100%
of CICTML Staff Completed Fraud, Bribery & Corruption Awareness Online Training

Training Duration per Staff
> 61 hours

Female Representation in CICTML's Senior Management Level
67%

1 CICT is working towards achieving the 2030 targets using 2019 as the baseline year.
2 To operationalise its SBTi-approved reduction targets, CLI revised its baseline year from 2008 to 2019 during the scheduled 2030 SMP review in 2023. Aligning with CLI, CICT has adopted 2019 as the baseline year.
3 Gallileo, which is undergoing AEI, and 103 Miller Street, which is exempted from certification, are excluded.

FOSTERING POSITIVE CHANGE THROUGH SOCIAL GOOD

>755 hours
Volunteered by Employees

99.6%
of Staff Attended at Least One ESG Training

100%
of Contractors & Vendors Committed to Abide by Supply Chain Code of Conduct

Zero
Staff Work-related Fatality or Permanent Disability

RECOGNITION FOR SUSTAINABILITY EFFORTS

GRESB 2023

Maintained **5-Star** Rating with a score of 91 points (+3 points YoY)

'A' for public disclosure with a score of 100 points. Ranked **1st** in Asia, Mixed Use: Office/Retail

FTSE4Good

Constituent of the FTSE4Good Index Series for 17 consecutive years

CICT
#1 in Singapore for gender equality in 2024
EQUILEAP

MSCI ESG RATINGS

CCC	B	BB	BBB	A	AA	AAA

AA

CDP Climate Change Scored B for 5 consecutive years

Rated **11.0 - Low Risk** and included in the **2024 Top-Rated ESG Companies List** by Sustainalytics

Singapore Governance and Transparency Index 2023
Ranked 5th with an overall score of 106.5 (REIT & Business Trust category)

SIAS Investors' Choice Awards 2023

SIAS Investors' Choice Awards 2023 by Securities Investors Association (Singapore)
- Winner – Investors' Choice Outstanding CEO Award
- Winner – Singapore Corporate Governance Award 2023 (REITs & Business Trusts category)

Singapore Corporate Awards 2023 – Celebrating the Best in Corporate Governance

Singapore Corporate Awards 2023
Silver –
Best Investor Relations (REITs and Business Trusts category)

MESSAGE TO UNITHOLDERS

From right
TEO SWEE LIAN
Chairman

TONY TAN TEE HIEONG
Chief Executive Officer

"Guided by our value creation strategy, our proactive portfolio management and prudent capital management efforts yielded positive results. CICT's portfolio delivered strong operating metrics despite economic headwinds and rising costs in FY 2023."

Dear Unitholders

2023 was a challenging year marked by heightened interest rates and inflationary pressures, against the backdrop of ongoing geopolitical tensions. The prevailing uncertainties have resulted in uneven growth across economies. In the markets where CICT operates in, Singapore and Australia achieved a YoY gross domestic product (GDP) growth of 1.1% and 1.5% respectively while Germany posted a decline of 0.3% YoY.

Despite headwinds, we continued to focus on our key markets - Singapore, which accounts for 93.7% of our portfolio value, and Australia and Germany, which makes up 3.6% and 2.7% of our portfolio value respectively.

To navigate the challenging environment, we prioritised driving organic growth through proactive portfolio management, prudent cost management and discipline in capital management.

ELEVATING PERFORMANCE, PUNCHING ABOVE OUR WEIGHT

Our diversified portfolio proved resilient, recording improvements in financial and operational performance across our retail, office and integrated development sectors.

CICT's aggregate portfolio property value grew 1.2% YoY to S$24.5 billion, based on our proportionate interests in the investment properties and joint ventures as at 31 December 2023. The uplift in the portfolio property value was largely driven by better operating performance in Singapore. This growth was partially offset by a drop in overseas portfolio values, impacted by an expansion in capitalisation rate for Australia and increase in terminal capitalisation rates for Germany. Our portfolio NPI yield maintained at 4.6%[1] in FY 2023.

CICT's gross revenue grew at a strong 8.2% YoY to S$1.6 billion. NPI was also up 7.0% YoY to S$1.1 billion. This was supported by resilient operational performance from existing assets, full year contributions from acquisitions in Australia and 70.0% interest in CapitaSky that were completed in 1H 2022.

Coupled with prudent cost management, CICT delivered a distributable income of S$715.7 million in FY 2023, up 1.9% YoY. This translated to a DPU of 10.75 cents for Unitholders, an increase of 1.6% YoY. The total return for the year was 6.3%[2].

6.3%

Total Return for FY 2023[2]

A distribution reinvestment plan was announced for CICT's 2H 2023 distribution, providing our Unitholders with the option to receive their distribution in units or a combination of units and cash in lieu of the cash amount of distribution.

MANAGING RISING OPERATING EXPENSES

In 2023, escalating costs driven by inflationary pressure was a key focus, even as we managed our expenses prudently.

To address rising operating costs such as utilities and manpower for CICT's Singapore portfolio, we have increased service charges progressively starting from October 2022.

In addition, a change in leasing commission fee structure and cost reimbursement to a performance-based structure forged a tighter alignment between the Singapore property managers and CICT's interests. This change will also lead to better revenue and cost alignment over time. Under the new Singapore Property Management Agreement approved by Unitholders in April 2023, leasing commission fees are paid only when leases are signed instead of reimbursement by headcount.

Lastly, leveraging our scale, we were able to benefit from bulk tender optimisation such as implementing smart building features and automation initiatives. We have also secured an energy contract to better manage our utilities costs, with rates that are lower compared with the average rate for FY 2023. Most of our properties in Singapore will enjoy these lower rates till the end of 2024.

Other than prudent cost management efforts across the portfolio, the team is also constantly reviewing measures to improve our resource and portfolio efficiency.

1 Based on NPI (including CICT's 45.0% interest in CapitaSpring) over total property value in FY 2023 (based on our proportionate interests in the investment properties and joint ventures as at 31 December 2023).
2 Total return is based on the capital gains (based on the difference in the closing unit price on the last trading day of 2022 and 2023) and the total distributions announced for FY 2023 over the closing unit price on the last trading day of 2022.

MESSAGE TO UNITHOLDERS

ADOPTING AN AGILE CAPITAL MANAGEMENT STRATEGY

CICT maintained a healthy balance sheet with an adjusted NAV per unit of S$2.07, up from S$2.06 a year ago. We stayed nimble in our capital management strategy, ensuring that funding sources were well diversified to allow greater financial flexibility and agility. Our debt maturity profile was well-spread over various tenures, with an average term to maturity of 3.9 years. The average cost of debt was 3.4%, with 78% of total borrowings in fixed interest rates to mitigate interest rate movements.

In FY 2023, CICT secured S$2.2 billion in sustainability-linked and green loan facilities as well as green bond issuances. Total outstanding sustainability-linked/ green loan facilities and green bonds were S$4.2 billion as at 31 December 2023. This accounted for 41.8% of total borrowings (including our proportionate share of borrowings in joint ventures).

As at 31 December 2023, our aggregate leverage ratio was 39.9% with an average cost of debt of 3.4%. Moody's Investors Service affirmed CICT's credit rating at 'A3' and changed the outlook from negative to stable on 26 June 2023. S&P Global Ratings has an 'A-' credit rating with a stable outlook for CICT.

FORTFYING OUR PORTFOLIO, LEVERAGING OPPORTUNITIES

Guided by our value creation strategy, our proactive portfolio management and prudent capital management efforts yielded positive results. CICT's portfolio delivered strong operating metrics despite economic headwinds and rising costs in FY 2023.

CICT's committed portfolio occupancy improved 1.5 percentage points to 97.3% from 95.8% a year ago. This improvement extended across all asset types, with committed occupancies for retail, office and integrated development portfolios increasing to 98.5%, 96.7% and 98.5% respectively.

Capitalising on value creation for sustainable growth, we actively review asset plans to optimise our portfolio and future-proof our properties through AEIs that incorporate green features.

The ongoing transformation of CQ @ Clarke Quay into a day-and-night destination is expected to renew the vibrancy of the property, drawing visitors throughout the day. We have curated a trendy mix of lifestyle and food and beverage offerings alongside nightlife entertainment at the property. Store fit-outs are progressing rapidly and scheduled to be operational by mid-2024.

With the AEI at CQ @ Clarke Quay in the final stage of completion, we have lined up three upgrading and AEIs in 2024 that will further strengthen the resilience of our assets.

Embarking on
3 asset enhancements
in 2024

Slated for a S$48.0 million AEI, IMM Building will start on a four-phase enhancement works in 1Q 2024 to anchor its position as a regional outlet destination, increasing the total outlet concepts to approximately 110 post-AEI.

As at 31 December 2023, we have already secured a healthy pre-commitment level of around 70% for the initial two phases of the upgrading, including leases under advanced negotiations. The rest of the mall will remain in operation during this period.

In Australia, we implemented a strategic initiative to revitalise our workspaces and elevate the office environment in North Sydney future-proofing our assets in this submarket. Upgrading works of approximately A$9 million will transform the lobby of 101 Miller Street into a best-in-class multifunctional communal space. This new space is designed to support collaborative work, foster innovation, and provide an exceptional experience for tenants and visitors.

To activate the spaces at 100 Arthur Street, we have also partnered with The Work Project to manage concierge services and flexible workspace solution at the lobby and Level 10 of the property.

Gallileo in Frankfurt, Germany kickstarted its three-phase AEI in February 2024. At an estimated cost of between EUR175 million and EUR215 million[3], the AEI will elevate the relevance, functionality and operational efficiency with a target to achieve a minimum green rating of LEED Gold certification. A downtime of at least 18 months is expected for the AEI.

RETAIL SHINES AMIDST CHALLENGES

In Singapore, tourists have been returning steadily after the COVID-19 pandemic, with international visitor arrivals hitting 13.6 million in 2023. In addition, the shift towards hybrid work arrangements benefitted

3 The projected AEI cost varies depending on whether it follows a single or multi-tenanted scheme and is subject to adjustments based on the final scope of the works.

our retail portfolio, fuelling the rise in shopping and entertainment at downtown malls and also contributed to the resilient performance at our suburban malls. Overall, shopper traffic climbed 8.6% YoY.

Demonstrating our deep understanding of the retail landscape, we carefully selected and tailored our offerings to uniquely position each mall, catering to the preferences of discerning shoppers. New retail offerings that opened in FY 2023 included new-to-market and new-to-portfolio retailers, providing a refreshing wide range of food & beverage, fashion, beauty and lifestyle options to consumers.

Tenant sales per sq ft per month climbed 1.8% from FY 2022, surpassing pre-COVID levels. Meanwhile, gross turnover rent was 7.2% of retail portfolio's FY 2023 GRI.

On the back of the strong performance of our retail segment, we signed 0.8 million sq ft of new leases and renewals in the retail space in FY 2023, recording a strong tenant retention rate of 82.8%.

Signed

~1.7 million sq ft

New leases and renewals for retail & office portfolios in FY 2023

We saw a positive momentum for retail rent reversion in FY 2023, recording 8.5% for the year based on the average rent of new leases compared to the average rent of expiring leases. CICT's Singapore retail portfolio occupancy of 98.5% remained above Urban Redevelopment Authority's retail market occupancy of 93.5% for 4Q 2023.

SUSTAINING GROWTH MOMENTUM IN OFFICE SEGMENT

Despite the macroeconomic uncertainties and a shift towards hybrid working arrangements, CICT's office portfolio observed healthy leasing activity with an overall net expansion of space requirements across our portfolio. In FY 2023, we signed approximately 1.0 million sq ft of office space for new leases and renewals.

CICT's Singapore office portfolio achieved a positive rent reversion of 9.0% and also reported a strong tenant retention rate of 86.5%. The Singapore office portfolio occupancy of 98.5% was above CBRE's CBD Core office market occupancy of 94.8% for 4Q 2023.

The Singapore office market rent continued to increase throughout 2023, reaching S$11.90 per sq ft per month in 4Q 2023. Office market rent is expected to be supported by tight supply as shadow space tapers and a limited annual new office supply averaging 0.8 million sq ft from 2024 to 2026 enters the market.

Outside of Singapore, we are actively ramping up occupancies and remain focused on tenant retention amidst the challenging environment.

▲ Tony Tan, CEO (second from right), receiving the Investors' Choice Outstanding CEO Award at the SIAS Investors' Choice Awards 2023.

MESSAGE TO UNITHOLDERS

In Australia, we are encouraged by the positive take-up from our proactive leasing efforts and initiatives to provide fitted-out workspace to target different market segments for occupiers. We are looking forward to strengthening the positioning of our assets in North Sydney through our ongoing value creation efforts.

As at 31 December 2023, CICT's Australia and Germany portfolio maintained occupancies of 88.5% and 94.5%. The occupancies were above JLL's market occupancy for Sydney CBD at 85.6% and North Sydney CBD at 78.9%, as well as CBRE's market occupancy for Frankfurt, Germany at 91.1%.

STAYING AGILE

As the global economy evolves, we embrace innovation, diversity and collaboration as catalysts for growth. This way, we continue to be at the forefront of industry trends and address the evolving needs of our stakeholders.

We adjust our strategy and operations with the normalisation of hybrid work arrangements and a more mobile workforce.

We implement core-and-flex solutions and activate communal spaces to tailor leases to tenants' requirements, allowing corporates to scale rapidly or access additional meeting or event facilities both within our property and across CICT's portfolio.

For retail, we actively curate new experiences to delight shoppers such as bringing in new-to-market concepts and partnering retailers to implement omnichannel shopping experiences.

We continue to leverage the all-in-one CapitaStar ecosystem to engage our shoppers and tenants. Retail customers can enjoy benefits from shopping and dining deals on the app. Similarly, our office community stays digitally connected through the CapitaStar@Work app and enjoys an enhanced workspace experience such as being privy to community events and having access to exclusive deals by our retail partners.

DRIVING SUSTAINABILITY

On our sustainability journey, we seek to embed sustainable practices in every aspect of our business and asset life cycle plans. We are aligned with our sponsor, CLI, in our commitment to Net Zero by 2050, with plans to achieve our targets in line with the 2030 SMP.

Striving for carbon neutrality, we actively explore renewable energy sources for our portfolio. With the successful implementation of a solar photovoltaic system at IMM Building, we are exploring to extend this initiative to other retail and office properties.

In Australia, we procured green energy for 66 Goulburn Street and 100 Arthur Street.

Riding on technological advancements, we seek out new ideas from startups to drive our resource efficiency, through CLI's annual CSXC as well as encourage employees to tap on the CapitaLand Innovation Fund to pilot green initiatives.

We are humbled that our ESG efforts have been widely recognised. More information about CICT's ESG efforts and Sustainability Highlights can be found in our SR 2023.

SHAPING OUR FUTURE

With a continued focus on our core market in Singapore, CICT will remain a proxy to Singapore commercial real estate. Despite the prevailing global uncertainties, we will maintain our vigilance and discipline in executing our strategies, allowing us to further strengthen our track record of resilience and market leadership.

Our ongoing efforts to actively create value will pave the way for CICT's future growth, given the potential for further AEIs and/or redevelopments within our diversified portfolio. Concurrently, we will explore acquisitions and portfolio reconstitution opportunities that enhance the quality of our portfolio.

Maintaining our proactive capital management strategy, we will stay agile in managing our debt maturity profile and tapping on diverse funding sources. We will actively evaluate appropriate funding structures for accretive investments, which can be a combination of recycling of divestment proceeds, working with a capital partner, debt and/or equity fund raising. Given the right opportunities, we aim to lower our aggregate leverage for greater financial flexibility.

As our economic environment and real estate demands evolve, we will stand ready to embrace opportunities, elevate our performance and strive for excellence to build a robust platform that delivers sustainable growth for our stakeholders.

In closing, we sincerely thank our Board for their leadership, as well as our partners, our employees, and our Unitholders for the continued support.

Teo Swee Lian
Chairman

Tony Tan Tee Hieong
Chief Executive Officer

March 2024

CONVERSATION WITH CEO

Q Singapore is CICT's key market. How is it bucking the trend in the commercial space segment?

A In most markets globally, we noted there is reduced demand for office space due to flexible work arrangements and weakened demand for retail space as e-commerce becomes prevalent.

However, this is not the case in Singapore, which accounts for 93.7% of our portfolio by property value. CICT remains a proxy for Singapore commercial market. Meanwhile, Australia accounts for 3.6%, while Germany, 2.7% of our portfolio's property value.

Singapore's commercial market has been resilient, given stable political and economic conditions as well as low unemployment rate. Policies that encourage investment and spur economic activity have also bolstered the real estate market.

In Singapore, demand for agile office space continues to grow to cater to flexible working arrangements. We also see healthy leasing demand from industries such as financial services, legal, manufacturing and distribution.

On the retail front in Singapore, we observe robust spending patterns evidenced by total retail sales, excluding motor vehicles, reaching S$42.7 billion in FY 2023. Singapore tourist arrivals continued to rise, reaching 13.6 million and increased local consumption supported shopper traffic at our malls, which grew 8.6% YoY.

Limited supply of office and retail space averaging 0.8 million sq ft and 0.4 million sq ft respectively over the medium term continues to support the market rents.

CICT achieved positive rent reversions across the office and retail portfolios in FY 2023 and expects this trend to continue into FY 2024.

Q How will CICT grow its Distribution Per Unit for unitholders?

A Multiple levers are used to drive growth for CICT.

To drive revenue growth, CICT proactively manages its leases by optimising rents, ramping up occupancy rate across the portfolio and engaging our tenants ahead of their lease expiries to understand their needs and work on forward renewals.

In FY 2023, our retail and office portfolios committed new and renewed leases with positive rental reversions that will contribute to income growth in FY 2024.

Some of the challenges we are faced with are rising operating expenses and high interest rates.

To contain rising costs, we have secured fixed utility rates until the end of FY 2024 and have gradually increased service charges across the Singapore office portfolio since October 2022.

For the retail portfolio in Singapore, rent adjustments to take into account the increase in service charge will take a period of two to three years with new and renewal leases, as we adhere to the Code of Conduct for Leasing of Retail Premises in Singapore.

To better manage interest expense in a high interest rate environment, we have locked in 78% of total borrowings on fixed interest rates and secured optimal interest rates with longer debt tenure. This ensures certainty of interest expense while allowing the flexibility to manage the floating rate loans.

While we are comfortable with the current aggregate leverage, we aim to lower the REIT's gearing where appropriate, to improve financial flexibility.

As the AEI at CQ @ Clarke Quay nears completion, we expect meaningful income contribution from CQ @ Clarke Quay from 2H 2024.

For 2024, we have also lined up AEIs at IMM Building in Singapore, Gallileo in Frankfurt, Germany and upgrading works at 101 Miller Street in North Sydney, Australia, aimed at strengthening our asset positioning. More information can be found under Value Creation in this AR.

Going forward, CICT will remain predominantly Singapore focused with no more than 20% of CICT's portfolio property value from overseas developed markets.

We continue to assess potential accretive opportunities in the market and drive value creation efforts that align with our portfolio for growth.

Q What trends do you see in the office space segment and how is CICT poised to leverage opportunities to grow the business?

A Organisational landscapes have undergone significant shifts accelerated by the COVID-19 pandemic. Corporate space requirements have evolved, brought about by trends of flexible working arrangements, a need for more group discussion areas, a push for environmentally friendly buildings to reduce carbon footprint and even considerations such as social impact of offices on health and well-being.

Core-and-flex offerings
Hybrid work arrangements have become a global norm. We anticipate that businesses will continue to assess and improve their office environments with the goal of attracting more employees to be back in the workplace.

The increasing mobility of the workforce and changing business requirements have led to a growing demand for flexible workspaces as they allow businesses to swiftly adapt to evolving needs.

To support our tenants, we have providers like The Work Project (TWP) at our properties in Singapore and Australia, to offer flexible spaces. Tenants can lease core space and have flexible space as their agile workspace arrangements.

Green-rated buildings
With the global push towards carbon neutrality, corporations now consider green ratings a crucial criterion for their space requirements. They are keen to collaborate with like-minded partners to achieve their overall net zero ambitions.

We are delighted to support these tenants with CICT's green-rated portfolio comprising quality Grade A office properties and retail malls with good accessibility in prime locations.

Most of CICT's properties have achieved green ratings and currently, plans are underway to obtain a green rating for Greenwood Plaza in Australia.

Activated for social hubs and community building
Beyond green ratings, we actively foster collaboration to support sustainability goals such as the adoption of green leases and encourage tenants to adopt environmentally friendly and energy-efficient fit-outs.

In addition, we continuously upgrade and rejuvenate our properties by incorporating modern amenities and digital innovations.

Our workspace community is digitally enabled by leveraging the group's all-in-one app, CapitaStar@Work. Through the app, tenants can enjoy contactless access to workspaces via facial recognition, smart lifts, QR code booking systems for meeting rooms and event spaces, and registration for tenant engagement activities such as lunchtime workshops, futsal tournaments, live performances and activities related to corporate social responsibility, wellness and sustainability.

Q

A

What is CICT doing to attract shoppers to its malls?

The retail scene is very dynamic and consumer preferences change quickly. We stay keenly on the pulse of the industry and actively curate the tenant mix to uniquely position each of our retail assets.

At appropriate times, we will also implement AEIs to elevate the standing of the assets as the market evolves.

Reimagining the retail experience
Consistently, we evaluate and reimagine the shopping experience, introducing novel retail concepts and curated experiences to captivate and delight our customers. Spaces are reconfigured and designed to blend exhibition and retail offerings.

Additionally, the typical retail space has evolved to incorporate tactile and sensory product experiences for shoppers, often incorporating online and offline options for omnichannel shopping.

We partner retailers to improve the omnichannel shopping experience such as having the click-and-collect option that allows consumers to enjoy both the in-person experience and online convenience of shopping.

Partnerships with tenants
We proactively collaborate with our tenants to refresh and reposition their offerings and bring in new concepts, ensuring ongoing relevance. In addition, our extensive network of properties offers a ready avenue for retailers to expand in Singapore.

We also partner tenants/retailers on CapitaLand's CapitaStar ecosystem, providing retailers an avenue for online presence and offer promotions.

Reinventing the shopper experience
Membership programmes promote distinct shopper experiences and foster brand loyalty.

Some retailers have introduced differentiated shopper treatments such as memberships by invite-only and bespoke VIP experiences to their elite members to attract the shoppers to shop or visit the mall physically. For instance, the Raffles Prestige membership, an extension of CapitaStar, offers by-invite only membership with bespoke experiences and lifestyle rewards at Raffles City.

On the digital front, the CapitaStar ecosystem, designed to enhance the shopper experience, continues to drive activities to retailers and our properties. This mobile application offers shoppers exclusive deals that allows them to earn points at participating merchants in our malls on the app.

Furthermore, key partnerships with leading industry players, that offer payments integration such as DBS and points conversion arrangements such as Ascott Star Rewards and KrisFlyer Miles, encourage shoppers to spend within our ecosystem and build a strong loyalty programme.

▲ CICT has a strong track record of curating tenant mix and enhancing the overall shopping experience as seen from the recent completion of AEI at Raffles City Singapore.

BOARD OF DIRECTORS

Front row from the left

TEO SWEE LIAN
Chairman
Non-Executive Independent Director

JANINE GUI SIEW KHENG
Non-Executive Non-Independent Director

QUEK BIN HWEE
Non-Executive Independent Director

JEANN LOW NGIAP JONG
Non-Executive Independent Director

Back row from the left

STEPHEN LIM BENG LIN
Non-Executive Independent Director

JONATHAN YAP NENG TONG
Non-Executive Non-Independent Director

TAN BOON KHAI
Non-Executive Independent Director

LEO MUN WAI
Non-Executive Independent Director

TONY TAN TEE HIEONG
Chief Executive Officer
Executive Non-Independent Director

TEO SWEE LIAN, 64

Chairman
Non-Executive Independent Director

- Bachelor of Science (First Class Honours) in Mathematics, Imperial College of Science and Technology, University of London, UK
- Master of Science in Applied Statistics, University of Oxford, UK

Date of first appointment as a Director
12 April 2019

Date of appointment as Chairman
12 April 2019

Length of service as a Director (as at 31 December 2023)
4 years 8 months

Board committee served on
- Nominating and Remuneration Committee (Chairman)

Present directorships in other listed companies
- Singapore Telecommunications Limited
- HSBC Holdings PLC

Present principal commitments (other than directorships in other listed companies)
- Avanda Investment Management Pte. Ltd. (Director)
- CapitaLand Integrated Commercial Trust Management Limited (Chairman)
- CSCC Agape Fund, Caritas Singapore Community Council Limited (Member of the Board of Trustees)
- Clifford Capital Holdings Pte. Ltd. (Director)
- Clifford Capital Pte. Ltd. (Director)

Past directorship in other listed company held over the preceding three years
- AIA Group Limited

Background and working experience
- Special Advisor, Managing Director's Office of Monetary Authority of Singapore (MAS) (From September 2013 to June 2015)
- Deputy Managing Director, Financial Supervision of MAS (From April 2010 to August 2013)
- Deputy Managing Director, Prudential Supervision of MAS (From March 2005 to March 2010)

Awards
- The Public Administration Medal (Gold) (Bar) (2012)
- The Public Administration Medal (Gold) (2006)
- The Public Administration Medal (Silver) (1999)

BOARD OF DIRECTORS

TONY TAN TEE HIEONG, 57
Chief Executive Officer
Executive Non-Independent Director

- Bachelor of Accountancy, National University of Singapore
- Master of Business Administration (Distinction), University of Manchester, UK

Date of first appointment as a Director
1 May 2017

Length of service as a Director (as at 31 December 2023)
6 years 8 months

Board committee served on
- Executive Committee (Member)

Present principal commitment
- CapitaLand Integrated Commercial Trust Management Limited (CEO and Executive Director)

Background and working experience
- Senior Vice President, CEO's Office of CapitaLand Mall Asia Limited (From 1 April 2017 to 30 April 2017)
- CEO of CapitaLand Retail China Trust Management Limited (From July 2010 to March 2017)
- Deputy CEO of CapitaRetail China Trust Management Limited (From April 2010 to June 2010)
- Head, Finance of CapitaRetail China Trust Management Limited (From September 2007 to June 2010)
- Asia Pacific Treasurer of IKEA (From August 1998 to September 2007)
- Treasury Accountant of Wearnes International (From May 1995 to August 1998)
- Money Market Dealer of Credito Italiano Bank (From April 1994 to May 1995)
- Money Market Broker of Harlow Ueda Sassoon (From November 1992 to April 1994)
- Auditor of Ernst & Young (From June 1991 to October 1992)

QUEK BIN HWEE, 66
Non-Executive Independent Director

- Bachelor of Accountancy (Honours), University of Singapore
- Chartered Accountant of Singapore

Date of first appointment as a Director
3 November 2020

Length of service as a Director (as at 31 December 2023)
3 years 2 months

Board committee served on
- Audit and Risk Committee (Chairman)

Present directorship in other listed company
- SIA Engineering Company Limited

Present principal commitments (other than directorship in other listed company)
- Certis Cisco Security Pte. Ltd. (Director and Chairman of Audit Committee)
- Marelli Holdings Co., Ltd. (Director)
- National Heritage Board (Board Member and Chairman of Audit Committee)

Background and working experience
- Vice Chairman of PricewaterhouseCoopers (PwC) Singapore (From 2013 to 2017)
- PwC Asia Leadership Team (From 2012 to 2016)
- Partner of PwC and Price Waterhouse (From 1991 to 2017)
- Board Member and Member of Audit, Investment and Personnel Committees of Maritime and Port Authority of Singapore (From 2015 to 2021)
- Member of Governing Board and Chairman of Audit Committee of Duke-NUS Medical School (From 2013 to 2020)
- President of Singapore Anti-Narcotics Association (From 2013 to 2019)
- Board Member and Member of Audit Committee of Housing & Development Board (From 2002 to 2012)

Awards
- The Public Service Star (BBM) (2017)
- The Public Service Medal (PBM) (2012)

LEO MUN WAI, 57

Non-Executive Independent Director

- Bachelor of Accountancy, National University of Singapore
- Master of Finance, International Finance, RMIT University, Singapore

Date of first appointment as a Director
1 January 2021

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

Board committee served on
- Audit and Risk Committee (Member)

Present principal commitments
- Great Eastern General Insurance Limited (Director, Chairman of Audit Committee, Member of Sustainability Committee and Member of Risk Management Committee)
- The Great Eastern Life Assurance Company Limited (Director, Chairman of Audit Committee, Member of Sustainability Committee and Member of Risk Management Committee)

Background and working experience
- Self-employed consultancy work (From April 2012 to Present)
- Managing Director and Advisor of State Street Bank and Trust Company (From May 2015 to November 2015)
- Senior Partner of Capelle Consulting Pte. Ltd. (From February 2014 to March 2015)
- Monetary Authority of Singapore (MAS) Academy (From April 2012 to January 2014)
- Assistant Managing Director (Capital Markets) of MAS (From April 2010 to March 2012)
- Executive Director (Banking Supervision) of MAS (From October 2005 to March 2010)

JEANN LOW NGIAP JONG, 63

Non-Executive Independent Director

- Bachelor of Accountancy (Honours), University of Singapore
- Fellow of the Institute of Singapore Chartered Accountants

Date of first appointment as a Director
16 August 2021

Length of service as a Director (as at 31 December 2023)
2 year 5 months

Board committee served on
- Audit and Risk Committee (Member)

Present directorships in other listed companies
- Advanced Info Service Public Company Limited
- Aztech Global Ltd
- Hong Leong Finance Limited
- Intouch Holdings Public Company Limited

Present principal commitments (other than directorships in other listed companies)
- Advanced Wireless Network Co., Ltd. (Director)
- Lee Kong Chian School of Medicine, Nanyang Technological University of Singapore (Member of Governing Board)
- Singapore Telecommunications Limited (Senior Advisor)
- Singtel Asian Investments Pte. Ltd. (Director)
- Singtel Strategic Investments Pte. Ltd. (Director)

Other major appointments
- Prison Fellowship Singapore Limited (Director)
- Seventy Times Seven (Board Member)
- The Turning Point (Executive Committee Member)

Background and working experience
- Group Chief Corporate Officer of Singapore Telecommunications Limited (From April 2015 to April 2021)
- Group Chief Financial Officer of Singapore Telecommunications Limited (From September 2008 to April 2015)

Awards
- Best Chief Financial Officer (Singapore & Southeast Asia), Corporate-Institutional Investor Awards (2012)
- Best Chief Financial Officer (Singapore), Asian Excellence Recognition Awards (2012)
- Best Chief Financial Officer, Singapore Corporate Awards (2010)

BOARD OF DIRECTORS

STEPHEN LIM BENG LIN, 65
Non-Executive Independent Director

- Bachelor of Science, Electrical and Electronics Engineering, University of Birmingham, UK
- Master in Business Administration and Management, General, Imperial College London, UK

Date of first appointment as a Director
16 August 2021

Length of service as a Director (as at 31 December 2023)
2 years 5 months

Board committee served on
- Nominating and Remuneration Committee (Member)

Present directorship in other listed company
- PT Diamond Food Indonesia Tbk (Independent Commissioner)

Present principal commitments (other than directorship in other listed company)
- Christian Columbarium Pte Ltd (Chairman)
- ESP Aspire Holding Pte. Ltd. (Director)
- Housing & Development Board (Board Member)
- SQL View Pte Ltd (CEO and Managing Director)

Background and working experience
- CEO and Managing Director of SQL View Pte Ltd (From May 1992 to Present)

Awards
- The Meritorious Service, NTUC May Day Awards (2021)
- Friend of Labour, NTUC May Day Awards (2018)
- Person of the Year, Singapore Computer Society IT Leader Awards (2007)
- Singapore Youth Award (1993)

TAN BOON KHAI, 50
Non-Executive Independent Director

- Bachelor of Laws (Honours), University of Nottingham, UK
- Advocate & Solicitor

Date of first appointment as a Director
25 April 2022

Length of service as a Director (as at 31 December 2023)
1 year 8 months

Board committee served on
- Audit and Risk Committee (Member)

Present principal commitments
- Alexandra Health Fund Limited (Chairman)
- China-Singapore Suzhou Industrial Park Development Group Co., Ltd (Deputy Chairman)
- Jurong Port Pte Ltd (Director)
- JTC Corporation (CEO)
- Singapore-Suzhou Township Development Pte Ltd (Director)
- Vanguard Healthcare Pte. Ltd. (Director)

Background and working experience
- CEO of JTC Corporation (From September 2020 to Present)
- Chief Executive of the Singapore Land Authority (From May 2015 to August 2020)
- Head, Group Procurement of CapitaLand Limited (From January 2015 to April 2015)
- Regional General Manager (Singapore and Malaysia) of The Ascott Limited (From April 2011 to December 2014)

JONATHAN YAP NENG TONG, 56

Non-Executive Non-Independent Director

- Bachelor of Science in Estate Management (Honours), National University of Singapore
- Master of Science in Project Management, National University of Singapore

Date of first appointment as a Director
10 October 2019

Length of service as a Director (as at 31 December 2023)
4 years 2 months

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

Present principal commitment
- CapitaLand Group Pte. Ltd. (CEO, CapitaLand Development and Executive Non-Independent Director)

Other major appointments
- Institute of South Asian Studies, National University of Singapore (Member of Management Board)
- PUB, Singapore's National Water Agency (Director)

Past directorships in other listed companies held over the preceding three years
- Capitaland India Trust Management Pte. Ltd. (trustee-manager of CapitaLand India Trust)
- CapitaLand Malaysia REIT Management Sdn. Bhd. (manager of CapitaLand Malaysia Trust)

Background and working experience
- CEO, CapitaLand Development, CapitaLand Group Pte. Ltd. (From June 2023 to Present)
- CEO, Listed Funds of CapitaLand Investment Limited (From May 2022 to June 2023)
- CEO, Fund Management of CapitaLand Investment Limited (From September 2021 to April 2022)
- President, CapitaLand Financial of CapitaLand Group (From July 2019 to September 2021)
- Group Chief Operating Officer of Ascendas-Singbridge Pte. Ltd. (From July 2018 to June 2019)
- Group Chief Financial Officer of Ascendas-Singbridge Pte. Ltd. (From September 2017 to June 2019)
- Chief Investment Officer and Head of Real Estate Funds of Ascendas-Singbridge Pte. Ltd. (From June 2015 to November 2017)
- Assistant Group Chief Executive Officer for Overseas Funds & India of Ascendas Pte Ltd (From July 2012 to May 2015)
- Head of Real Estate Funds of Ascendas Pte Ltd (From January 2008 to May 2015)
- Executive Director and Chief Executive Officer of Ascendas Property Fund Trustee Pte. Ltd. (From June 2007 to September 2014)

JANINE GUI SIEW KHENG, 44

Non-Executive Non-Independent Director

- Bachelor of Accountancy (Honours), Nanyang Technological University, Singapore
- Member of the Institute of Singapore Chartered Accountants

Date of first appointment as a Director
25 July 2022

Length of service as a Director (as at 31 December 2023)
1 year 5 months

Board committee served on
- Executive Committee (Member)

Present principal commitment
- CapitaLand Investment Limited (Chief M&A Officer (CLI), and Deputy CEO (CLI International))

Background and working experience
- Chief M&A Officer, CapitaLand Investment Limited (From January 2023 to Present)
- Deputy CEO, CLI International, CapitaLand Investment Limited (From March 2023 to Present)
- Managing Director and Head, Group Strategic Investment, CapitaLand Investment Limited (From September 2021 to December 2022)
- Head, Group Strategic Investment, CapitaLand Limited (From April 2019 to August 2021)
- Head, CapitaLand (USA), CapitaLand International Pte. Ltd. (From January 2018 to March 2019)
- Vice President, Business Development & Asset Management (USA), The Ascott Limited (From January 2016 to December 2017)
- Vice President, Corporate Asset Management & Investor Relations, The Ascott Limited (From June 2014 to March 2017)
- Assistant Vice President, Corporate Asset Management, The Ascott Limited (From April 2012 to May 2014)

TRUST MANAGEMENT TEAM

TONY TAN TEE HIEONG
Chief Executive Officer (CEO)

Tony is the CEO since 1 May 2017. 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, ESG aspects of the business.

Tony joined the Singapore REITs sector since 2007 and has accumulated over 12 years of leadership experience serving as CEO of two Singapore REITs consecutively. In addition, he brings with him more than 30 years of experience in international treasury, finance and risk management. Tony's working experience is detailed in the Board of Directors section. Tony holds a Master of Business Administration (Distinction) from the University of Manchester, United Kingdom, and a Bachelor of Accountancy degree from the National University of Singapore.

Mei Lian heads the Finance team which is responsible for financial reporting, accounting, taxation, treasury and capital management functions of CICT. The Finance team also works closely with the Investment and Portfolio Management teams to support the requirements of investment assessments and adopts a proactive capital management strategy to optimise portfolio value.

Mei Lian served in senior finance roles in various entities and has more than 25 years of experience in corporate finance and treasury, with over 20 years in real estate and the Singapore REITs industry. Prior to this appointment, Mei Lian was Senior Vice President, Capital Partnership and Development of CapitaLand Financial and has held leadership positions in Ascendas-Singbridge and Mapletree Group. Mei Lian graduated with a Bachelor of Business Administration degree from the National University of Singapore.

WONG MEI LIAN
Chief Financial Officer

Jacqueline heads the Investment team and is responsible for value creation, including developing and executing CICT's investment and portfolio reconstitution strategy in Singapore and overseas. The Investment team identifies, evaluates, proposes and executes appropriate acquisitions, divestments and other portfolio reconstitution/optimisation initiatives to enhance CICT's portfolio value.

Jacqueline has more than 25 years of experience in real estate, including investment, portfolio and asset management, mergers and acquisitions, development of mixed-use projects and engineering. Prior to joining CICTML, she worked in a public listed company handling mergers, acquisitions, divestments and business valuation. Jacqueline has more than 14 years of experience in the Singapore REIT industry, heading CICTML's Investment team for the last 11 years and concurrently heading the portfolio/asset management team for 9 years. She holds a Master of Business Administration from the University of Sydney, Australia, and a Master of Arts and a Bachelor of Arts (Honours) in Engineering Science from the University of Oxford, United Kingdom.

JACQUELINE LEE
Head,
Investment

Yi Zhuan heads the Portfolio Management team, overseeing both the Singapore and overseas portfolios, and is responsible for portfolio performance and value creation. The team develops and executes portfolio asset strategies, including redevelopments and AEIs, to enhance portfolio value. The team also works closely with asset managers and property managers to optimise asset performance.

Yi Zhuan has more than 15 years of experience in real estate, including development and asset management. He holds a Bachelor of Science in Real Estate (Honours) from the National University of Singapore, and a Bachelor of Science in Banking and Finance (Honours) from the University of London.

LEE YI ZHUAN
Head,
Portfolio Management

Mei Peng heads the IR team, responsible for cultivating relationships and facilitating clear, timely communications and regular engagements with Unitholders and stakeholders, including analysts and investors. Alongside the management, the engagements are through various online and face-to-face channels including conferences, meetings and property visits. The team develops communication collaterals such as news releases, ARs, website and presentations for financial reporting, business updates and corporate actions. The team also manages sustainability reporting, participates in global sustainability benchmark surveys and engages with the ESG investors.

Mei Peng has more than 25 years of experience in investor relations, communications and marketing in the real estate and Singapore REIT industry. Mei Peng graduated with an Honours degree in Japanese Studies from the National University of Singapore.

HO MEI PENG
Head,
Investor Relations (IR)

SINGAPORE

CQ @ CLARKE QUAY - TRANSFORMING INTO A DAY-AND-NIGHT DESTINATION

Transformation

CQ @ Clarke Quay is set to bring visitors an exciting mix of day-and-night offerings with three zones:

- → ***The Riverfront*** (Blocks A and D), featuring riverside dining in an alfresco or heritage shophouse setting
- → ***The Warehouses*** (Block B), offering an exciting blend of retail lifestyle and F&B concepts in a conserved godown setting
- → ***The Circuit*** (Blocks C and E), showcasing high energy concepts, entertainment and F&B establishments

The S$62.0 million AEI for CQ @ Clarke Quay commenced in 3Q 2022 and was carried out in phases. The progressive handover of units to tenants started since mid-October 2023 and all committed tenants will commence trading by mid-2024. The property has achieved 85% committed occupancy as at 31 December 2023.

Before → **After**

▲ Angel canopies with improved Ethylene Tetrafluoroethylene (ETFE) membrane and new omni-directional fans lower environmental temperature

Before → **After**

▲ Restored Block B's façade featuring a mural artwork which takes reference from Clarke Quay's heritage as a Teochew enclave

Before → **After**

▲ The upgraded Read Bridge landing with a new accessibility ramp

Before → **After**

▲ Refreshed drop-off point and taxi stand at CQ @ Clarke Quay

The revitalised riverside lifestyle hub offers an exciting new tenant mix with refreshed concepts such as:

- ***Lifestyle, food & beverage offerings*** FairPrice Finest Clarke Quay with their signature grocer bar, Swee Lee Clarke Quay, BOLD Fitness and a wide of range of food & beverage offerings such as Home Singapore, a duo concept (Home Dawn and Home Dusk), Chapters by Drinks & Co, Nana Thai Royale and Sanchos are sure to delight the palates of the consumers.
- ***Leisure & entertainment options*** While Zouk and The Riverhouse remain a mainstay at CQ @ Clarke Quay, there is a good mix of live music options such as Simply Retro by Tin Box Group and other entertainment choices including K. Star Karaoke and Slingshot.
- ***Pet-friendly amenities*** Pet owners can bring their pets to explore and hang out by the riverfront with many pet-friendly choices at The Riverfront. New pet-friendly amenities such as dedicated hydration bays and pet waste stations will be ready by end of 1Q 2024.

Other green enhancements include:

- ***Improved thermal comfort*** Existing angel canopies were upgraded with top-performing ETFE membrane to reduce solar heat gain by 70% at all the internal streets and optimise daylight conditions. New omni-directional fans were installed, which helped to lower the environmental temperature through evaporative mist cooling with approximate 50% reduction in the energy consumption for these new angel fans.
- ***Improved building efficiency*** Property management systems were enhanced with the upgrading of the building chiller plant, which raised the property's green rating to Green Mark Gold^{PLUS} by Building and Construction Authority in November 2022.

IMM BUILDING - ANCHORING POSITION AS A PREMIER REGIONAL OUTLET DESTINATION

With an estimated project budget of S$48.0 million, IMM building will be undergoing a transformation to anchor its position as a leading regional outlet destination in Singapore. Post AEI, shoppers can expect approximately 110 different outlet concepts in IMM Building.

The AEI will focus on optimising the tenant mix and enhancing shoppers' experience and aims to generate a return on investment of about 8%. There will be a strategic rightsizing of the supermarket's footprint and a reconfiguration of 126,000 sq ft of NLA on the ground floor. The aesthetics of the common areas, as well as mall amenities like restrooms, will be refreshed and upgraded. In line with our sustainability objectives, the rejuvenated IMM Building will also incorporate more energy-efficient equipment.

The mall will remain operational throughout the four-phase AEI starting 1Q 2024, with completion scheduled in 3Q 2025. Including leases under advanced negotiations, around 70% pre-commitment has already been secured for the initial two phases of the upgrading, reflecting robust market interest.

▲ New food zone and refreshed aesthetics of common area

GERMANY

▲ Gallileo is well-located in the Banking District of Frankfurt, Germany

GALLILEO - ENHANCING FOR SUSTAINABILITY

CICT has been proactively refining the asset plan for Gallileo in Frankfurt, Germany, in anticipation of the building's vacancy due to an anchor tenant's lease expiry in end-January 2024. Since February 2024, the property has commenced a three-phase AEI to bolster its relevance, functionality and operational efficiency.

Costing an estimated EUR175 million – EUR215 million, the AEI is set to elevate Gallileo to modern Grade A office standards. The initiative will include significant improvements to the mechanical, electrical and plumbing systems, aimed at achieving a minimum green rating of LEED Gold. A downtime of at least 18 months is expected for the AEI.

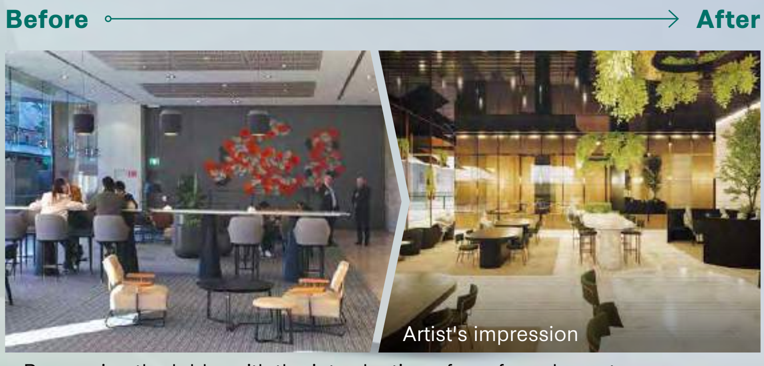
Advanced negotiations are in progress with a prospective tenant from the financial services sector, for most of the building's NLA.

AUSTRALIA

101 MILLER STREET - REVITALISING COMMUNAL SPACES

Upgrading works has started at 101 Miller Street to future-proof this iconic development in the heart of North Sydney. Scheduled to be completed by 2Q 2024, the renovation works of approximately A$9 million will transform the ground-floor lobby into a best-in-class multifunctional communal space, with a concierge desk, café/bar and meeting rooms managed by a coworking and executive space operator, Work Club.

Notably, the upgrades are designed to revitalise the lobby into a vibrant social hub, fostering community interaction and improving tenant retention. Part of the upgrading work will also enhance connectivity to Greenwood Plaza and the broader precinct, thereby improving overall accessibility, user experience and vibrancy of the integrated development.



▲ Revamping the lobby with the introduction of a cafe and event space.

PORTFOLIO VALUATION

Portfolio valuation of S$24.5 billion as at 31 December 2023
Driven by resilient Singapore market, offset by headwinds in overseas markets

An annual independent valuation of CICT's portfolio as at 31 December 2023 was conducted and the methodologies applied included the discounted cashflow method and/or the income capitalisation approach.

The increase in CICT's valuation was underpinned by the Singapore assets' positive performance, largely due to uplift in rents and the improved market conditions, supported by a resilient city-state.

The values for Singapore Retail, Office and Integrated Development properties recorded a gain with unchanged capitalisation rates compared to a year ago. Riding on the positive leasing momentum and active cost management, Singapore properties' operating performance remained steadfast and resilient, boasting an improved portfolio value of 2.0% against that of FY 2022. CQ @ Clarke Quay registered an increase in valuation due to its AEI and expected higher stabilised revenue. Tampines Mall's marked improvement was underpinned by positive rental reversion. Raffles City Singapore benefitted from the robust tourism performance and an expected further recovery lifted the hotel component value YoY.

On the overseas front, the values of the Australia Office properties and the Germany Office properties declined largely due to expansion in capitalisation rates and terminal capitalisation rates respectively. The valuation of the overseas properties considered the geo-political headwinds, challenging economic conditions and the sharp rise in inflation. A further downward impact was due to the exchange rate as the Australian dollar weakened against the Singapore dollar in FY 2023 vis-a-vis that of FY 2022.

PORTFOLIO VALUATION - RETAIL

	Valuation as at 31 Dec 23	Valuation as at 31 Dec 22	Variance		Valuation as at 31 Dec 23
	S$ million	S$ million	S$ million	%	S$ per sq ft NLA
Bedok Mall	**805.0**	786.0	19.0	2.4	3,618
Bugis Junction	**1,130.0**	1,109.0	21.0	1.9	2,871
CQ @ Clarke Quay	**410.0**[i]	359.7	50.3	14.0	1,414
IMM Building	**745.0**	715.0	30.0	4.2	773
Junction 8	**806.0**	801.0	5.0	0.6	3,175[ii]
Lot One Shoppers' Mall	**558.0**	551.0	7.0	1.3	2,865[ii]
Tampines Mall	**1,133.0**[iii]	1,081.0	52.0	4.8	3,180
Westgate	**1,100.0**	1,095.0	5.0	0.5	2,749[ii]
Bugis+	**358.0**	354.0	4.0	1.1	1,854[ii]
Bukit Panjang Plaza	**360.0**	344.0	16.0	4.7	2,715[ii]
Total	**7,405.0**	**7,195.7**	**209.3**	**2.9**	

Notes:
i CQ @ Clarke Quay's valuation was higher due to its AEI and expected higher stabilised revenue.
ii Excludes CSFS area.
iii Tampines Mall's valuation was higher mainly due to higher rents.
Key assumptions largely remain unchanged. Any change in assumptions are mainly attributed to change in valuers.
Figures may not add up due to rounding.

PORTFOLIO VALUATION

PORTFOLIO VALUATION - OFFICE

	Valuation as at 31 Dec 23 S$ million	Valuation as at 31 Dec 22 S$ million	Variance S$ million	Variance %	Valuation as at 31 Dec 23 S$ per sq ft NLA
Asia Square Tower 2	**2,243.0**	2,235.5	7.5	0.3	2,895
CapitaGreen	**1,681.0**[i]	1,663.0	18.0	1.1	2,412
Capital Tower	**1,461.0**	1,450.0	11.0	0.8	1,987
CapitaSky (70.0%)	**884.1**	882.0	2.1	0.2	2,430
Six Battery Road	**1,520.0**	1,509.0	11.0	0.7	3,068
21 Collyer Quay	**649.0**	634.0	15.0	2.4	3,047
Singapore Office	**8,438.1**	**8,373.5**	**64.6**	**0.8**	
Gallileo (94.9%)	**321.5**[ii]	370.2	(48.7)	(13.1)	777
Main Airport Center (94.9%)	**333.6**[iii]	358.1	(24.5)	(6.8)	542
Germany Office	**655.2**	**728.2**	**(73.0)**	**(10.0)**	
66 Goulburn Street	**252.6**[iv]	278.1	(25.5)	(9.2)	1,025
100 Arthur Street	**304.9**[v]	340.4	(35.5)	(10.4)	1,046
Australia Office	**557.5**	**618.4**	**(61.0)**	**(9.9)**	
Total	**9,650.8**	**9,720.1**	**(69.3)**	**(0.7)**	

Notes:
i CapitaGreen's valuation was uplifted due to higher rents.
ii Valuation for Gallileo (94.9% interest) was EUR219.5 million. S$ value was derived from a conversion rate of EUR1 = S$1.465. The drop in valuation was attributable to an increase in terminal yield from 3.15% to 4.60%.
iii Valuation for Main Airport Center (94.9% interest) was EUR227.8 million. S$ value was derived from a conversion rate of EUR1 = S$1.465. The drop in valuation was attributable to an increase in terminal yield from 3.85% to 5.75%.
iv Valuation for 66 Goulburn Street was A$280.0 million. S$ value was derived from a conversion rate of A$1 = S$0.902.
v Valuation for 100 Arthur Street was A$338.0 million. S$ value was derived from a conversion rate of A$1 = S$0.902.
Figures may not add up due to rounding

PORTFOLIO VALUATION - INTEGRATED DEVELOPMENT

	Valuation as at 31 Dec 23 S$ million	Valuation as at 31 Dec 22 S$ million	Variance S$ million	Variance %	Valuation as at 31 Dec 23 S$ per sq ft NLA
CapitaSpring (45.0%)	**918.9**	918.5	0.45	0.05	N.M.[i]
Funan	**814.0**	794.0	20.0	2.5	1,586[ii]
Plaza Singapura[iii]	**1,390.0**	1,349.0	41.0	3.0	2,863
The Atrium@Orchard[iii]	**783.0**	763.0	20.0	2.6	2,139[ii]
Raffles City Singapore	**3,216.0**[iv]	3,120.0	96.0	3.1	N.M.[i]
Singapore Integrated Development	**7,121.9**	**6,944.5**	**177.5**	**2.6**	
101-103 Miller Street and Greenwood Plaza (50.0%)	**326.1**[v]	359.3	(33.2)	(9.2)	1,306
Australia Integrated Development	**326.1**	**359.3**	**(33.2)**	**(9.2)**	
Total	**7,448.0**	**7,303.8**	**144.3**	**2.0**	

Notes:
i Not meaningful as both Raffles City Singapore and CapitaSpring comprise retail and office components, hotels and convention center/serviced residence.
ii Excludes CSFS area.
iii Plaza Singapura and The Atrium@Orchard are classified as an integrated development.
iv Raffles City Singapore's valuation was uplifted due to improved rents and occupancy; and hotel component due to a resilient tourism sector.
v Valuation for 101-103 Miller Street & Greenwood Plaza (50.0% interest) was A$361.5 million. S$ value was derived from a conversion rate of A$1 = S$0.902.
Figures may not add up due to rounding.

In 2023, independent valuation of the Singapore properties were conducted by CBRE Pte. Ltd. (CBRE), Colliers International Consultancy & Valuation (Singapore) Pte Ltd (Colliers), Cushman & Wakefield VHS Pte. Ltd. (Cushman), Jones Lang LaSalle Property Consultants Pte Ltd (JLL), Knight Frank Pte Ltd (Knight Frank), and Savills Valuation and Professional Services (S) Pte Ltd (Savills). For Germany properties, by CBRE GmbH and for Australia properties, by Jones Lang LaSalle Advisory Pty Limited (JLL ADV).

	Valuer as at 31 Dec 23	Valuer as at 31 Dec 22	Cap Rate as at 31 Dec 23 %	Cap Rate as at 31 Dec 22 %
Retail				
Bedok Mall	**CBRE**	Knight Frank	**4.60**	4.60
Bugis Junction	**Savills**	Savills	**4.75**	4.75
CQ @ Clarke Quay	**Cushman**	Cushman	**4.85**	4.85
IMM Building	**Knight Frank**	JLL	**Retail: 6.20** **Warehouse: 7.00**	Retail: 6.20 Warehouse: 7.00
Junction 8	**Savills**	Savills	**4.75**	4.75
Lot One Shoppers' Mall	**Colliers**	Colliers	**4.70**	4.70
Tampines Mall	**CBRE**	Knight Frank	**4.70**	4.70
Westgate	**Cushman**	Cushman	**4.50**	4.50
Bugis+	**Savills**	Savills	**5.10**	5.10
Bukit Panjang Plaza	**Colliers**	Colliers	**4.80**	4.80
Office				
Asia Square Tower 2	**Knight Frank**	Cushman	**3.40**	3.40
CapitaGreen	**CBRE**	CBRE	**3.75**	3.75
Capital Tower	**Cushman**	JLL	**3.50**	3.50
CapitaSky (70.0%)	**JLL**	JLL	**3.60**	3.60
Six Battery Road	**Colliers**	Colliers	**3.40**	3.40
21 Collyer Quay	**CBRE**	CBRE	**3.45**	3.45
Gallileo, Germany (94.9%)	**CBRE GmbH**	KF[i]	**4.60**[ii]	3.15[ii]
Main Airport Center, Germany (94.9%)	**CBRE GmbH**	KF[i]	**5.75**[ii]	3.85[ii]
66 Goulburn Street, Australia	**JLL ADV**	JLL ADV	**6.25**	5.38
100 Arthur Street, Australia	**JLL ADV**	JLL ADV	**6.00**	5.50
Integrated Development				
CapitaSpring (45.0%)	**Savills**	CBRE	**Office: 3.75** **SR: 3.75**	Office: 3.75 SR: 3.75
Funan	**Savills**	Savills	**Retail: 4.85** **Office: 3.70**	Retail: 4.85 Office: 3.70
Plaza Singapura	**Knight Frank**	Knight Frank	**Retail: 4.40**	Retail: 4.40
The Atrium@Orchard	**Knight Frank**	Knight Frank	**Retail: 4.65** **Office: 3.55**	Retail: 4.65 Office: 3.55
Raffles City Singapore	**Knight Frank**	Savills	**Retail: 4.70** **Office: 3.80** **Hotel: 4.75**	Retail: 4.70 Office: 3.80 Hotel: 4.75
101-103 Miller Street and Greenwood Plaza, Australia (50.0%)	**JLL ADV**	JLL ADV	**Retail: 6.50** **Office: 5.50**	Retail: 5.75 Office: 5.13

Notes:
i Knight Frank Valuation & Advisory GmbH & Co. KG.
ii Refers to exit capitalisation rate at the end of discounted cashflow period.

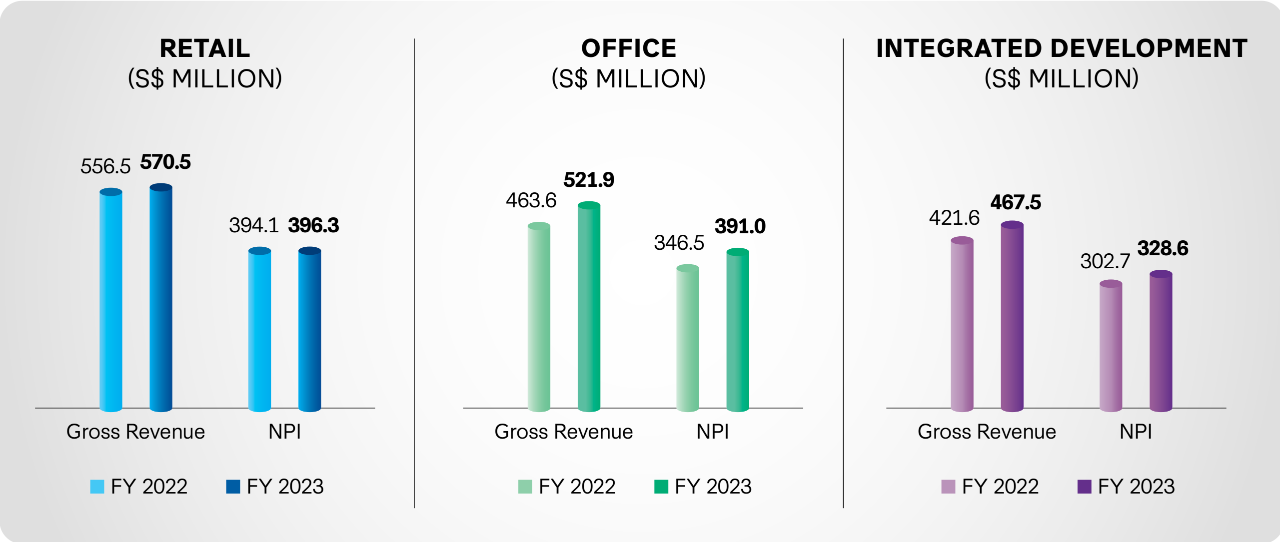
FINANCIAL REVIEW

Gross revenue for FY 2023 was S$1,559.9 million, an increase of S$118.2 million or 8.2% from FY 2022. The increase was mainly due to the contribution from the enlarged portfolio following the acquisitions of 66 Goulburn Street, 100 Arthur Street, 50.0% interest in 101-103 Miller Street and Greenwood Plaza in Sydney, Australia and 70.0% interest in CapitaSky, as well as higher rental and occupancy rates achieved.

NPI for FY 2023 was S$1,115.9 million, an increase of S$72.6 million or 7.0% from FY 2022 mainly due to higher contribution from the completed acquisitions and better performance from existing properties.

Property	Gross Revenue (S$' million)	
	FY 2022	**FY 2023**
Retail		
Bedok Mall	54.1	**55.7**
Bugis Junction	77.5	**81.2**
CQ @ Clarke Quay	20.9	**20.6**
IMM Building	90.6	**94.0**
Junction 8	57.7	**59.4**
Lot One Shoppers' Mall	44.1	**45.2**
Tampines Mall	79.0	**80.7**
Westgate	71.6	**72.6**
Other assets[i]	61.0	**61.1**
Subtotal	556.5	**570.5**
Office		
Asia Square Tower 2	101.3	**104.5**
CapitaGreen	86.3	**91.3**
Capital Tower	65.2	**74.0**
CapitaSky[ii]	45.3	**69.6**
Six Battery Road	54.5	**66.0**
21 Collyer Quay	32.3	**30.3**
Gallileo[iii]	27.4	**28.3**
Main Airport Center[iii]	26.8	**27.5**
66 Goulburn Street	12.6	**15.0**
100 Arthur Street	11.9	**15.4**
Subtotal	463.6	**521.9**
Integrated Development		
Funan	62.7	**62.4**
Plaza Singapura	87.4	**90.7**
The Atrium@Orchard	47.3	**49.7**
Raffles City Singapore	211.6	**238.6**
101-103 Miller Street and Greenwood Plaza (50.0% interest)	12.6	**26.1**
Subtotal	421.6	**467.5**
Total	1,441.7	**1,559.9**

i Bukit Panjang Plaza, Bugis+ and JCube are classified under Other Assets. JCube was divested on 10 March 2022.
ii CICT owns 70.0% interest in CapitaSky. The reported figure is on 100.0% basis.
iii CICT owns 94.9% interest in Gallileo and Main Airport Center. The reported figure is on 100.0% basis.



CICT's interest in joint ventures' gross revenue is shown below for information:

Property	Gross Revenue (S$' million)	
	FY 2022	FY 2023
CapitaSpring (45.0% interest)[i]	48.2	**57.2**

i CapitaSpring is held through CICT Group's 45.0% interest in Glory Office Trust and Glory SR Trust.

DISTRIBUTIONS

Distribution for FY 2023 was S$715.7 million, an increase of S$13.3 million or 1.9% compared to FY 2022. The increase was mainly attributable to higher contribution from the enlarged portfolio following the acquisitions completed in FY 2022 and better performance from existing properties. For FY 2023, CICT had retained distribution income of S$9.5 million and S$3.2 million received from CapitaLand China Trust and Sentral REIT respectively for general corporate and working capital purposes.

Breakdown of the Unitholders' DPU in cents for FY 2023 as compared to FY 2022 are as follows:

2023	1 January to 30 June	1 July to 31 December	1 January to 31 December
DPU (cents)	5.30	5.45	10.75

2022	1 January to 30 June	1 July to 31 December	1 January to 31 December
DPU (cents)	5.22	5.36	10.58

ASSETS

As at 31 December 2023, the total assets for the Group were S$24.7 billion, unchanged from 31 December 2022.

CAPITAL MANAGEMENT

KEY FINANCIAL INDICATORS

	As at 31 December 2022	As at 31 December 2023
% of Total Assets that are Unencumbered (%)	93.5	**93.7**
Aggregate Leverage[i] (%)	40.4	**39.9**
Interest Coverage Ratio (ICR)[ii] (times)	3.7	**3.1**
Average Term to Maturity (years)	3.9	**3.9**
Average Cost of Debt[iii] (%)	2.7	**3.4**
CICT's Issuer Rating[iv]	'A3' by Moody's 'A-' by S&P	**'A3' by Moody's 'A-' by S&P**

i In accordance with Property Funds Appendix of the Code on Collective Investment Schemes (CIS code), the computation of aggregate leverage ratio includes CICT's proportionate share of borrowings and deposited property values in joint ventures. As at 31 December 2023 and 31 December 2022, the total borrowings of CICT Group including its proportionate share of joint ventures' borrowings is S$9.9 billion and S$10.0 billion respectively. The ratio of total gross borrowings to total net assets is 69.1% and 70.1% as at 31 December 2023 and 31 December 2022 respectively.
ii ICR is defined as the ratio of earnings of CICT Group, before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, foreign exchange translation, non-operational gain/loss as well as share of results of joint ventures) and distribution income from joint ventures, over interest expense and borrowing-related costs, on a trailing 12-month basis. As CICT Group did not issue any hybrid securities, the adjusted ICR is the same as ICR.
iii Ratio of interest expense over weighted average borrowings.
iv Moody's Investors Service has affirmed the "A3" issuer rating with a stable outlook on 26 June 2023.

CAPITAL MANAGEMENT

CICT adopts a prudent capital management strategy, with a focus on diversifying its funding sources, including sustainable financing and extending its debt maturity profile. During FY 2023, CICT secured S$2.2 billion in sustainability-linked and green loan facilities as well as green bond issuances.

CICT through CMT MTN Pte. Ltd. issued a total of S$532.7 million of green bonds in 2023. On 15 March 2023, HK$755.0 million 4.85% 10-year fixed rate bonds due 15 March 2033 was issued. The proceeds were swapped into Singapore dollars equivalent of S$132.7 million at a Singapore dollar fixed interest rate of 4.026% per annum. Another S$400.0 million 3.938% 7-year fixed rate bonds due 19 June 2030 was issued on 19 June 2023. Both bonds are unsecured.

The proceeds from the two green bonds have been fully utilised to refinance eligible Green Buildings under CICT Green Finance Framework. More information can be found on https://www.cict.com.sg/green-finance.html.

The total outstanding sustainability-linked/green loan facilities and green bonds was S$4.2 billion as of 31 December 2023, accounting for 41.8% of its total borrowings, including joint ventures' borrowings.

CICT Group holds derivative financial instruments to hedge its currency and interest rate risk exposures. The fair value derivative for FY 2023, which was included in the financial statements as financial derivative assets and financial derivative liabilities were S$16.0 million and S$137.1 million respectively. These net financial derivative liabilities of S$121.1 million represented 0.8% of the net assets of CICT Group as at 31 December 2023.

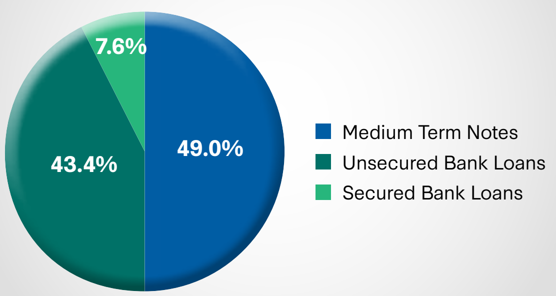
The total borrowings of CICT Group[i] as at 31 December 2023 are as follows:

TOTAL BORROWINGS OF CICT GROUP[i]

	S$ million	%
Medium term notes[ii]	4,603.8	49.0
Bank loans[iii]	4,075.4	43.4
Total unsecured borrowings at CICT Group	**8,679.2**	**92.4**
Secured bank loans[iii]	711.3	7.6
Total borrowings at CICT Group	**9,390.5**	**100.0**

i Excludes CICT Group's 45.0% interest in Glory Office Trust and Glory SR Trust.
ii In respect of the foreign currency denominated notes which have been swapped into Singapore dollars, the outstanding amounts reflect the nominal amounts of the swapped contracts based on their respective swap rates.
iii Includes fixed rate foreign currency bank loans.

FUNDING SOURCES[i]
(as at 31 December 2023)



i Excludes share of joint ventures' borrowings.

Proforma impact assuming +1.0% p.a. increase in interest rate	
Estimated additional annual Interest expense[i]	+S$21.51 million
Estimated DPU[ii]	-0.32 cents

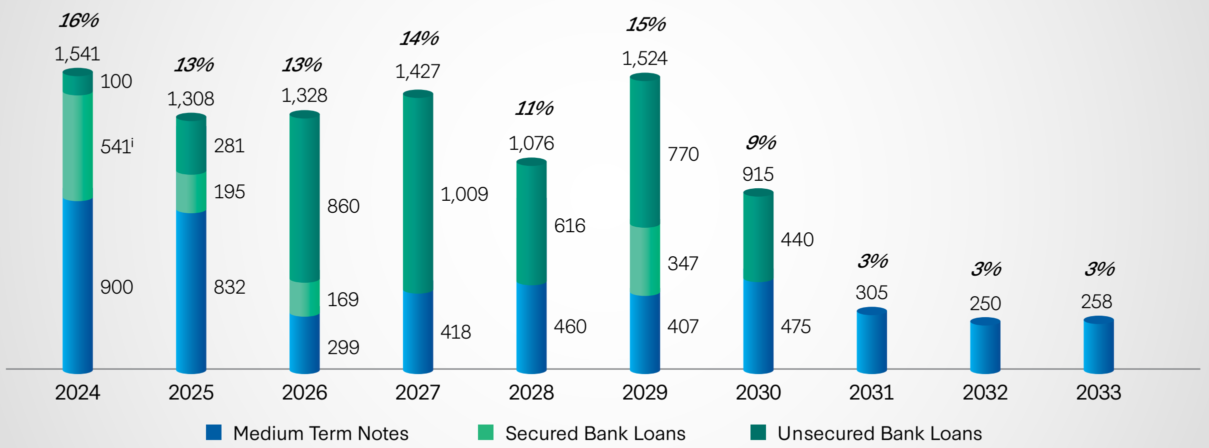
i Computed on full year basis on floating rate borrowings of CICT Group (excluding proportionate share of joint ventures' borrowings) as at 31 December 2023.
ii Based on the number of units in issue as at 31 December 2023.

In summary, as at 31 December 2023, CICT Group's aggregate leverage was 39.9%. Average cost of debt was at 3.4% as at 31 December 2023 compared to 2.7% as at 31 December 2022 mainly due to higher benchmark interest rates. 78% of CICT Group's borrowings have been hedged in fixed rates to mitigate the exposure to interest rate movements.

As at 31 December 2023, about 10.6% or S$999.6 million of CICT Group's borrowings (excluding interest in joint ventures) will mature in 2024. CICT has sufficient bank facilities and internal resources to repay the borrowings due in 2024. The Manager will continue to adopt a rigorous and focused approach to capital management.

The Manager is also committed to diversifying funding sources and will continue to review its debt profile to reduce refinancing risk.

DEBT MATURITY PROFILE AS AT 31 DECEMBER 2023



i Refers to the proportionate share of borrowings (on look through basis) based on CICT Group's 45.0% interest in Glory Office Trust and Glory SR Trust.

CICT'S INTEREST IN JOINT VENTURES

CICT Group has a 45.0% interest in CapitaSpring held through Glory Office Trust and Glory SR Trust. As at 31 December 2023, the bank borrowings amounted to S$1,203.0 million. CICT Group's 45.0% share thereof was S$541.4 million.

CASHFLOWS AND LIQUIDITY

CICT Group takes a proactive role in monitoring its cash flow position and requirements to ensure sufficient liquidity and adequate funding is available for distribution to the Unitholders as well as to meet any short-term obligations.

As at 31 December 2023, the value of cash and cash equivalents of CICT Group stood at S$140.7 million, a decrease of S$107.7 million compared with S$248.4 million as at 31 December 2022 mainly due to paring down of debts.

FOREIGN EXCHANGE RISK MANAGEMENT

CICT Group manages foreign exchange risks through natural and forward hedges. For CICT Group's Germany and Australia properties, Euro and Australian dollar denominated borrowings were obtained as a hedge for CICT's net investment value. In addition, any anticipated net dividends from the overseas properties were hedged with forward foreign exchange contracts.

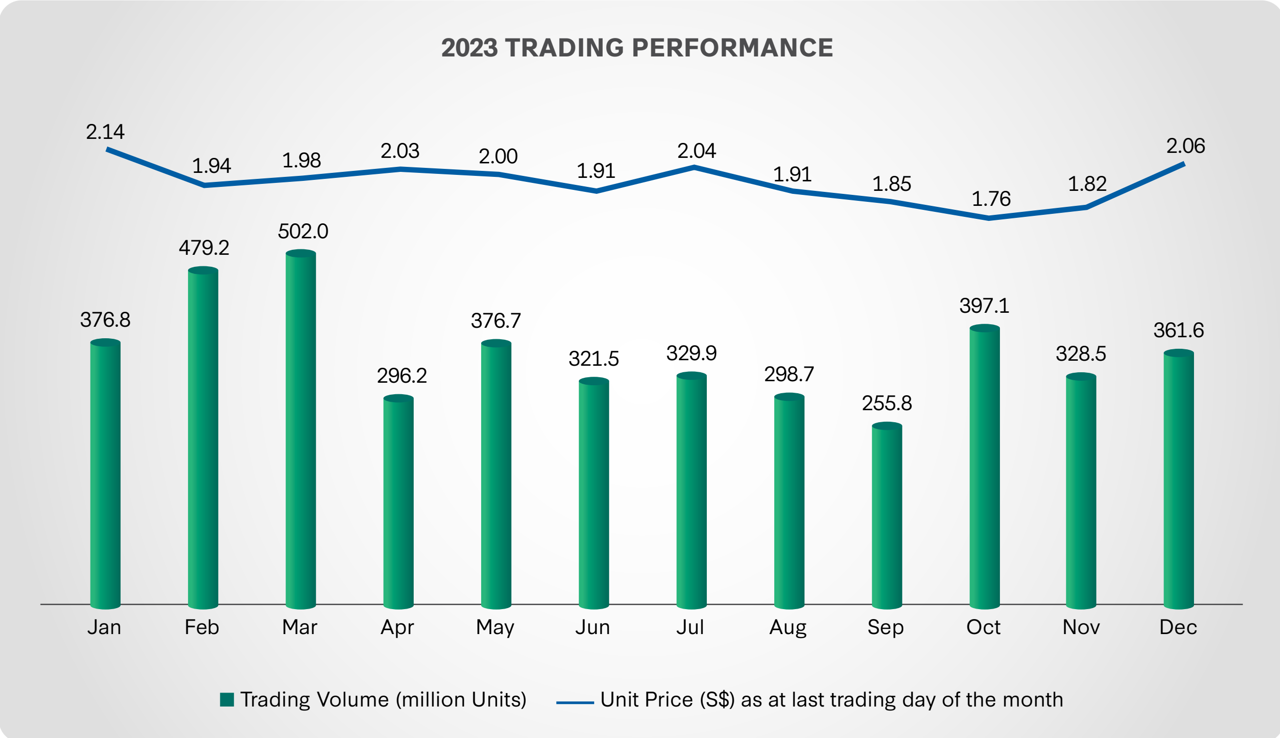
ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the *Statement of Recommended Accounting Practice 7 Reporting Framework for Investment Funds (RAP 7)* issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore and the provisions of the Trust Deed. RAP 7 requires that the accounting policies adopted generally comply with the principles relating to recognition and measurement of the Singapore Financial Reporting Standards.

TRADING PERFORMANCE

TRADING AND YIELD PERFORMANCE

The headwinds from rising interest rates and geopolitical uncertainties affected market performance in 2023. CICT's Units traded in the unit price range of S$1.69 to S$2.15 in 2023, and a total trading volume of 4.3 billion Units. This translated to an average daily trading volume of approximately 17.4 million Units.



TOTAL UNITHOLDER RETURN

Total Unitholder Return	1-year (from 1 Jan 2023 to 31 Dec 2023)	3-year (from 1 Jan 2021 to 31 Dec 2023)	5-year (from 1 Jan 2019 to 31 Dec 2023)
Closing unit price on the last trading day prior to the commencement of the period (S$)	2.04	2.16	2.26
Capital appreciation/(depreciation) (%)	1.0	(4.6)	(8.8)
Distribution yield[i] (%)	5.3	14.7	23.2
Total return as at 31 December 2023[ii] (%)	6.3	10.1	14.3
Total return (assuming dividends reinvested)[iii] (%)	6.3	9.1	14.9
Total Returns on Indices			
Straits Times Index	4.7	28.7	28.4
FTSE ST Real Estate Index	0.8	4.1	18.7
FTSE ST REIT Index	6.4	1.2	24.0

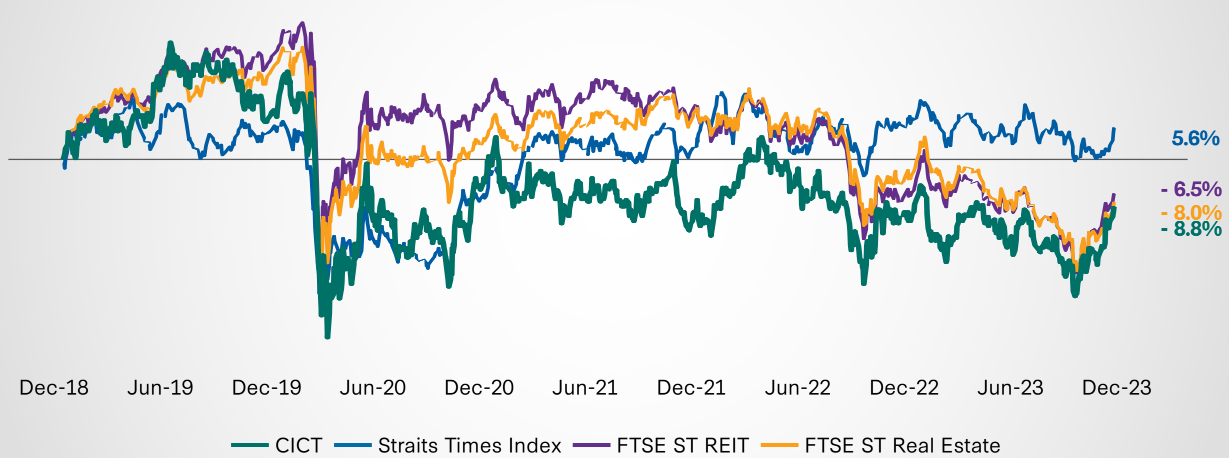
i Distribution yield is the ratio of the sum of distributions to Unitholders for the financial year(s) to the closing unit price on the last trading day prior to the commencement of the period.
ii Total return is the sum of distributions to Unitholders for the financial year(s) and capital gains (or losses), expressed as a percentage of the initial investment.
iii Based on Bloomberg data as at 31 December 2023.
Numbers may not add up due to rounding.

FIVE-YEAR TRADING PERFORMANCE

	2019	2020	2021	2022	2023
Opening price on first trading day of the year (S$)	2.27	2.44	2.16	2.04	**2.03**
Closing price on last trading day of the year (S$)	2.46	2.16	2.04	2.04	**2.06**
Highest closing price (S$)	2.74	2.62	2.35	2.35	**2.15**
Lowest closing price (S$)	2.26	1.52	1.96	1.74	**1.69**
Market Capitalisation (S$)	9,074.5	13,976.7	13,481.6	13,535.6	**13,714.9**
Trading Volume (million units)	2,543.9	5,141.1	4,607.8	5,656.2	**4,324.1**
Net Asset Value Per Unit[i] (S$)	2.07	2.00	2.06	2.06	**2.07**

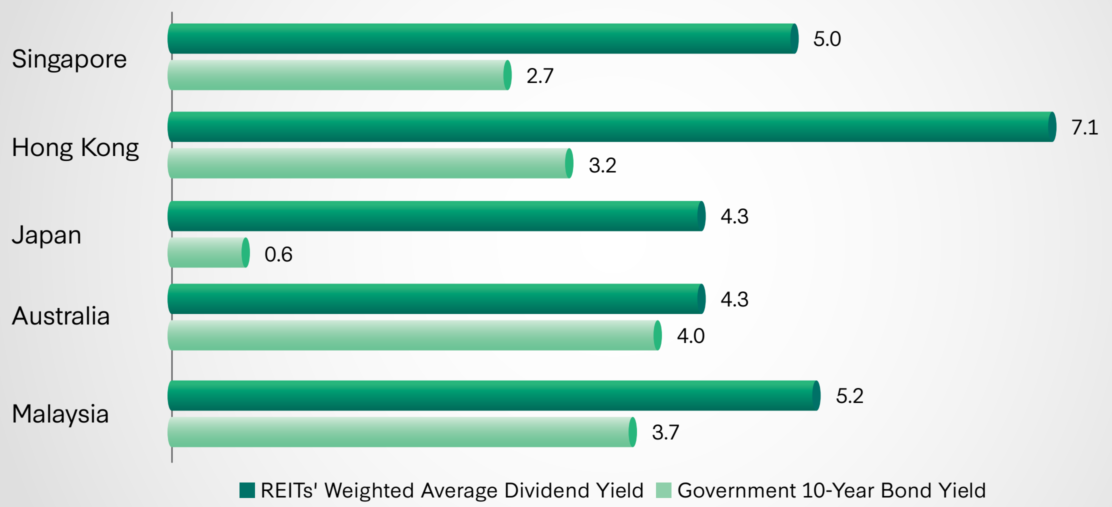
i Excludes the distribution to be paid for the last quarter or last half year (as the case may be) of the respective financial years except for 2020 and 2021 which exclude the distribution for the period from 21 October 2020 to 31 December 2020 and 16 December 2021 to 31 December 2021 respectively.

FIVE-YEAR COMPARATIVE PRICE TRENDS



SINGAPORE REITS OFFER RELATIVELY ATTRACTIVE YIELD SPREADS VERSUS 10-YEAR BOND

(%)



Source: Bloomberg, 31 December 2023

INVESTOR RELATIONS

INVESTOR RELATIONS ACTIVITIES IN 2023

1H 2023

- DBS Pulse of Asia Conference 2023
- FY 2022 Financial Results investor meeting
- Investor Meetings in Hong Kong hosted by HSBC
- Citi Global Property CEO Conference 2023, Florida
- Pre-AGM Unitholder engagement sessions including SIAS-CICT Dialogue Session
- 2023 AGM
- 2023 Extraordinary General Meeting
- 1Q 2023 Business Updates investor meeting
- REITAS-DBS Panel Discussion
- REITs Symposium 2023
- UBS OneASEAN Conference 2023
- Maybank Invest ASEAN 2023

2H 2023

- 1H 2023 Financial Results investor meeting
- Citi ASEAN Financial and Real Estate Investment Forum 2023
- SIAS Connect Webinar
- Investor Meetings in Hong Kong hosted by JPMorgan
- Panel Discussion at HSBC Private Banking event
- UBS Wealth Management Session with CLI REITs
- 3Q 2023 Business Updates investor meeting
- Morgan Stanley Twenty-Second Annual Asia Pacific Summit 2023
- CapitaLand Investment and CLI REITs Corporate Day 2023, Bangkok
- UBS CEO/CFO Global Real Estate Conference 2023, London

CALENDAR OF UPCOMING RESULTS AND UPDATES FOR FY 2024

Subject to changes by the Manager without prior notice

	Indicative Month
First Quarter Business Updates	Apr/May 2024
First Half Results Announcement	Jul /Aug 2024
First Half Distribution to Unitholders	Sep 2024
Third Quarter Business Updates	Oct/Nov 2024
Full Year Results Announcement	Jan/Feb 2025
Final Distribution to Unitholders	Mar 2025

UNITHOLDERS' ENQUIRIES

If you have any enquiries or would like to find out more about CICT, please contact:

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Head, Investor Relations
Direct: +65 6713 3668

Ms Gloria Low
Senior Manager
Group Communications
Direct: +65 6713 3857

Email: ask-us@cict.com.sg
Trading Name: CapLand IntCom T

OPERATIONS REVIEW

CICT PORTFOLIO COMPRISES THREE ASSET TYPES

Retail | **Office** | **Integrated Development**

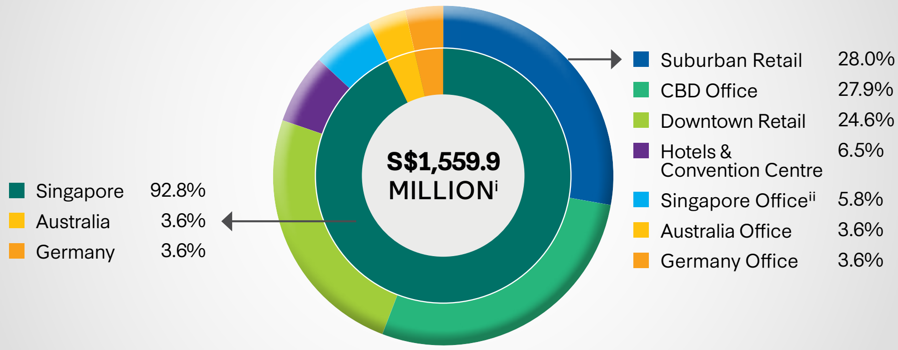
CICT's operations review has been classified into four sections - Portfolio, Retail, Office and Integrated Development. To show the operating metrics and trends of the sectors, the Retail and Office information included the respective retail and office components of integrated developments unless stated otherwise. The Retail section covers the Singapore portfolio. Australia and Germany assets are mainly included in the Office section. All information reported is as at 31 December 2023.

PORTFOLIO

Portfolio: Diversified Revenue Streams

CICT's diversified portfolio across retail, office and integrated developments contributed to gross revenue growth and offered stability across property market cycles. Singapore assets contributed 92.8% to CICT's FY 2023 gross revenue, with the remaining equally contributed by the Germany and Australia portfolios.

CONTRIBUTION TO GROSS REVENUE BY ASSET CLASS

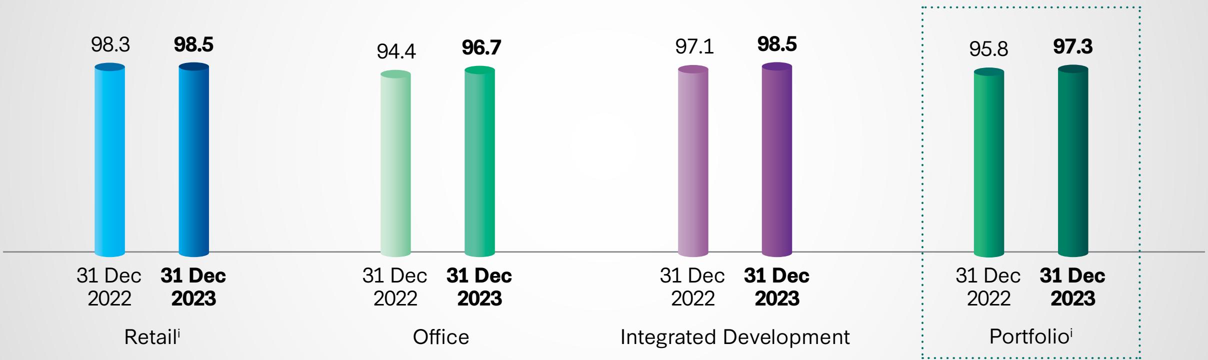


i Based on FY 2023 gross revenue and excludes joint ventures.
ii Comprises office revenue contribution from Funan, Raffles City Singapore and The Atrium@Orchard.

Portfolio: Committed Occupancy

CICT maintained a high committed occupancy for its portfolio and across asset classes as a result of our proactive asset and lease management efforts. As a portfolio, CICT has signed over 1.7 million sq ft of new and renewal leases in 2023 and achieved a tenant retention rate of 82.8% and 86.5% for Singapore retail and office portfolio respectively.

HIGHER PORTFOLIO COMMITTED OCCUPANCY (%)



i Retail and portfolio occupancies exclude CQ @ Clarke Quay as at 31 December 2022 but include CQ @ Clarke Quay as at 31 December 2023 as major AEI works have completed as at 31 December 2023.

Portfolio: Weighted Average Lease Expiry (WALE) and Lease Expiry Profile

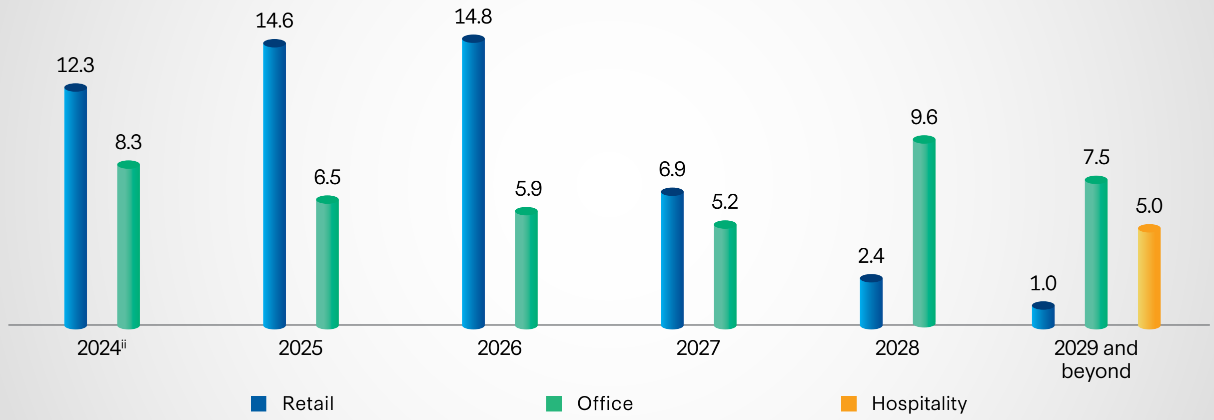
CICT maintained a stable portfolio of well spread lease expiry profile. Less than a quarter of the portfolio's GRI is due for renewal in a year. As at 31 December 2023, CICT's portfolio WALE by committed GRI, excluding gross turnover rent and based on CICT's proportionate interests, dropped to 3.4 years from 3.7 years a year ago due to passing of time.

Retail Portfolio WALE 2.0 years

Office Portfolio WALE 3.4 years

Integrated Development Portfolio WALE 4.9 years

WELL SPREAD PORTFOLIO LEASE EXPIRY PROFILE[i] (%)



i Based on committed GRI as at 31 December 2023 and excludes gross turnover rent.
ii Commerzbank's lease ended in end-January 2024. The Manager is in advanced talks with a prospective tenant from the financial services sector to take up most of the lettable space at Gallileo after the completion of the upgrading works.

Portfolio: Top 10 Tenants

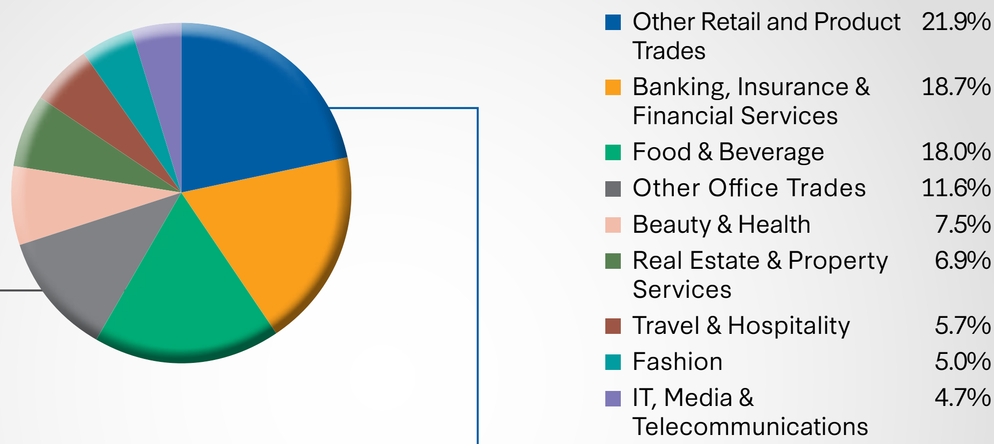
With a diversified trade mix from a total 3,205 tenants in CICT's portfolio, no single tenant contribution is above 5.1%. Collectively, the top 10 tenants accounted for 19.5% of CICT's GRI for December 2023, excluding gross turnover rent and based on CICT's proportionate interests.

Ranking	Top 10 Tenants for December 2023	% of Total GRI	Trade Sector
1	RC Hotel (Pte) Ltd	5.1	Hotel
2	WeWork Singapore Pte. Ltd.	2.4[i]	Real Estate and Property Services
3	Commerzbank A.G.	1.8[ii]	Banking
4	GIC Private Limited	1.8	Financial Services
5	NTUC Enterprise Co-Operative Ltd	1.7	Supermarket / Beauty & Health / Services / Food & Beverage / Education / Warehouse
6	Temasek Holdings	1.7	Financial Services
7	The Work Project Group	1.6	Real Estate and Property Services
8	Cold Storage Singapore (1983) Pte Ltd	1.3	Supermarket / Beauty & Health / Services / Warehouse
9	Breadtalk Group Limited	1.1	Food & Beverage
10	KPMG Services Pte. Ltd.	1.0	Business Consultancy
	Total Top 10 Tenants' Contribution	**19.5**	

i WeWork Singapore Pte Ltd's income contribution comprised the tenant's lease at Funan and 21 Collyer Quay.
ii Based on 94.9% interest in Gallileo, Frankfurt.

Portfolio: Diversified Tenants' Business Trade Mix

TRADE MIX BY COMMITTED GRI AS AT 31 DECEMBER 2023



Other Office Trades	11.6%
Business Consultancy	2.4%
Energy and Commodities	2.1%
Manufacturing and Distribution	2.0%
Government	2.0%
Legal	1.8%
Maritime and Logistics	0.7%
Services	0.6%

Other Retail and Product Trades			21.9%
Gifts & Souvenirs / Toys & Hobbies / Books & Stationery / Sporting goods	2.6%	Shoes & Bags	1.8%
Supermarket	2.5%	Electrical & Electronics	1.6%
Services	2.4%	Department Store	1.4%
IT & Telecommunications	2.3%	Jewellery & Watches	1.2%
Leisure & Entertainment / Music & Video	2.0%	Others	1.2%
Home Furnishing	1.9%	Education	1.0%

Portfolio: Tenure Profile

The portfolio comprises 15.9% of freehold and 84.1% of leasehold properties based on its aggregate GFA for Singapore and Germany properties and NLA for Australia assets. The weighted average unexpired leasehold remaining is 106 years.

Portfolio: Sensitivity Analysis – Impact of Occupancy and Rents

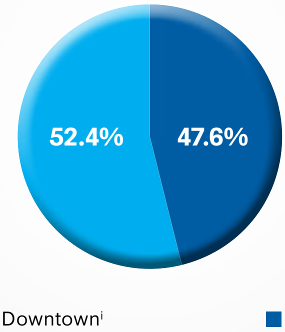
Assuming that the monthly average rental rate is maintained for each month in 2023, it is estimated that a 0.5% increase or decrease in occupancy in each month of 2023 would correspondingly result in a S$6.7 million increase or decrease in rental income for FY 2023.

The impact on rental income for every 10.0% increase or decrease in rental rates for leases committed in 2023 for renewals, rent reviews and vacant units would be a variance of approximately S$10.8 million for FY 2023.

Sensitivity Analysis: Estimated Rental Income Impact Per Annum	S$ million
0.5% Increase in Occupancy	6.7
0.5% Decrease in Occupancy	(6.7)
10.0% Increase in Committed Rental Rates	10.8
10.0% Decrease in Committed Rental Rates	(10.8)

With a leading position in Singapore's private retail space, CICT's retail portfolio NLA of 4.1 million sq ft is well distributed across Singapore's downtown and suburban regions.

SINGAPORE RETAIL: SUBURBAN VS DOWNTOWN PROPORTION
BY NLA AS AT 31 DECEMBER 2023

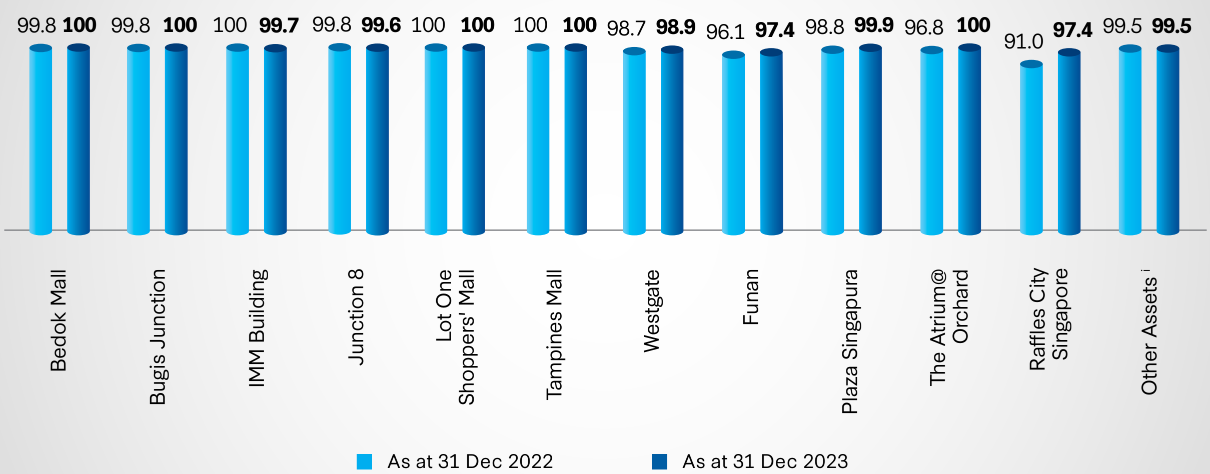


i Comprises Bugis Junction, Bugis+, CQ @ Clarke Quay, Plaza Singapura, and the retail components of Funan, Raffles City Singapore and The Atrium@Orchard.
ii Comprises Bedok Mall, Bukit Panjang Plaza, Junction 8, Lot One Shoppers' Mall, Tampines Mall, Westgate and the retail component of IMM Building.

Retail: Stable and Healthy Retail Occupancy

CICT's retail portfolio maintained a healthy occupancy rate of 98.5% as at 31 December 2023, outperforming the previous year's occupancy rate of 98.3%. The occupancy for CQ @ Clarke Quay was excluded for FY 2022 but included in FY 2023 on the completion of the majority AEI works. Due to our proactive leasing strategy and asset management, the occupancy was above URA's Singapore islandwide retail space occupancy rate of 93.5% for 4Q 2023.

SINGAPORE RETAIL COMMITTED OCCUPANCY (%)



i Other Assets comprises Bugis+ and Bukit Panjang Plaza.

Retail: Positive Rent Reversions

On an average rent basis, incoming rents registered an increase of 8.5% against average outgoing rents as leases were signed with step-ups during the lease term in FY 2023. Average rents for suburban and downtown malls have recovered with a positive rent reversion of 8.3% and 8.8% respectively for FY 2023. Suburban malls remained resilient, supported by hybrid work arrangements adopted by most companies, while downtown malls benefited from the pandemic recovery, with travel resuming and people returning to office. The overall average retail portfolio gross turnover rent was 7.2% for FY 2023, and within the range of 5% and 14% of the respective mall's retail GRI. CICT's retail portfolio achieved a healthy tenant retention rate of 82.8% in FY 2023.

RENEWED AND NEW RETAIL LEASES FOR FY 2023

		NLA			Rent Reversion for FY 2023
Singapore Properties	No. of Renewals / New Leases	Retention Rate (%)	Area (sq ft)	Percentage of Retail Portfolio (%)	Average Incoming Rents vs Average Outgoing Rents
Suburban Malls	357	86.6	469,540	10.9	▲ 8.3
Downtown Malls	256	76.8	301,950	7.0	▲ 8.8
CICT Retail Portfolio	**613**	**82.8**	**771,490**	**17.9**	**▲ 8.5**

Retail: Lease Expiry Profile

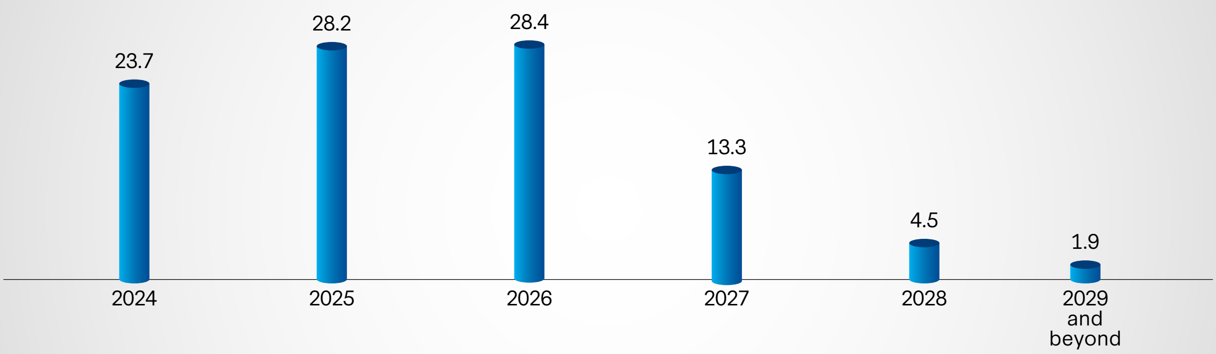
As at 31 December 2023, the retail lease expiry profile remained well spread with 23.7% and 28.2% of the leases by committed GRI due for renewal in 2024 and 2025 respectively. Typical retail lease has a three-year duration. For new retail leases signed and commenced in 2023, including retail components of Integrated Development (Funan, Plaza Singapura, The Atrium@ Orchard and Raffles City Singapore), the WALE was 2.7 years and accounted for 25.3% of the retail portfolio GRI for December 2023.

Retail: Tenant Sales

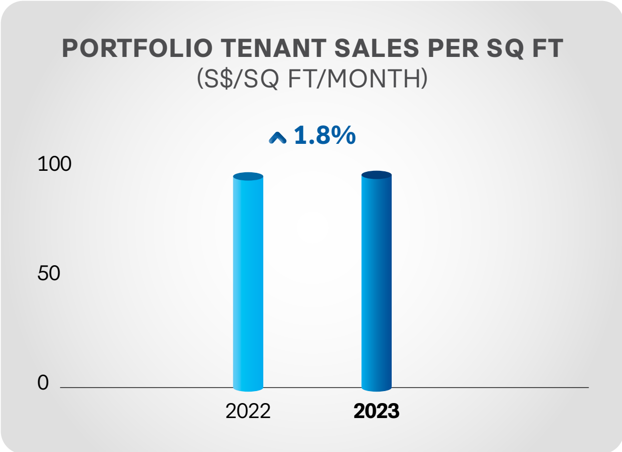
Tenant sales remained resilient as it continued to surpass 2019 levels. On a per sq ft basis, total tenant sales increased 1.8% YoY in FY 2023, driven by a surge in Singapore tourists arrivals and heightened local consumption. The increase in tenant sales moderated in FY 2023 as a result of the high base in 2022, owing to the easing of safe management measures in late April 2022.

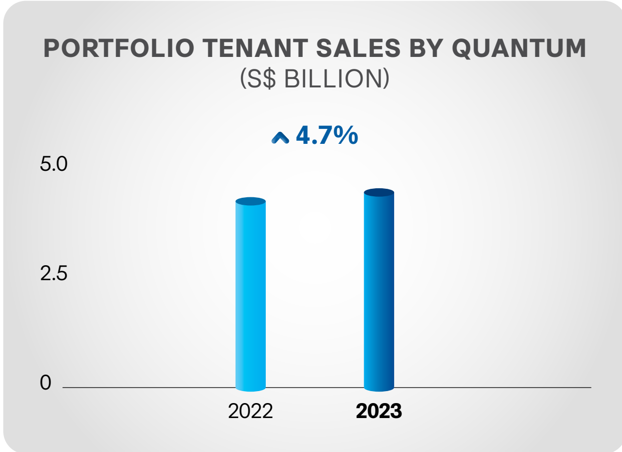
Notably, Singapore tourism activity showed steady recovery in 2023, recording a total of 13.6 million international arrivals. However, the resumption of travel also resulted in more outbound travel by Singaporeans, which has impacted consumer spending in our malls. Nonetheless, CICT registered growth in tenant sales in our retail properties.

SINGAPORE RETAIL LEASE EXPIRY PROFILE[i] (%)
WALE: 2.0 YEARS



i Based on GRI of committed leases excluding gross turnover rent as at 31 December 2023.





FY 2023 TENANT SALES PER SQ FT [i]
(YOY PERFORMANCE)

Suburban Mall **1.9%**

Downtown Mall **2.5%**

i Tenant sales per sq ft adjusted for non-trading days

FY 2023 TENANT SALES BY QUANTUM
(YOY PERFORMANCE)

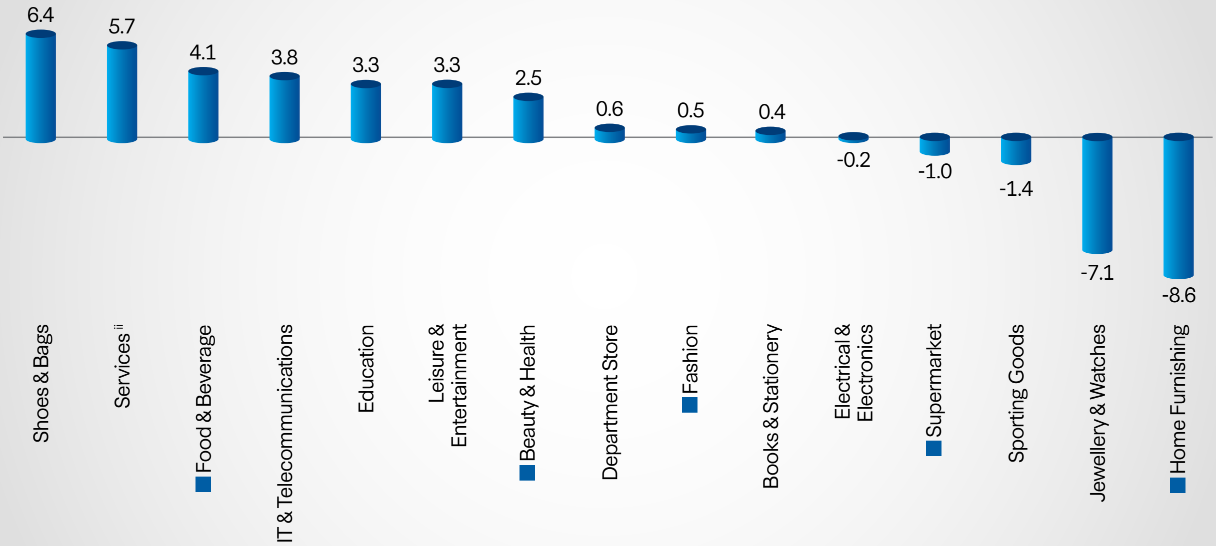
Suburban Mall **1.8%**

Downtown Mall **8.8%**

Retail: Performance of Singapore Tenant Sales by Trade Categories

The top five retail trade categories, collectively accounted for more than 69% of FY 2023 retail GRI (including gross turnover rent), include Food & Beverage (F&B), Beauty & Health, Fashion, Supermarket and Home Furnishing. These top five retail trade categories registered a 1.7% YoY increase in FY 2023 on a combined basis. In line with post-pandemic trends, F&B, Fashion, Beauty & Health trade categories experienced growth, while Electrical & Electronics, Jewellery & Watches, Sporting Goods, Supermarket and Home Furnishing trade categories declined YoY. This shift reflected consumers' preference for dining out and personal grooming over big-ticket items on the back of increasing job market uncertainties, moderating wage growth and the hike in goods and services tax (GST). Notably, trade categories such as 1) Shoes & Bags also performed well during the year, mainly due to expenditures on travel accessories, 2) Services mainly from higher sales from clinics and traditional chinese medicine, 3) Leisure and Entertainment with the recovery of the entertainment sector.

FY 2023 TENANT SALES[i] YOY PERFORMANCE BY TRADE CATEGORIES (%)



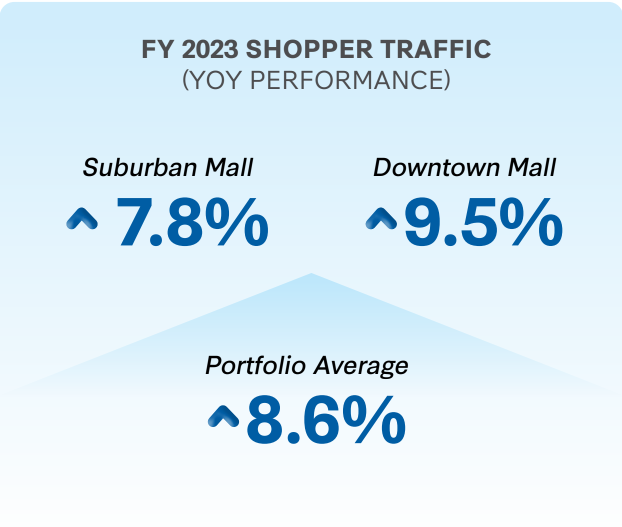
■ **Top five trade categories contributed > 69% of total retail GRI[iii]: ▲1.7% YoY**

i Singapore tenant sales are based on S$ per sq ft per month.
ii Comprises convenience stores, bridal shops, optical shops, film processing shops, florists, magazine stores, pet shops, travel agencies, cobblers/locksmiths, laundromats and clinics.
iii Includes gross turnover rent.

Retail: Resilient Shopper Traffic

Overall Singapore portfolio shopper traffic registered an increase of 8.6% YoY on the back of increased tourist arrivals in Singapore, a refreshed and stronger trade mix in the portfolio, and new marketing initiatives. However, shopper traffic was still below 2019 levels as travel activity gradually recovered in the year.

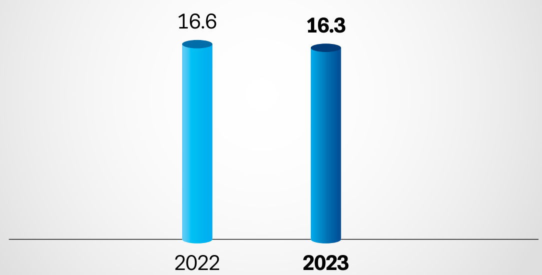
Both suburban and downtown malls registered an upward trend as compared to the previous year, where downtown malls saw a 9.5% increase and suburban malls, a 7.8% increase.



Retail: Healthy Occupancy Cost

Occupancy cost is defined as a ratio of gross rental income (inclusive of service charge, advertising & promotional charge and gross turnover rent) to tenant sales. CICT's occupancy cost for the Singapore retail properties was 16.3% in FY 2023, a decrease from the occupancy cost of 16.6% for FY 2022. The lower occupancy cost is attributed to a rebalancing of some trade categories in the portfolio and improved tenant sales. CICT is actively monitoring and balancing the occupancy cost ratio, given that retailers are operating in a heightened cost environment with inflationary pressures from high manpower and utility costs. Occupancy cost is also dependent on various factors including trade mix, type of tenants in the portfolio and mall positioning.

SINGAPORE RETAIL PORTFOLIO OCCUPANCY COST (%)



CICT's office properties are strategically located in the prime districts of Singapore, Frankfurt, Germany and Sydney, Australia.

Office: Committed Occupancy

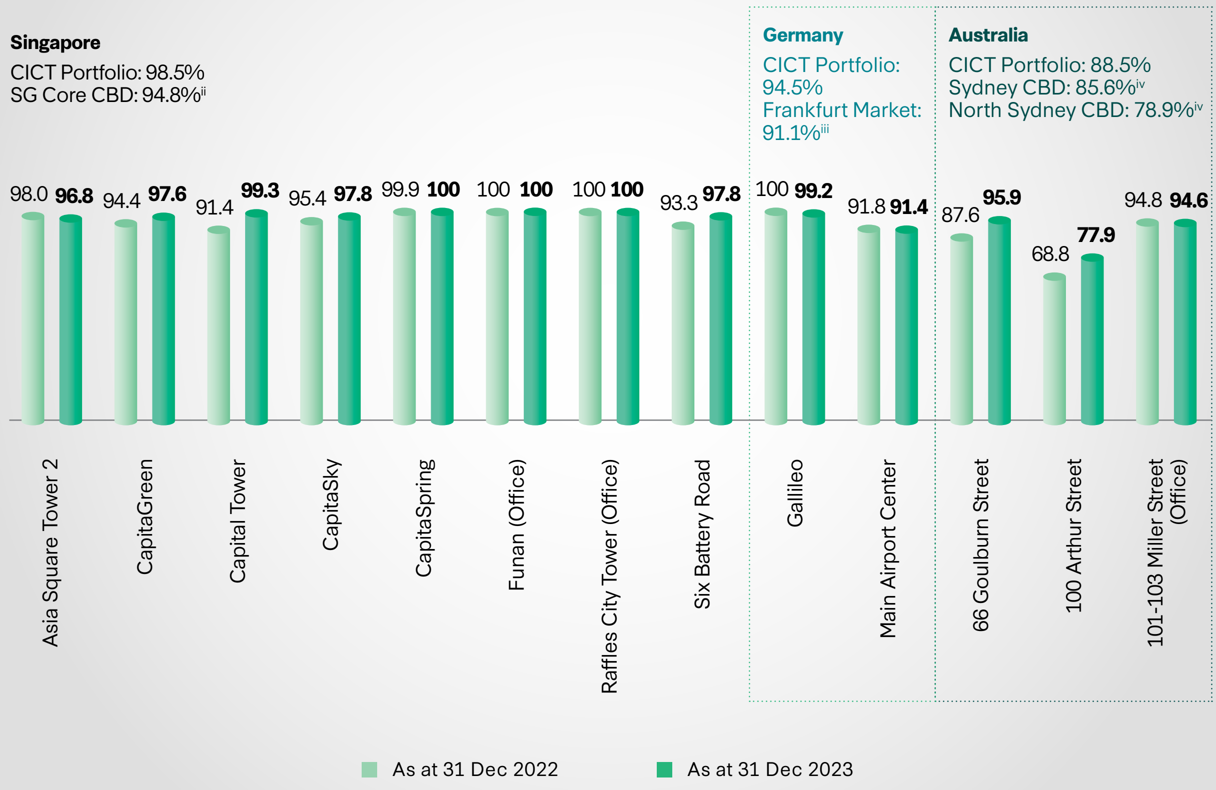
CICT's overall office portfolio committed occupancy improved to 96.7% as at 31 December 2023 compared to 94.4% a year ago. In addition, the occupancy rates of CICT's office portfolio in Singapore, Germany and Australia were above their respective markets' 4Q 2023 occupancies.

Testament to our proactive tenant management and leasing approach, the Singapore office portfolio achieved a committed occupancy rate of 98.5% as at 31 December 2023. This reflects a significant increase from 96.2% as at 31 December 2022. The Germany portfolio occupancy eased to 94.5% from 95.1%, and Australia portfolio registered an improvement to 88.5% from 82.2%.

Active leasing efforts continued across the portfolio. Notably in Germany, CICT is in advanced negotiations with a prospective tenant to take up the majority of the space at Gallileo post AEI works. In Australia, CICT has achieved leasing success at 66 Goulburn Street, with committed occupancy increased to 95.9% as at 31 December 2023 from 87.6% a year ago. With the lease expiry of a major tenant who took up three floors at 100 Arthur Street in early-January 2024, we have successfully backfilled two out of the three floors with Arthur J. Gallagher & Co (Aus) Limited, an insurance brokerage and risk management company. The team is actively re-letting the remaining vacant spaces.

To future-proof the newly acquired office properties in Sydney, CICT is partnering flexible workspace operators, The Work Project Group and Work Club Miller Street to lease and operate the third space at the ground lobby of 101 Miller Street and 100 Arthur Street respectively.

OFFICE COMMITTED OCCUPANCY[i] (%)



i 21 Collyer Quay and The Atrium@Orchard are both at 100% occupancy with committed long-term leases. Hence, these two properties are not shown on the chart.
ii CBRE Singapore office market occupancy as at 4Q 2023.
iii CBRE Frankfurt office market occupancy as at 4Q 2023.
iv JLL Australia office market occupancy as at 4Q 2023.

BUSINESS SECTORS OF NEW LEASES SIGNED IN 2023

New Lease Trade Categories	NLA (sq ft)			% of Total New Leases
	Singapore	Germany	Australia	
Real Estate and Property Services	62,741	-	29,526	21.2%
Financial Services	84,771	-	-	19.5%
IT, Media and Telecommunications	66,305	-	-	15.3%
Insurance	9,871	-	29,568	9.1%
Services	10,831	-	21,984	7.6%
Business Consultancy	31,658	-	-	7.3%
Manufacturing and Distribution	22,384	5,599	-	6.4%
Food and Beverage	23,603	-	-	5.4%
Maritime and Logistics	3,606	-	10,506	3.2%
Legal	11,227	-	-	2.6%
Energy and Commodities	8,700	-	-	2.0%
Travel and Hospitality	-	1,910	-	0.4%
	335,697	**7,509**	**91,584**	**100%**

Office: Healthy Demand for Space

The office occupancy was boosted by strong demand from the return of the office community, flight to quality and expansion by some sectors. Approximately 1.0 million sq ft of new and renewed office leases were signed in FY 2023. Within the Singapore office portfolio, the FY 2023 tenant retention rate was 86.5%, largely due to the renewals of large anchor tenants.

CICT continued to attract new tenants from diverse trade sectors. The three largest sectors of demand were 1) Real Estate and Property Services, 2) Financial Services and 3) IT, Media and Telecommunications trade categories. The WALE of office leases signed and commenced in 2023, including office components of Integrated Development, was 3.8 years. The proportion of revenue attributed to these leases was approximately 9.8% of the office portfolio's committed GRI for December 2023. This includes the proportionate interests in CapitaSpring, CapitaSky, 101 - 103 Miller Street and Greenwood Plaza, as well as Main Airport Center.

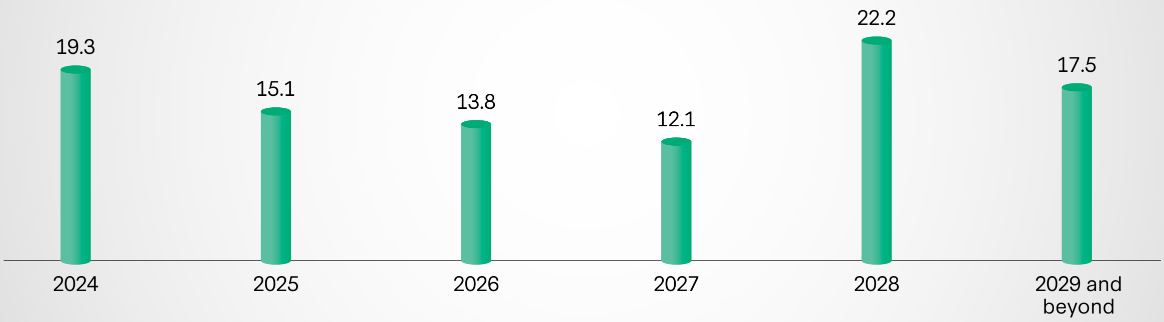
Office: Positive Rent Reversions

Singapore office portfolio achieved a positive rent reversion of 9.0% for FY 2023. The average monthly rent for the Singapore office properties, including Funan and The Atrium@Orchard, registered an uptick at S$10.49 per sq ft versus S$10.24 per sq ft a year ago. The rise was due to the higher signing rents achieved in FY 2023, surpassing market rent growth.

Office: Lease Expiry Profile

CICT proactively manages lease expiries and maintains regular tenant engagement as part of our leasing strategy. This has enabled CICT to achieve forward lease renewals. CICT has started engaging our tenants for leases expiring in 2024 and as at 31 December 2023, more than half of the expiring office leases are under advanced negotiation.

OFFICE LEASE EXPIRY PROFILE[i] (%)
WALE: 3.4 YEARS



i Based on GRI of committed leases as at 31 December 2023.

Office: Expiry Profiles of Key Office Properties as Percentage of Office Portfolio

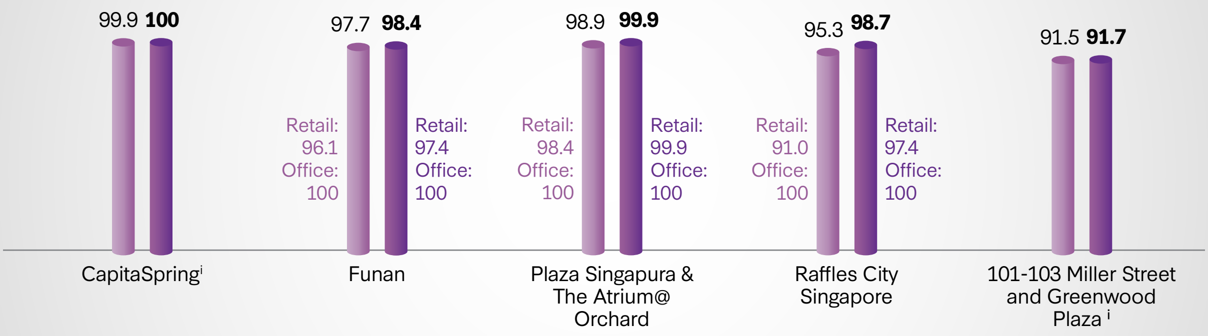
	2024		2025		2026	
	% of Expiring Lease	Monthly Average Expiring Gross Rent (S$ per sq ft/month)	% of Expiring Lease	Monthly Average Expiring Gross Rent (S$ per sq ft/month)	% of Expiring Lease	Monthly Average Expiring Gross Rent (S$ per sq ft/month)
Asia Square Tower 2	3.6	11.00	2.3	12.14	1.4	12.04
Capital Tower	0.6	8.75	0.9	10.38	0.7	9.25
CapitaGreen	3.7	11.31	3.1	11.74	2.3	11.04
Six Battery Road	1.6	11.87	3.5	11.92	2.4	12.20
Average Expiring Gross Rent[i]		**11.08**		**11.86**		**11.48**

i For Grade A buildings with leases due in the year.

Integrated Development: High Committed Occupancy

Our integrated development portfolio maintained a high occupancy rate at 98.5% as at 31 December 2023, based on the blended occupancy rates of the retail and office components. This was an improvement against an occupancy rate of 97.1% as at 31 December 2022.

INTEGRATED DEVELOPMENT COMMITTED OCCUPANCY (%)

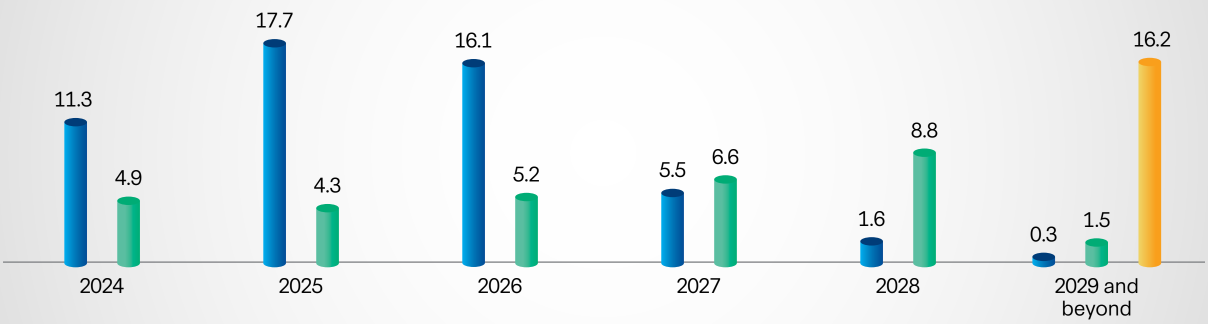


i Committed occupancy includes the office and retail space.

Integrated Development: Lease Expiry Profile

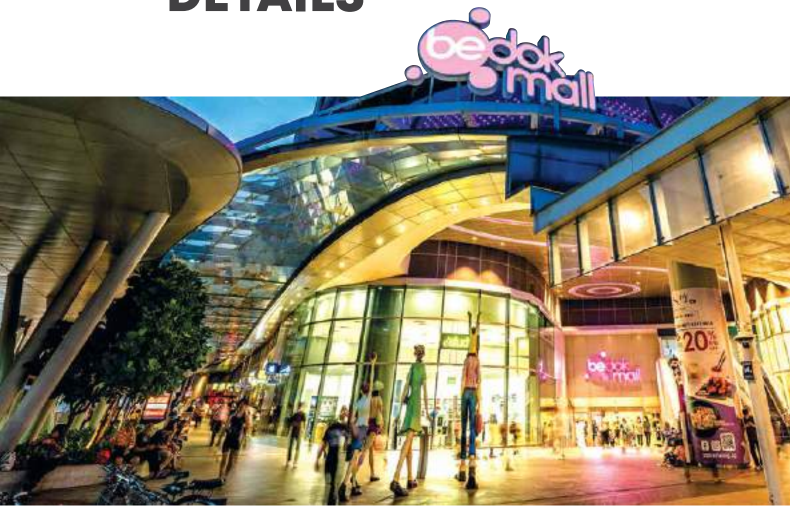
For our integrated development portfolio, the WALE by committed GRI was 4.9 years.

INTEGRATED DEVELOPMENTS LEASE EXPIRY PROFILE[i] (%)
WALE: 4.9 YEARS



i Based on GRI of committed leases excluding gross turnover rent as at 31 December 2023.

PROPERTY DETAILS



BEDOK MALL

Located in one of Singapore's most populous housing estates, Bedok Mall is the first major mall in Bedok. In the heart of the Bedok Town Centre, Bedok Mall is part of a mixed development comprising a retail and residential development integrated with a bus interchange. In addition, it enjoys excellent connectivity with a direct link to Bedok Mass Rapid Transit (MRT) station. Bedok Mall is home to over 200 shops spanning four floors, serving everyday essentials, food & beverage, lifestyle and fashion options.

Property Information

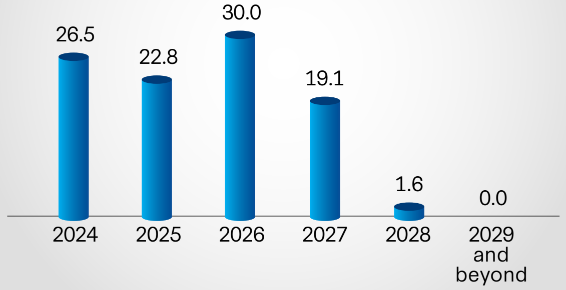
Address	311 New Upper Changi Road
Land Tenure	Leasehold tenure of 99 years with effect from 21 November 2011
Agreed Property Value in 2015	S$780.0 million
Carpark Lots	265
Bicycle Lots	200
Green Ratings	• BCA Universal Design Mark GoldPLUS • BCA Green Mark Platinum

As at 31 December	2022	2023
Valuation (S$ million)	786.0	**805.0**
Gross Floor Area (sq ft)	335,877	**335,877**
Net Lettable Area (sq ft)	222,469	**222,469**
Number of Tenants	193	**199**
Committed Occupancy (%)	99.8	**100**
Annual Shopper Traffic (million)	16.1	**17.7**
Gross Revenue[1] (S$ million)	54.1	**55.7**

Top 5 Tenants[2]

1	NTUC Enterprise Co-Operative Ltd
2	Hanbaobao Pte. Ltd.
3	Paradise Group Holdings Pte. Ltd.
4	Uniqlo (Singapore) Pte. Ltd.
5	Best Denki (Singapore) Pte. Ltd.

LEASE EXPIRY PROFILE[3] (%)



TRADE MIX[3] (%)

1 Gross revenue comprises GRI, car park income and other income for the respective financial year.
2 Based on GRI for the month of December 2023 and excludes gross turnover rent.
3 As at 31 December 2023, based on committed GRI and excludes gross turnover rent.

BUGIS JUNCTION

Bugis Junction is located within Singapore's Civic and Cultural District and directly connected to Bugis MRT station, an interchange for the East-West Line and Downtown Line. Integrated with a hotel and an office tower, Bugis Junction is positioned as a lifestyle destination mall. The mall encompasses exciting dining choices for young adults and professionals. Blending new-and-old-world charm, the mall features Singapore's first and only air-conditioned sky-lit shopping streets flanked by rows of historical shophouses. With an overhead link bridge to Bugis+, shoppers can enjoy a wider range of retail, food & beverage, and entertainment offerings.

As at 31 December	2022	2023
Valuation (S$ million)	1,109.0	**1,130.0**
Gross Floor Area (sq ft)	577,025	**577,025**
Net Lettable Area (sq ft)	393,105	**393,554**
Number of Tenants	231	**233**
Committed Occupancy (%)	99.8	**100**
Annual Shopper Traffic (million)	27.9	**33.2**
Gross Revenue[1] (S$ million)	77.5	**81.2**

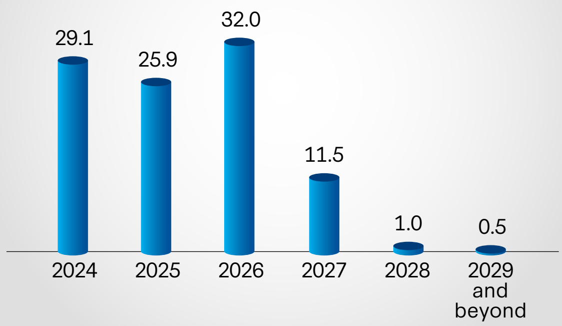
Property Information

Address	200 Victoria Street
Land Tenure	Leasehold tenure of 99 years with effect from 10 September 1990
Purchase Price in 2005	S$605.8 million
Carpark Lots	643
Bicycle Lots	45
Green Rating	BCA Green Mark Platinum

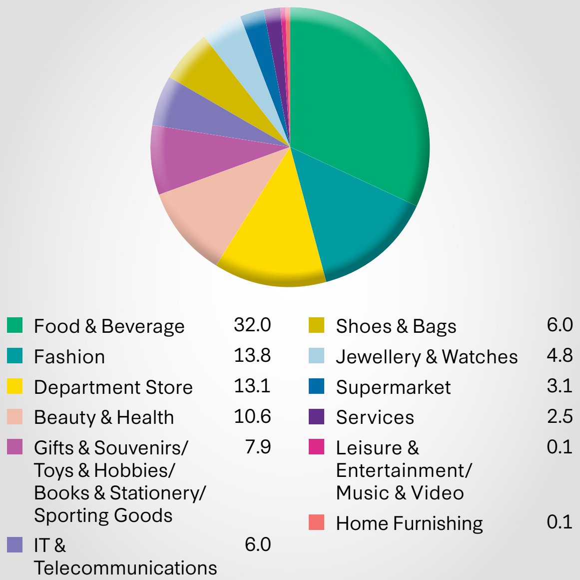
Top 5 Tenants[2]

1	BHG (Singapore) Pte. Ltd.
2	Cold Storage Singapore (1983) Pte Ltd
3	Challenger Technologies Limited
4	Aspial Corporation Limited
5	Japan Foods Holding Ltd.

LEASE EXPIRY PROFILE[3] (%)



TRADE MIX[3] (%)



1 Gross revenue comprises GRI, car park income and other income for the respective financial year.
2 Based on GRI for the month of December 2023 and excludes gross turnover rent.
3 As at 31 December 2023, based on committed GRI and excludes gross turnover rent.

PROPERTY DETAILS

CQ @ CLARKE QUAY

CQ @ Clarke Quay is an iconic conserved historical landmark located along the Singapore River and at the fringe of Singapore's CBD. Conveniently located within walking distance of Clarke Quay MRT station and Fort Canning MRT station, the development comprises five blocks of restored shophouses and waterfront godowns. CQ @ Clarke Quay is a popular destination for locals and tourists, offering lifestyle and dining experiences. The property is in the final stage of the phased asset enhancement works. More information can be found under Value Creation in this AR.

Property Information

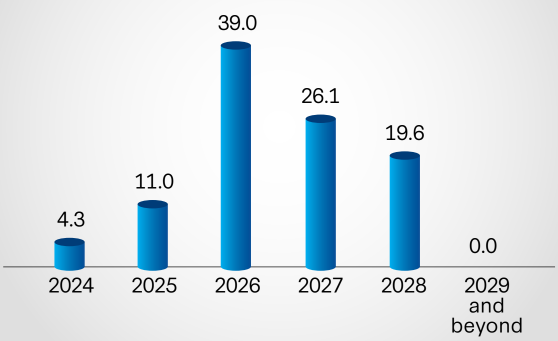
Address	3A/B/C/D/E River Valley Road
Land Tenure	Leasehold tenure of 99 years with effect from 13 January 1990
Purchase Price in 2010	S$268.0 million
Carpark Lots	420
Bicycle Lots	19
Green Rating	BCA Green Mark Gold^{PLUS}

As at 31 December	2022	2023
Valuation (S$ million)	359.7	**410.0**
Gross Floor Area (sq ft)	366,600	**366,600**
Net Lettable Area (sq ft)	290,245	**289,875**
Number of Tenants	43	**42**
Committed Occupancy (%)	77.2	**85.1**
Annual Shopper Traffic (million)	7.1	**3.8**
Gross Revenue[1] (S$ million)	20.9	**20.6**

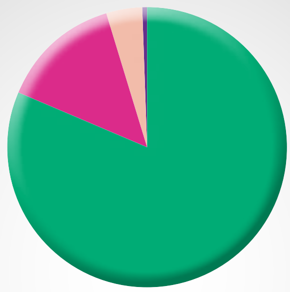
Top 5 Tenants[2]

1	Zouk Clarke Quay Pte. Ltd.
2	Huone Singapore Pte. Ltd.
3	Katrina Holdings Pte Ltd
4	Singapore Hai Di Lao Dining Pte. Ltd.
5	Owling Enterprises Pte Ltd

LEASE EXPIRY PROFILE[3] **(%)**



TRADE MIX[3] **(%)**



Food & Beverage	81.4	Beauty & Health	4.2
Leisure & Entertainment/ Music & Video	14.0	Services	0.4

1 Gross revenue comprises GRI, car park income and other income for the respective financial year.
2 Based on GRI for the month of December 2023 and excludes gross turnover rent.
3 As at 31 December 2023, based on committed GRI and excludes gross turnover rent.

IMM BUILDING

Strategically located adjacent to Jurong Gateway and Jurong Lake District, IMM Building (IMM) is Singapore's largest outlet mall. The outlet mall is seamlessly connected via an elevated covered walkway to Jurong East MRT station, an interchange for the East-West Line and North-South Line. IMM offers a wide variety of value shopping and dining options for families, professionals and young adults. Besides its proximity to the residential estates, IMM is surrounded by major developments such as Westgate and Ng Teng Fong General Hospital and is close to several office and industrial developments. The mall is undergoing asset enhancement works which is expected to complete in 3Q 2025. More information can be found under Value Creation in this AR.

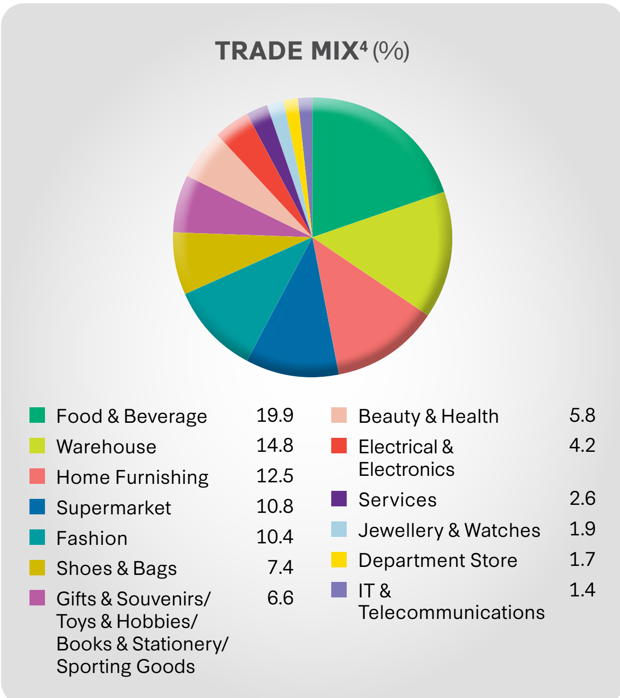
Property Information

Address	2 Jurong East Street 21
Land Tenure	Leasehold tenure of 30 + 30 years with effect from 23 January 1989[1]
Purchase Price in 2003	S$247.4 million
Carpark Lots	1,327
Bicycle Lots	38
Green Rating	BCA Green Mark Gold[PLUS]

Top 5 Tenants[3]

1	Cold Storage Singapore (1983) Pte Ltd
2	Best Denki (Singapore) Pte. Ltd.
3	Extra Space Jurong Pte. Ltd.
4	NTUC Enterprise Co-Operative Ltd
5	Nike Global Trading B.V. Singapore Branch

As at 31 December	2022	2023
Valuation (S$ million)	715.0	**745.0**
Gross Floor Area (sq ft)	1,426,517	**1,426,517**
Net Lettable Area (sq ft)		
Total	963,335	**963,622**
Retail	423,995	**424,287**
Warehouse	539,340	**539,335**
Number of Tenants	485	**492**
Committed Occupancy (%)		
Total	98.0	**99.4**
Retail	100	**99.7**
Warehouse	96.5	**99.2**
Annual Shopper Traffic (million)	13.6	**13.3**
Gross Revenue[2] (S$ million)	90.6	**94.0**



1 30-year extension was effected from 23 January 2019.
2 Gross revenue comprises GRI, car park income and other income for the respective financial year.
3 Based on GRI for the month of December 2023 and excludes gross turnover rent.
4 As at 31 December 2023, based on committed GRI and excludes gross turnover rent.

PROPERTY DETAILS

JUNCTION 8

Nestled in the vibrant hub of Bishan's subregional center, Junction 8 stands as the epitome of connectivity, seamlessly linked to the bus interchange and Bishan MRT interchange station, serving both the North-South Line and Circle Line. As the go-to destination for comprehensive shopping, delectable dining, and entertainment, Junction 8 effortlessly meets the desires and aspirations of residents in the vicinity, the office community, and students from neighbouring schools.

Property Information

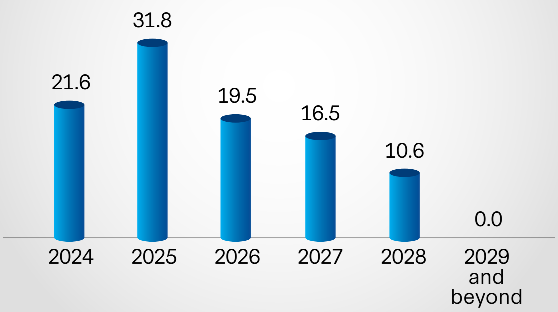
Address	9 Bishan Place
Land Tenure	Leasehold tenure of 99 years with effect from 1 September 1991
Purchase Price in 2002	S$295.0 million
Carpark Lots	302
Bicycle Lots	10
Green Rating	BCA Green Mark GoldPLUS

As at 31 December	2022	2023
Valuation (S$ million)	801.0	**806.0**
Gross Floor Area (sq ft)	376,608	**376,608**
Net Lettable Area[1] (sq ft)	250,714	**253,868**
Number of Tenants	158	**163**
Committed Occupancy (%)	99.8	**99.6**
Annual Shopper Traffic (million)	22.4	**26.4**
Gross Revenue[2] (S$ million)	57.7	**59.4**

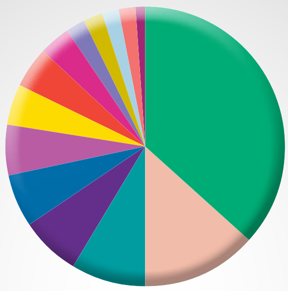
Top 5 Tenants[3]

1	Breadtalk Group Limited
2	NTUC Enterprise Co-Operative Ltd
3	Best Denki (Singapore) Pte. Ltd.
4	BHG (Singapore) Pte. Ltd.
5	Golden Village Multiplex Pte. Ltd.

LEASE EXPIRY PROFILE[4] (%)



TRADE MIX[4] (%)



Food & Beverage	36.7
Beauty & Health	13.5
Fashion	8.5
Services	7.0
Supermarket	6.0
Gifts & Souvenirs/ Toys & Hobbies/ Books & Stationery/ Sporting Goods	6.0
Department Store	4.8
Electrical & Electronics	4.7
Leisure & Entertainment/ Music & Video	3.5
IT & Telecommunications	2.3
Shoes & Bags	2.2
Jewellery & Watches	1.9
Home Furnishing	1.9
Education	1.0

1 Excludes CSFS area.
2 Gross revenue comprises GRI, car park income and other income for the respective financial year.
3 Based on GRI for the month of December 2023 and excludes gross turnover rent.
4 As at 31 December 2023, based on committed GRI and excludes gross turnover rent.

LOT ONE SHOPPERS' MALL

Lot One Shoppers' Mall is in the heart of the Choa Chu Kang housing estate, located in the north-western region of Singapore. The mall is well connected by major arterial roads and is next to the Choa Chu Kang MRT station, the light rail transit (LRT) station and a bus interchange. It enjoys a large catchment, comprising residents from the precincts of Choa Chu Kang, Bukit Panjang, Bukit Batok and Upper Bukit Timah, as well as uniformed personnel from military camps in the vicinity and students from nearby schools.

Property Information

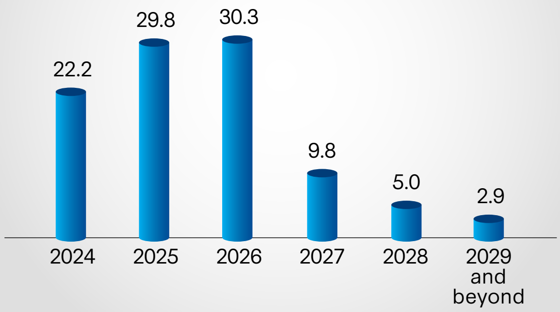
Address	21 Choa Chu Kang Avenue 4
Land Tenure	Leasehold tenure of 99 years with effect from 1 December 1993
Purchase Price in 2007	S$243.8 million
Carpark Lots	318
Bicycle Lots	-
Green Rating	BCA Green Mark Gold

As at 31 December	2022	2023
Valuation (S$ million)	551.0	**558.0**
Gross Floor Area (sq ft)	333,286	**333,286**
Net Lettable Area[1] (sq ft)	224,998	**226,963**
Number of Tenants	145	**144**
Committed Occupancy (%)	100	**100**
Annual Shopper Traffic (million)	14.0	**16.3**
Gross Revenue[2] (S$ million)	44.1	**45.2**

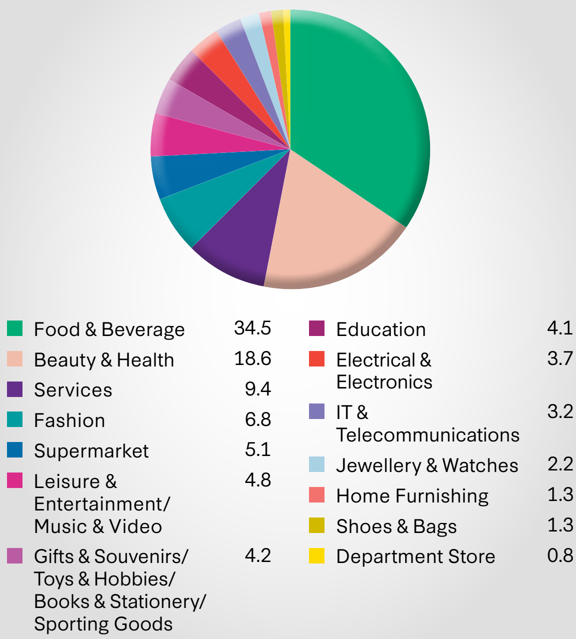
Top 5 Tenants[3]

1	NTUC Enterprise Co-Operative Ltd
2	Breadtalk Group Limited
3	Courts (Singapore) Pte. Ltd.
4	Shaw Theatres Pte Ltd
5	Japan Foods Holding Ltd.

LEASE EXPIRY PROFILE[4] (%)



TRADE MIX[4] (%)



1 Includes CSFS area.
2 Gross revenue comprises GRI, car park income and other income for the respective financial year.
3 Based on GRI for the month of December 2023 and excludes gross turnover rent.
4 As at 31 December 2023, based on committed GRI and excludes gross turnover rent.

PROPERTY
DETAILS

TAMPINES MALL

Tampines Mall, located in the densely populated residential area of Tampines, is one of Singapore's leading suburban malls. Conveniently situated within the Tampines Regional Centre, the mall is accessible via Tampines MRT interchange station and bus interchange. To meet the needs of consumers living and working around the bustling Tampines Regional Centre, Tampines Mall provides a wide variety of shopping, dining and entertainment options for families, professionals and young adults.

Property Information

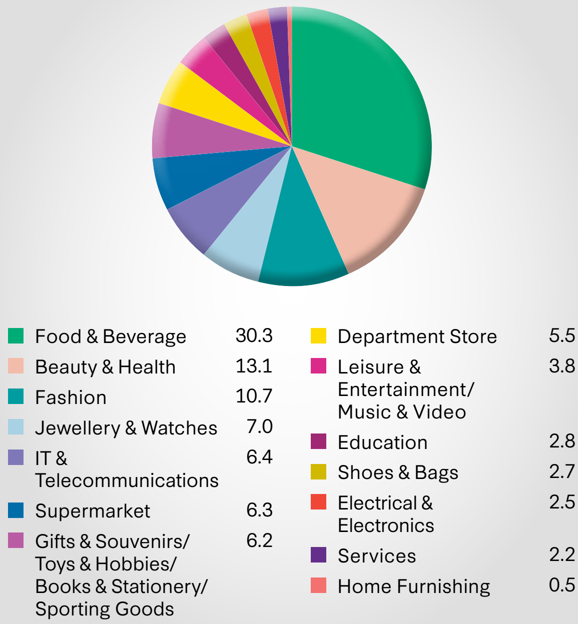
Address	4 Tampines Central 5
Land Tenure	Leasehold tenure of 99 years with effect from 1 September 1992
Purchase Price in 2002	S$409.0 million
Carpark Lots	633
Bicycle Lots	40
Green Rating	BCA Green Mark Gold

As at 31 December	2022	2023
Valuation (S$ million)	1,081.0	**1,133.0**
Gross Floor Area (sq ft)	507,324	**507,324**
Net Lettable Area (sq ft)	356,698	**356,303**
Number of Tenants	158	**164**
Committed Occupancy (%)	100	**100**
Annual Shopper Traffic (million)	21.2	**23.4**
Gross Revenue[1] (S$ million)	79.0	**80.7**

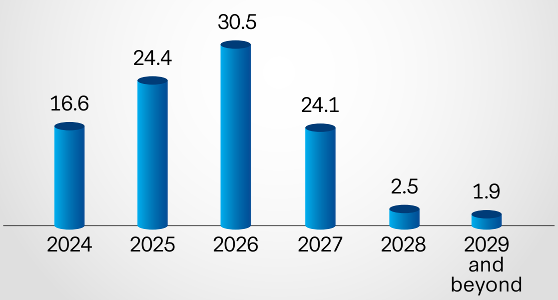
Top 5 Tenants[2]

1	NTUC Enterprise Co-Operative Ltd
2	Isetan (Singapore) Limited
3	Uniqlo (Singapore) Pte. Ltd.
4	Golden Village Multiplex Pte. Ltd.
5	SK Jewellery Group Limited

TRADE MIX[3] (%)



LEASE EXPIRY PROFILE[3] (%)



1 Gross revenue comprises GRI, car park income and other income for the respective financial year.
2 Based on GRI for the month of December 2023 and excludes gross turnover rent.
3 As at 31 December 2023, based on committed GRI and excludes gross turnover rent.

WESTGATE

Westgate is CICT's first greenfield project. Strategically located in Jurong Gateway, within the Jurong Lake District, Westgate is a premier lifestyle and family mall in the west of Singapore. It has excellent connectivity with direct access to Jurong East MRT station, an interchange for the East-West Line and North-South Line, and the Jurong East bus interchange. Offering holistic and city lifestyle shopping experience with many popular brands, Westgate encompasses unique features such as a naturally ventilated courtyard, alfresco dining options, and a thematic children's playground.

Property Information

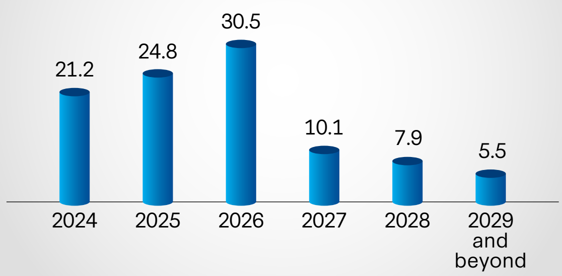
Address	3 Gateway Drive
Land Tenure	Leasehold tenure of 99 years with effect from 29 August 2011
Agreed Property Value	2011[1]: S$227.5 million 2018[2]: S$789.6 million
Carpark Lots	610
Bicycle Lots	10
Green Ratings	• BCA Universal Design Mark Platinum • BCA Green Mark Platinum

As at 31 December	2022	2023
Valuation (S$ million)	1,095.0	**1,100.0**
Gross Floor Area (sq ft)	593,906	**593,906**
Net Lettable Area[3] (sq ft)	409,310	**409,713**
Number of Tenants	241	**250**
Committed Occupancy (%)	98.7	**98.9**
Annual Shopper Traffic (million)	43.1	**44.0**
Gross Revenue[4] (S$ million)	71.6	**72.6**

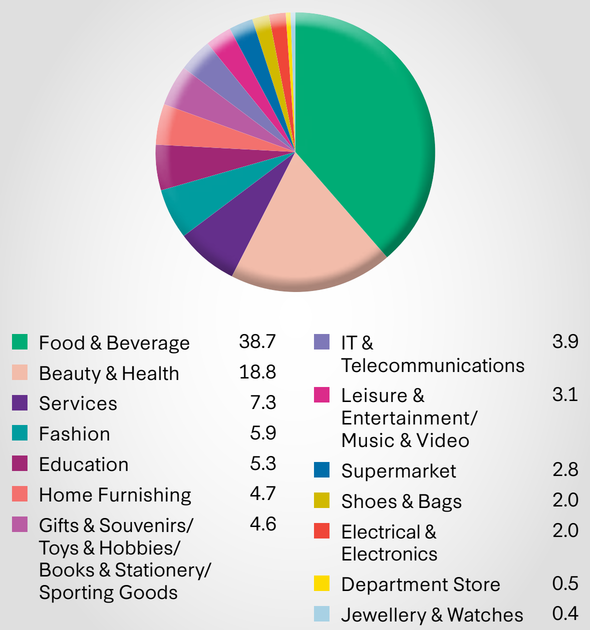
Top 5 Tenants[5]

1 Breadtalk Group Limited
2 Paradise Group Holdings Pte. Ltd.
3 Maxim's Caterers Limited
4 Timezone Singapore Pte. Ltd.
5 Hao Mart Pte. Ltd.

LEASE EXPIRY PROFILE[6] (%)



TRADE MIX[6] (%)



1 The integrated development site (land) was acquired in 2011 at S$969.0 million, of which S$758.3 million pertained to the retail component (30.0% interest at S$227.5 million).
2 The acquisition of the balance 70.0% of the units in Infinity Mall Trust which holds Westgate was completed on 1 November 2018, at an agreed property value of S$1,128.0 million, on a completed basis (70.0% interest at S$789.6 million).
3 Includes CSFS area.
4 Gross revenue comprises GRI, car park income and other income for the respective financial year.
5 Based on GRI for the month of December 2023 and excludes gross turnover rent.
6 As at 31 December 2023, based on committed GRI and excludes gross turnover rent.

PROPERTY DETAILS

BUGIS+

Bugis+ is strategically located within Singapore's Civic and Cultural District and directly opposite Bugis Junction. Easily accessible via Bugis MRT station, Bugis+ is connected by an overhead link bridge to Bugis Junction. The integration of the two malls further strengthens their overall appeal to shoppers with a combined retail space of more than 600,000 sq ft. Bugis+ exudes vibrancy with endless entertainment, exciting food & beverage options and stylish fashion offerings, creating a dynamic magnet for fun-seeking trendy youth in the heart of Bugis.

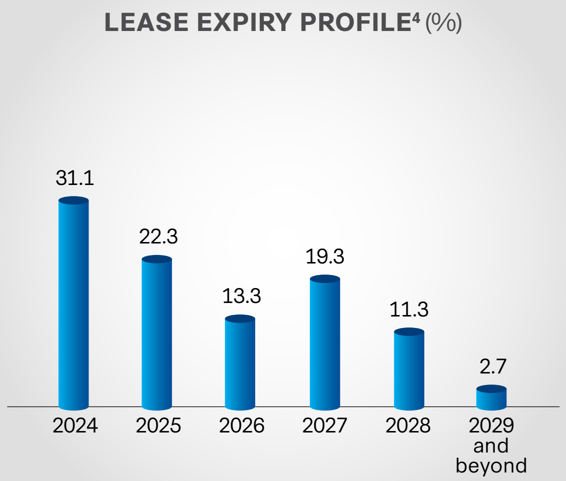
Property Information

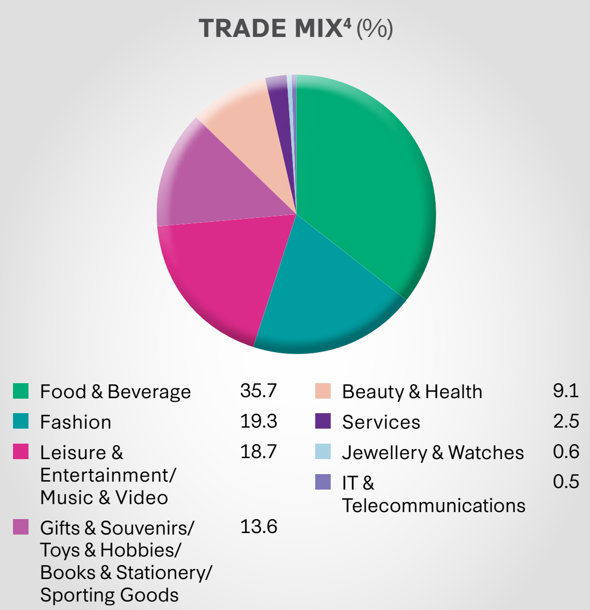
Address	201 Victoria Street
Land Tenure	Leasehold tenure of 60 years with effect from 30 September 2005
Purchase Price in 2011	S$295.0 million
Carpark Lots	323
Bicycle Lots	14
Green Rating	BCA Green Mark Platinum

Top 5 Tenants[3]

1	Uniqlo (Singapore) Pte. Ltd.
2	Golden Village Multiplex Pte Ltd
3	JD Sports Fashion Pte. Ltd.
4	Al-Futtaim Group
5	Singapore Hai Di Lao Dining Pte. Ltd.

As at 31 December	2022	2023
Valuation (S$ million)	354.0	**358.0**
Gross Floor Area (sq ft)	319,845	**319,845**
Net Lettable Area[1] (sq ft)	214,602	**214,602**
Number of Tenants	86	**83**
Annual Shopper Traffic (million)	12.9	**15.9**
Other Assets (Bugis+ and Bukit Panjang Plaza)		
Committed Occupancy (%)	99.5	**99.5**
Gross Revenue[2] (S$ million)	56.4	**61.1**





1 Includes CSFS area.
2 Gross revenue comprises GRI, car park income and other income for the respective financial year.
3 Based on GRI for the month of December 2023 and excludes gross turnover rent.
4 As at 31 December 2023, based on committed GRI and excludes gross turnover rent.

BUKIT PANJANG PLAZA

Bukit Panjang Plaza is located in the residential area of Bukit Panjang, in the north-western region of Singapore. The mall is adjacent to Bukit Panjang Integrated Transport Hub, which incorporates an air- conditioned bus interchange with Bukit Panjang MRT station and LRT station. Besides the surrounding estates, the mall also serves residents from the precincts of Teck Whye, Choa Chu Kang and Upper Bukit Timah.

Property Information

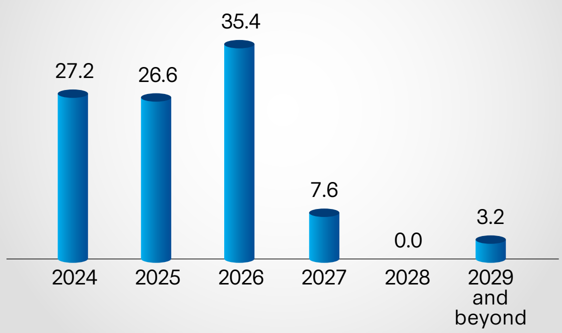
Address	1 Jelebu Road
Land Tenure	Leasehold tenure of 99 years with effect from 1 December 1994
Purchase Price in 2007	S$161.3 million
Carpark Lots	329
Bicycle Lots	60
Green Rating	BCA Green Mark Gold^{PLUS}

Top 5 Tenants[3]

1	NTUC Enterprise Co-Operative Ltd
2	National Library Board
3	Kentucky Fried Chicken Management Pte Ltd
4	Hanbaobao Pte. Ltd.
5	Boon Lay Gems Pte Ltd

As at 31 December	2022	2023
Valuation (S$ million)	344.0	**360.0**
Gross Floor Area (sq ft)	247,545	**247,545**
Net Lettable Area[1] (sq ft)	163,998	**164,510**
Number of Tenants	116	**116**
Annual Shopper Traffic (million)	7.9	**8.1**
Other Assets (Bugis+ and Bukit Panjang Plaza)		
Committed Occupancy (%)	99.5	**99.5**
Gross Revenue[2] (S$ million)	56.4	**61.1**

LEASE EXPIRY PROFILE[4] (%)



TRADE MIX[4] (%)

1 Includes CSFS area.
2 Gross revenue comprises GRI, car park income and other income for the respective financial year.
3 Based on GRI for the month of December 2023 and excludes gross turnover rent.
4 As at 31 December 2023, based on committed GRI and excludes gross turnover rent.

PROPERTY DETAILS

ASIA SQUARE TOWER 2

Asia Square Tower 2 is a 46-storey integrated development located in the Marina Bay area with direct access to the Shenton Way MRT station along the Thomson-East Coast Line. It comprises premium Grade A offices with ancillary retail space (owned by CICT) and hotel premises. Completed in September 2013, the building offers high quality office space through its large and efficient floor plates of up to 31,000 sq ft.

Property Information

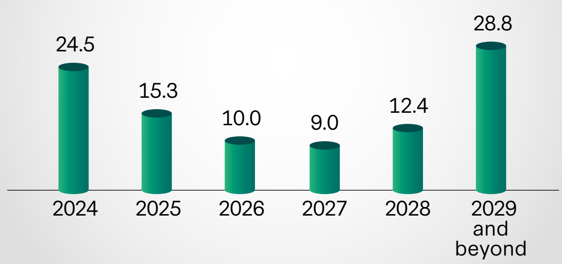
Address	12 Marina View
Land Tenure	Leasehold tenure of 99 years with effect from 3 March 2008 (land lot only)
Agreed Property Value in 2017	S$2,094.0 million
Carpark Lots	267
Bicycle Lots	97
Green Ratings	• BCA Green Mark Platinum • LEED Shell & Core Platinum

As at 31 December	2022	2023
Valuation (S$ million)	2,235.5	**2,243.0**
Gross Floor Area (sq ft)	916,931	**916,931**
Net Lettable Area (sq ft)	775,360	**774,896**
Number of Tenants	68	**73**
Committed Occupancy (%)	98.0	**96.8**
Gross Revenue[1] (S$ million)	101.3	**104.5**

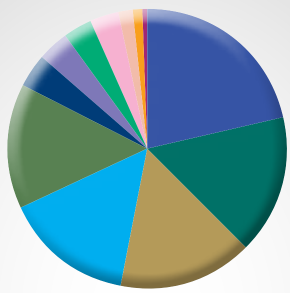
Top 5 Tenants[2]

1	KPMG Services Pte. Ltd.
2	Mizuho Bank, Ltd
3	Mitsui Group
4	The Work Project Group
5	JustOffice (Marina View) Pte. Ltd.

LEASE EXPIRY PROFILE[3] (%)



TRADE MIX[3] (%)



Banking	21.6
Financial Services	15.9
Business Consultancy	15.6
Energy & Commodities	15.2
Real Estate & Property Services	14.5
Maritime & Logistics	3.8
IT, Media & Telecommunications	3.8
Food & Beverage	3.4
Manufacturing & Distribution	3.3
Beauty & Health	1.7
Insurance	0.9
Education	0.3

1 Gross revenue comprises GRI, car park income and other income for the respective financial year.
2 Based on GRI for the month of December 2023 and excludes gross turnover rent.
3 As at 31 December 2023, based on committed GRI and excludes gross turnover rent.

CAPITAGREEN

CapitaGreen is a 40-storey Grade A office tower located in the heart of Singapore's CBD, near the Raffles Place MRT interchange station and Telok Ayer MRT station. Designed by Pritzker Prize winner Toyo Ito, CapitaGreen's environmentally sustainable and inclusive architecture has garnered numerous local and international awards, including Best Tall Building (Asia and Australasia) 2015 by The Council on Tall Buildings and Urban Habitat.

Property Information

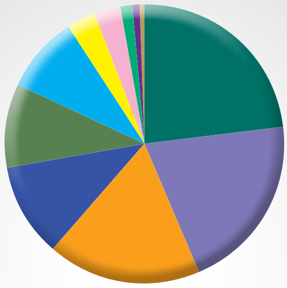
Address	138 Market Street
Land Tenure	Leasehold tenure of 99 years with effect from 1 April 1974
Agreed Property Value in 2016	S$1,600.5 million
Carpark Lots	184
Bicycle Lots	75
Green Ratings	• BCA Green Mark Platinum • BCA Universal Design Mark Platinum

As at 31 December	2022	2023
Valuation (S$ million)	1,663.0	**1,681.0**
Gross Floor Area (sq ft)	882,681	**882,673**
Net Lettable Area (sq ft)	699,113	**697,005**
Number of Tenants	54	**59**
Committed Occupancy (%)	94.4	**97.6**
Gross Revenue[1] (S$ million)	86.3	**91.3**

Top 5 Tenants[2]

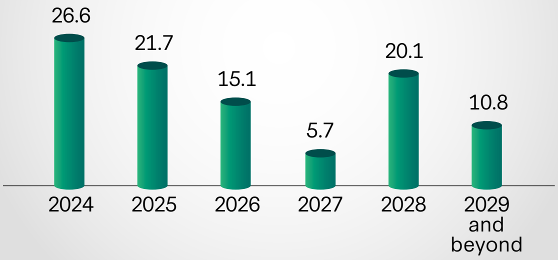
1 Rakuten Asia Pte. Ltd.
2 Lloyd's of London (Asia) Pte. Ltd.
3 Schroder Investment Management (Singapore) Ltd.
4 The Work Project Group
5 Chubb Group

TRADE MIX[3] (%)



Financial Services	23.3
IT, Media & Telecommunications	20.4
Insurance	17.9
Banking	10.8
Real Estate & Property Services	9.8
Energy & Commodities	9.0
Legal	3.3
Manufacturing & Distribution	3.1
Food & Beverage	1.0
Services	0.9
Business Consultancy	0.5

LEASE EXPIRY PROFILE[3] (%)



1 Gross revenue comprises GRI, car park income and other income for the respective financial year.
2 Based on GRI for the month of December 2023 and excludes gross turnover rent.
3 As at 31 December 2023, based on committed GRI and excludes gross turnover rent.

PROPERTY DETAILS

CAPITAL TOWER

Capital Tower is a 52-storey Grade A office building located in the Robinson Road/Tanjong Pagar area. It is well served by public transportation and is seamlessly connected to the Tanjong Pagar MRT station and surrounding buildings via an underground pedestrian network. Set in an open landscaped plaza, Capital Tower offers ample carparking on-site and features a theatre-style auditorium and meeting facilities, flexible workspace, a fitness club, retail services and F&B outlets for the convenience of tenants and visitors. The penthouse of Capital Tower offers stunning panoramic 360 degree views of the sea and cityscape.

Property Information

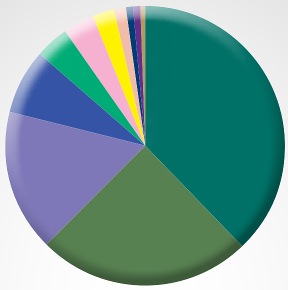
Address	168 Robinson Road
Land Tenure	Leasehold tenure of 99 years with effect from 1 January 1996
Purchase Price in 2004	S$793.9 million
Carpark Lots	415
Bicycle Lots	28
Green Ratings	• BCA Green Mark Pearl • BCA Green Mark Platinum • BCA Universal Design Mark Gold

As at 31 December	2022	2023
Valuation (S$ million)	1,450.0	**1,461.0**
Gross Floor Area (sq ft)	1,026,426	**1,026,426**
Net Lettable Area (sq ft)	734,736	**735,450**
Number of Tenants	32	**36**
Committed Occupancy (%)	91.4	**99.3**
Gross Revenue[1] (S$ million)	65.2	**74.0**

Top 5 Tenants[2]

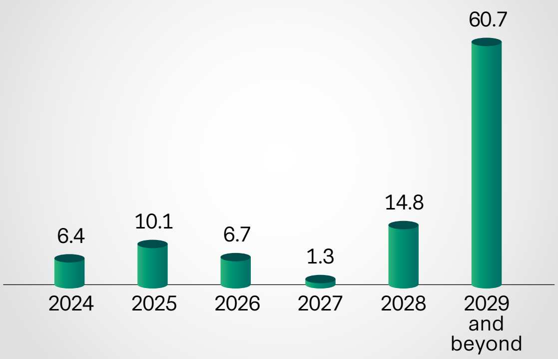
1	GIC Private Limited
2	CapitaLand Investment Limited
3	TikTok Pte. Ltd.
4	Credit Agricole Group
5	The Work Project Group

TRADE MIX[3] (%)



Financial Services	37.8
Real Estate & Property Services	24.8
IT, Media & Telecommunications	16.3
Banking	7.6
Food & Beverage	4.0
Manufacturing & Distribution	3.4
Legal	2.7
Beauty & Health	1.2
Maritime & Logistics	0.9
Services	0.8
Business Consultancy	0.5

LEASE EXPIRY PROFILE[3] (%)



1 Gross revenue comprises GRI, car park income and other income for the respective financial year.
2 Based on GRI for the month of December 2023 and excludes gross turnover rent.
3 As at 31 December 2023, based on committed GRI and excludes gross turnover rent.

CAPITASKY

CapitaSky is prominently located at the junction of Robinson Road and Maxwell Road within the Tanjong Pagar district, accessible by Tanjong Pagar MRT station and in close proximity to the Shenton Way MRT station. The property is well equipped with amenities such as electric vehicle lots and end-of-trip facilities with secured bicycle parking lots, green spaces located at mid-level sky terrace, roof garden and F&B outlets. The highly-efficient floor plates, curated coworking space, and hospitality-styled lobby lounge areas provide a versatile workplace for tenants.

Property Information

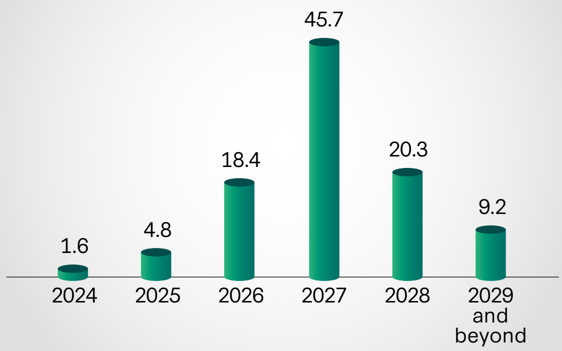
Address	79 Robinson Road
Land Tenure	99 years with effect from 10 January 1968
Joint Venture (% interest)	CICT: 70.0% COREF: 30.0%
Agreed Property Value in 2022	S$1,260.0 million
Carpark Lots	137
Bicycle Lots	92
Green Rating	BCA Green Mark Platinum

As at 31 December (100% basis)	2022	2023
Valuation (S$ million)	1,260.0	**1,263.0**
Gross Floor Area (sq ft)	613,600	**613,600**
Net Lettable Area (sq ft)	519,731	**519,732**
Number of Tenants	24	**28**
Committed Occupancy (%)	95.4	**97.8**
Gross Revenue[1,2] (S$ million)	45.3	**69.6**

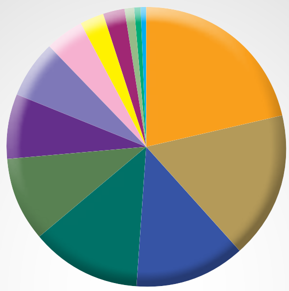
Top 5 Tenants[3]

1 Allianz Group
2 The Boston Consulting Group Pte. Ltd.
3 Equinix Asia Pacific Pte. Ltd.
4 EFG Bank AG
5 The Work Project Group

LEASE EXPIRY PROFILE[4] (%)



TRADE MIX[4] (%)



Insurance	21.4
Business Consultancy	17.1
Banking	12.8
Financial Services	12.6
Real Estate & Property Services	9.9
Services	7.5
IT, Media & Telecommunications	6.6
Manufacturing & Distribution	4.5
Legal	2.6
Education	2.5
Government	1.2
Food & Beverage	0.7
Energy & Commodities	0.6

1 Completion of the acquisition was 27 April 2022.
2 Gross revenue comprises GRI, car park income and other income for the respective financial year.
3 Based on GRI for the month of December 2023 and excludes gross turnover rent.
4 As at 31 December 2023, based on committed GRI and excludes gross turnover rent.

PROPERTY DETAILS

SIX BATTERY ROAD

Six Battery Road is a 42-storey Grade A office building and a Raffles Place landmark. It is well connected to the Raffles Place MRT interchange station and other developments within the Raffles Place precinct. Combining prime location with towering views, excellent amenities and revitalised interiors, it is the first operating CBD office building to attain the Green Mark Platinum accolade. Six Battery Road also boasts the first vertical indoor garden in Singapore.

Property Information

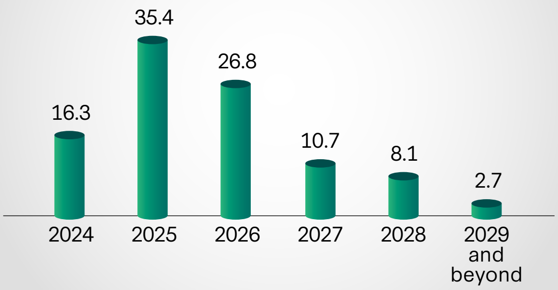
Address	6 Battery Road
Land Tenure	Leasehold tenure of 999 years with effect from 20 April 1826
Purchase Price in 2004	S$675.2 million
Carpark Lots	167
Bicycle Lots	30
Green Rating	BCA Green Mark Platinum

As at 31 December	2022	2023
Valuation (S$ million)	1,509.0	**1,520.0**
Gross Floor Area (sq ft)	655,179	**655,179**
Net Lettable Area (sq ft)	494,255	**495,453**
Number of Tenants	109	**116**
Committed Occupancy (%)	93.3	**97.8**
Gross Revenue[1] (S$ million)	54.5	**66.0**

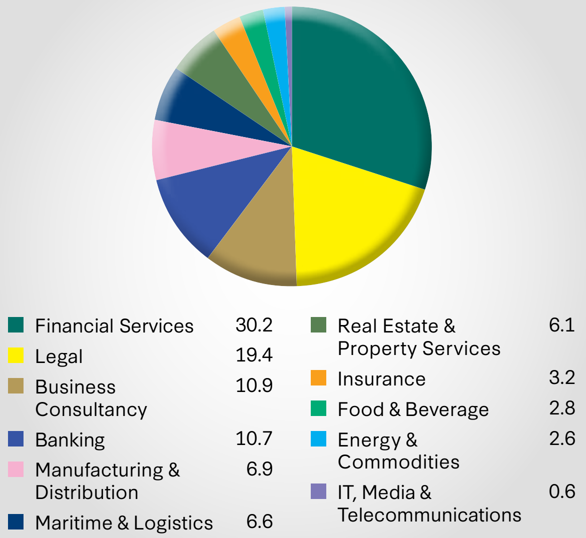
Top 5 Tenants[2]

1	Standard Chartered Bank (Singapore) Limited
2	Mayer Brown (Singapore) Pte. Ltd.
3	TSMP Law Corporation
4	Nagashima Ohno & Tsunematsu Singapore LLP
5	The Executive Centre Singapore Pte. Ltd.

LEASE EXPIRY PROFILE[3] (%)



TRADE MIX[3] (%)



1 Gross revenue comprises GRI, car park income and other income for the respective financial year.
2 Based on GRI for the month of December 2023 and excludes gross turnover rent.
3 As at 31 December 2023, based on committed GRI and excludes gross turnover rent.

21 COLLYER QUAY

21 Collyer Quay dominates the CBD skyline with its iconic building profile in Raffles Place. With unrivalled panoramic views of the Singapore skyline and the Marina Bay waterfront, the 21-storey prime office building has a sheltered access to the Raffles Place MRT interchange station and is surrounded by a wide range of amenities. WeWork Singapore, a provider of flexible workspaces, has a seven-year lease for the lettable area until 2028.

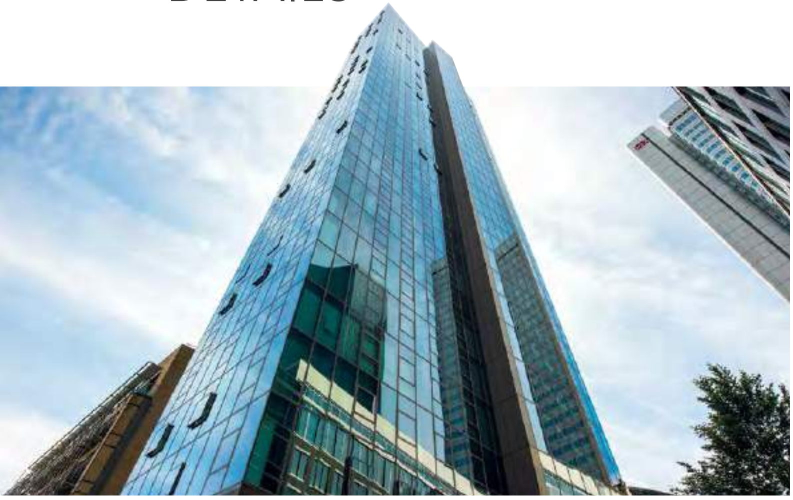
Property Information

Address	21 Collyer Quay
Land Tenure	Leasehold tenure of 999 years with effect from 19 December 1850
Purchase Price in 2005	S$147.0 million
Carpark Lots	53
Bicycle Lots	10
Green Rating	BCA Green Mark Platinum

As at 31 December	2022	2023
Valuation (S$ million)	634.0	**649.0**
Gross Floor Area (sq ft)	276,927	**276,927**
Net Lettable Area (sq ft)	213,000	**213,000**
Number of Tenants	1	**1**
Committed Occupancy (%)	100	**100**
Gross Revenue[1] (S$ million)	32.3	**30.3**

1 Gross revenue comprises GRI, car park income and other income for the respective financial year.

PROPERTY DETAILS



GALLILEO

Strategically located in the Banking District of Frankfurt's CBD, Gallileo is a 38-storey Grade A commercial building with ancillary retail and a 4-storey heritage building for office use. The property has easy access to a U-Bahn station at Willy-Brandt Platz, the Frankfurt Main Railway station, Frankfurt airport and Messe Frankfurt, one of the world's largest trade fair venues. It is also in close proximity to the Frankfurt Opera House. Gallileo started asset enhancement works from February 2024 with an expected downtime of at least 18 months. More information can be found under Value Creation in this AR.

Property Information

Address	Gallusanlage 7/Neckarstrasse 5, 60329 Frankfurt am Main, Germany
Land Tenure	Freehold
Joint Venture Partners' Interests	CICT: 94.9% CapitaLand: 5.1%
Agreed Property Value in 2018	EUR356.0 million
Carpark Lots	43
Bicycle Lots	46

As at 31 December (100% basis)	2022	2023
Valuation (EUR million)	275.0	**231.3**
Valuation[1] (S$ million)	390.1	**338.8**
Gross Floor Area[2] (sq ft)	668,618	**668,618**
Net Lettable Area (sq ft)	436,181	**435,361**
Number of Tenants	8	**4**
Committed Occupancy (%)	100	**99.2**
Gross Revenue[3] (S$ million)	27.4	**28.3**

1 Based on an exchange rate of EUR1 to S$1.418 as at 31 December 2022 and EUR1 to S$1.465 as at 31 December 2023.
2 GFA excludes car park.
3 Gross revenue comprises GRI, car park income and other income for the respective financial year.

MAIN AIRPORT CENTER

Main Airport Center is a freehold multi-tenanted office building comprising 11 storeys and two basement levels located in the vicinity of Frankfurt airport, Germany. MAC was well designed such that all parts of the building have direct views of the neighbouring Frankfurt airport, the adjacent Stadtwald forest or the Frankfurt skyline. Located approximately 800 metres north of Frankfurt airport terminal 2 and forming part of the Frankfurt airport office submarket, it is well served by comprehensive transportation infrastructure. Frankfurt's city centre is a 20-minute drive via motorways.

Property Information

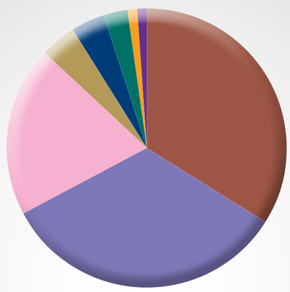
Address	Unterschweinstiege 2-14, 60549 Frankfurt, Germany
Land Tenure	Freehold
Joint Venture Partners' Interests	CICT: 94.9% CapitaLand: 5.1%
Agreed Property Value in 2019	EUR265.0 million
Carpark Lots	1,513
Bicycle Lots	120
Green Rating	BREEAM Good

As at 31 December (100% basis)	2022	2023
Valuation (EUR million)	266.0	**240.0**
Valuation[1] (S$ million)	377.3	**351.6**
Gross Floor Area[2] (sq ft)	719,602	**719,602**
Net Lettable Area (sq ft)	648,800	**648,811**
Number of Tenants	35	**36**
Committed Occupancy (%)	91.8	**91.4**
Gross Revenue[3] (S$ million)	26.8	**27.5**

Top 5 Tenants[4]

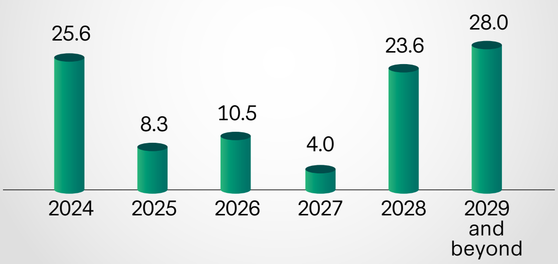
1	Deutsche Lufthansa AG
2	IQVIA Commercial GmbH & Co. OHG
3	Dell GmbH
4	CJ Europe GmbH
5	Beam Suntory Deutschland GmbH

TRADE MIX[5] (%)



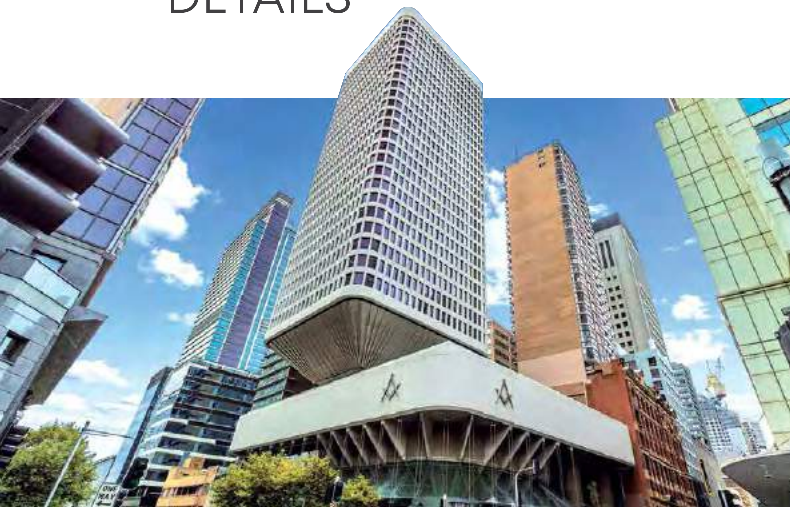
Travel & Hospitality	34.0	Maritime & Logistics	4.0
IT, Media & Telecommunications	33.3	Financial Services	2.7
Manufacturing & Distribution	19.7	Insurance	1.1
Business Consultancy	4.2	Services	1.0

LEASE EXPIRY PROFILE[5] (%)



1 Based on an exchange rate of EUR1 to S$1.418 as at 31 December 2022 and EUR1 to S$1.465 as at 31 December 2023.
2 GFA excludes car park.
3 Gross revenue comprises GRI, car park income and other income for the respective financial year.
4 Based on GRI for the month of December 2023 and excludes gross turnover rent.
5 As at 31 December 2023, based on committed GRI and excludes gross turnover rent.

PROPERTY DETAILS



66 GOULBURN STREET

66 Goulburn Street is a 24-storey Grade A office building with ancillary retail space and a basement carpark, located at the southern edge of the Midtown Precinct of the Sydney CBD. It is prominently located on the corner of Castlereagh Street, close to Museum Station and Central Railway Station, and is in close proximity to the upcoming precinct for Tech Central.

Property Information

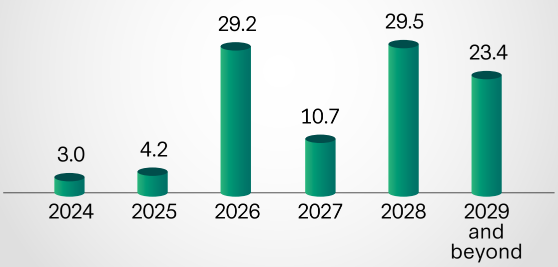
Address	Civic Tower, 66 Goulburn Street Sydney, New South Wales
Land Tenure	Leasehold expiring 16 August 2116
Agreed Property Value in 2022	A$300.0 million
Carpark Lots	53
Green Ratings	• 5 Star NABERS Energy • 4 Star NABERS Water • 4 Star NABERS Indoor Environment

Top 5 Tenants[4]

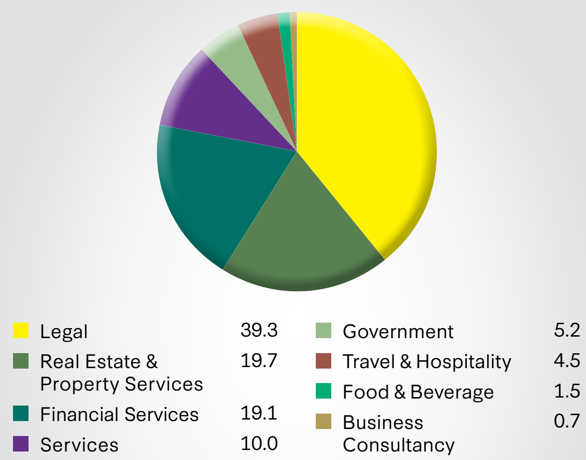
1	Government Property NSW
2	William Buck Services NSW Pty Ltd
3	Prudential Investment Company of Australia Pty Limited
4	William Roberts Pty Ltd
5	Dealsong Pty Ltd

As at 31 December	2022	2023
Valuation (A$ million)	308.0	**280.0**
Valuation[1] (S$ million)	278.1	**252.6**
Net Lettable Area (sq ft)	246,356	**246,356**
Number of Tenants	25	**33**
Committed Occupancy (%)	87.6	**95.9**
Gross Revenue[2,3] (S$ million)	12.6	**15.0**

LEASE EXPIRY PROFILE[5] (%)



TRADE MIX[5] (%)



1 Based on an exchange rate of A$1 to S$0.903 as at 31 December 2022 and A$1 to S$0.902 as at 31 December 2023.
2 Completion of the acquisition was 24 March 2022.
3 Gross revenue comprises GRI, car park income and other income for the respective financial year.
4 Based on GRI for the month of December 2023 and excludes gross turnover rent.
5 As at 31 December 2023, based on committed GRI and excludes gross turnover rent.

100 ARTHUR STREET

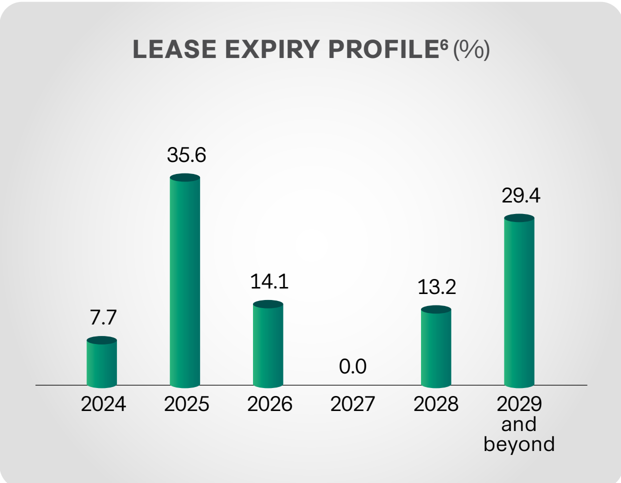
100 Arthur Street is a 23-storey Grade A office building with ancillary retail space, located in the eastern quadrant of North Sydney CBD. It is in close proximity to North Sydney Station and other amenities, including Coles and Greenwood Plaza. From 2019 to 2021, 100 Arthur Street undertook major refurbishment works amounting to approximately A$17 million to upgrade its lobby, entrance foyer and vacant floors, as well as its equipment and amenities.

Property Information

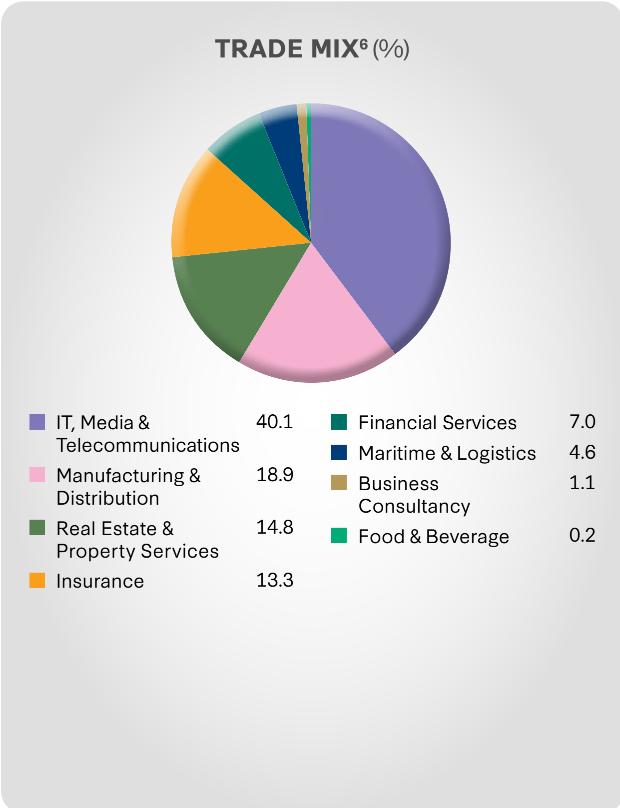
Address	100 Arthur Street, North Sydney, New South Wales
Land Tenure	Freehold
Agreed Property Value in 2022	A$372.0 million[1]
Carpark Lots	140
Green Ratings	• 5 Star NABERS Energy • 5 Star NABERS Water • 6 Star NABERS Waste • 3 Star NABERS Indoor Environment

Top 5 Tenants[5]

1 Kimberly Clark Australia Pty Ltd
2 Infosys Technologies Ltd
3 FetchTV Management Pty Ltd
4 Linchpin Labs Pty Ltd
5 Rhipe Australia Pty Ltd



As at 31 December	2022	2023
Valuation (A$ million)	377.0	**338.0**
Valuation[2] (S$ million)	340.4	**304.9**
Net Lettable Area (sq ft)	291,511	**291,231**
Number of Tenants	18	**23**
Committed Occupancy (%)	68.8	**77.9**
Gross Revenue[3,4] (S$ million)	11.9	**15.4**



1 Includes an A$7.0 million rental guarantee (RG) granted by the vendor. The RG amount was deducted from the purchase consideration and does not have an effect on distributions of CICT as no distributions were made on the RG amount.
2 Based on an exchange rate of A$1 to S$0.903 as at 31 December 2022 and A$1 to S$0.902 as at 31 December 2023.
3 Completion of the acquisition was 24 March 2022.
4 Gross revenue comprises GRI, car park income and other income for the respective financial year.
5 Based on GRI for the month of December 2023 and excludes gross turnover rent.
6 As at 31 December 2023, based on committed GRI and excludes gross turnover rent.

PROPERTY DETAILS

CAPITASPRING

Completed in November 2021, the 280-metre integrated development, CapitaSpring, offers work, live, play spaces in a vertically connected environment. Between the premium Grade A office floors and the modern 299-unit serviced residences is a Green Oasis with a height of more than 35 metres. Designed with social and activity spaces spread over four storeys of lush greenery and trees, the Green Oasis offers a re-connection with nature in the middle of the city. Featuring an iconic façade and harnessing the latest workplace and lifestyle innovations, the integrated development redefines Singapore's city skyline. In support of the government's drive toward a car-lite society and to promote healthy living, a cycling path, bicycle lots and end-of-trip facilities are included in the development.

Property Information

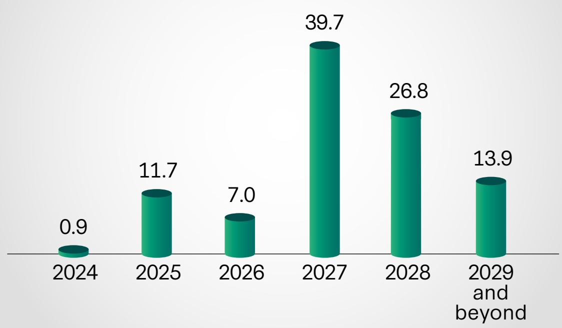
Address	86 & 88 Market Street
Land Tenure	Leasehold tenure of 99 years with effect from 1 February 1982
Joint Venture Partners' Interests	CICT: 45.0% CapitaLand: 45.0% Mitsubishi Estate Co., Ltd.: 10.0%
Project Development Estimate	S$1,820.0 million
Carpark Lots	345
Bicycle Lots	165
Green Ratings	• BCA Green Mark Platinum • BCA Universal Design Mark Gold[PLUS] (Design)

As at 31 December (100% basis)	2022	2023
Valuation (S$ million)	2,041.0	**2,042.0**
Gross Floor Area (sq ft)	1,004,818	**1,004,818**
Net Lettable Area (sq ft)	673,247	**673,296**
Number of Tenants	33	**34**
Committed Occupancy (%)	99.9	**100**
(45.0% basis)		
Gross Revenue[1] (S$ million)	48.2	**57.2**

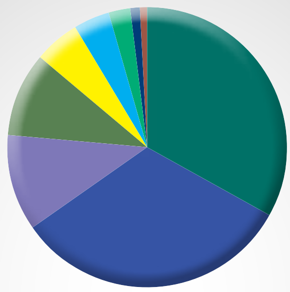
Top 5 Tenants[2]

1	JPMorgan Chase Bank, N.A.
2	Millennium Capital Management (Singapore) Pte. Ltd.
3	Sumitomo Mitsui Banking Corporation Singapore Branch
4	Red Hat Asia Pacific Pte. Ltd.
5	Squarepoint Operations Private Limited

LEASE EXPIRY PROFILE[3] (%)



TRADE MIX[3] (%)



Financial Services	33.2	Energy & Commodities	4.2
Banking	32.3	Food & Beverage	2.4
IT, Media & Telecommunications	10.9	Maritime & Logistics	1.1
Real Estate & Property Services	9.8	Travel & Hospitality	0.7
Legal	5.4		

1 Gross revenue comprises GRI, car park income and other income for the respective financial year.
2 Based on GRI for the month of December 2023 and excludes gross turnover rent.
3 As at 31 December 2023, based on committed GRI and excludes gross turnover rent.

FUNAN

Unveiled and revitalised in June 2019, Funan is an integrated development featuring a retail hub, two office blocks, and lyf Funan Singapore – an exclusive apartment hotel designed for the millennial generation. Nestled in the vibrant Civic and Cultural District, Funan boasts exceptional connectivity, highlighted by a direct underpass linking to the City Hall MRT interchange station. Redefining the urban experience in Singapore's city center, Funan seamlessly creates a dynamic environment tailored for discerning individuals seeking a high-quality lifestyle in a socially-conscious and creatively inspired setting.

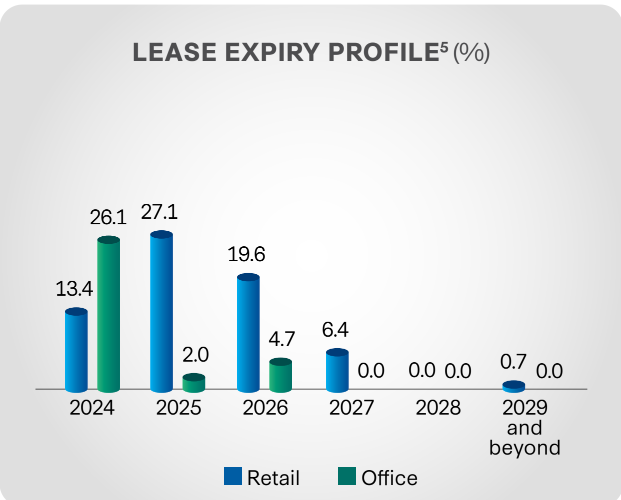
Property Information

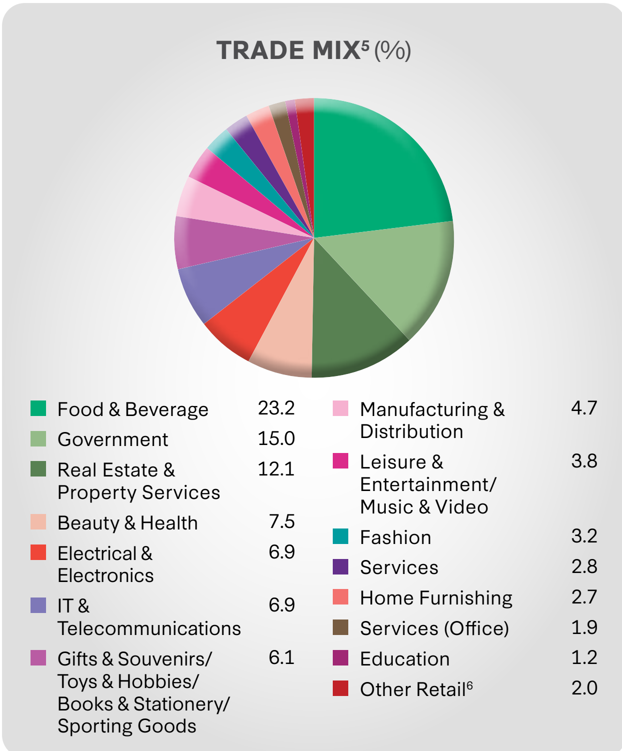
Address	107 and 109 North Bridge Road
Land Tenure	Leasehold tenure of 99 years with effect from 12 December 1979
Purchase Price in 2002	S$191.0 million
Project Development Cost	S$560.0 million
Carpark Lots	404
Bicycle Lots	183
Green Ratings	• BCA Green Mark Gold^PLUS • BCA Universal Design Mark Gold^PLUS

As at 31 December	2022	2023
Valuation[1] (S$ million)	794.0	**814.0**
Gross Floor Area[1] (sq ft)	767,288	**767,281**
Net Lettable Area[2] (sq ft)		
Total	531,791	**531,876**
Retail	317,663	**317,750**
Office	214,128	**214,126**
Number of Tenants	183	**191**
Committed Occupancy (%)		
Total	97.7	**98.4**
Retail	96.1	**97.4**
Office	100	**100**
Annual Shopper Traffic (million)	12.0	**13.8**
Gross Revenue[3] (S$ million)	62.7	**62.4**

Top 5 Tenants[4]

1	WeWork Singapore Pte. Ltd.
2	Department Of Statistics
3	Adidas Singapore Pte Ltd
4	Attorney-General's Chambers
5	Smart Nation and Digital Government Office





1 Excludes the serviced residence component after the completion of the divestment of all units of Victory SR Trust on 31 October 2017.
2 Includes CSFS area.
3 Gross revenue comprises GRI, car park income and other income for the respective financial year.
4 Based on GRI for the month of December 2023 and excludes gross turnover rent.
5 As at 31 December 2023, based on committed GRI and excludes gross turnover rent.
6 Other Retail trade category includes: Supermarket (0.9%), Shoes & Bags (0.8%), and Jewellery & Watches (0.3%).

PROPERTY DETAILS

PLAZA SINGAPURA

Plaza Singapura is strategically located along Orchard Road and within the Civic and Cultural District. The mall is conveniently linked to Dhoby Ghaut MRT station, an interchange which connects to three MRT lines, the North-South Line, North-East Line and Circle Line, via a direct passageway. Plaza Singapura and the retail podium of The Atrium@Orchard are seamlessly integrated as an all-encompassing retail, dining and entertainment destination that appeals to a wide profile of shoppers.

Property Information

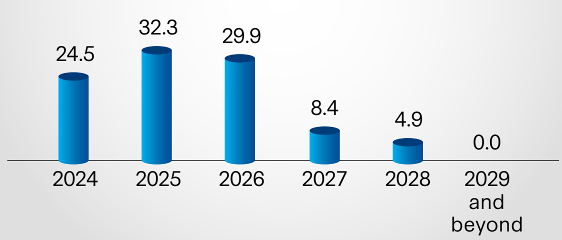
Address	68 Orchard Road
Land Tenure	Freehold
Purchase Price in 2004	S$710.0 million
Carpark Lots	695
Bicycle Lots	-
Green Rating	BCA Green Mark Gold

Top 5 Tenants[2]

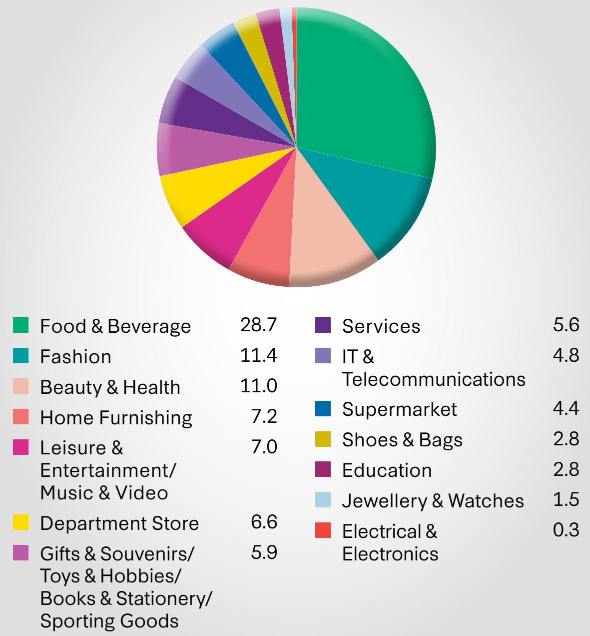
1	Golden Village Multiplex Pte Ltd
2	MUJI (Singapore) Pte. Ltd.
3	Cold Stroage Singapore (1983)
4	NTUC Enterprise Co-Operative Ltd
5	Spotlight Pte. Ltd.

As at 31 December	2022	2023
Valuation (S$ million)	1,349.0	**1,390.0**
Gross Floor Area (sq ft)	757,203	**757,203**
Net Lettable Area (sq ft)	484,455	**485,525**
Number of Tenants	225	**231**
Committed Occupancy (%)	98.8	**99.9**
Annual Shopper Traffic (million)	19.4	**20.4**
Gross Revenue[1] (S$ million)	87.4	**90.7**

LEASE EXPIRY PROFILE[3] (%)



TRADE MIX[3] (%)



1 Gross revenue comprises GRI, car park income and other income for the respective financial year.
2 Based on GRI for the month of December 2023 and excludes gross turnover rent.
3 As at 31 December 2023, based on committed GRI and excludes gross turnover rent.

THE ATRIUM@ORCHARD

The Atrium@Orchard is an integrated development that comprises a retail podium and two office towers. The development enjoys direct connectivity to Dhoby Ghaut MRT station, which serves the North-South Line, North-East Line and Circle Line. The retail podium is integrated seamlessly with Plaza Singapura as an all-encompassing retail, dining and entertainment destination that appeals to a wide profile of shoppers.

Property Information

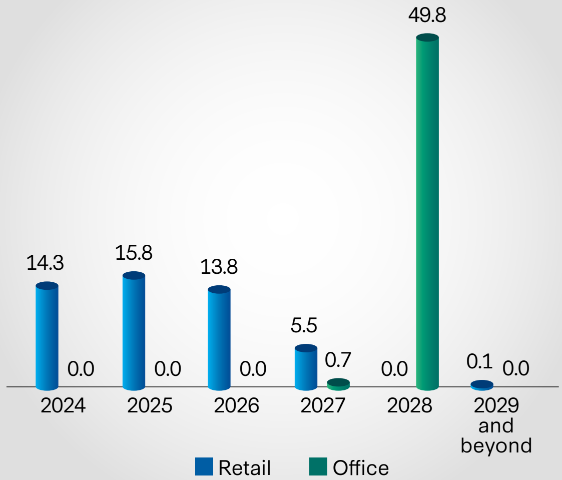
Address	60A and 60B Orchard Road
Land Tenure	Leasehold tenure of 99 years with effect from 15 August 2008
Purchase Price in 2008	S$839.8 million
Carpark Lots	127
Bicycle Lots	12
Green Rating	BCA Green Mark Gold

Top 5 Tenants[3]

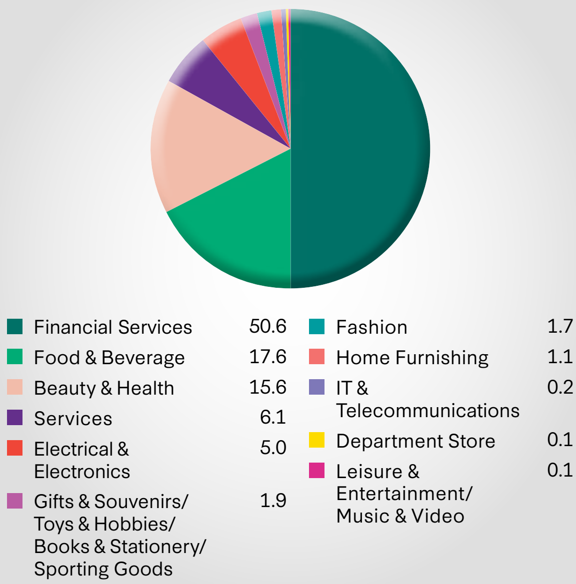
1	Temasek Holdings (Private) Limited
2	Best Denki (Singapore) Pte. Ltd.
3	Creative Eateries Pte Ltd
4	Beauty One International Pte. Ltd.
5	Sephora Singapore Pte. Ltd.

As at 31 December	2022	2023
Valuation (S$ million)	763.0	**783.0**
Gross Floor Area (sq ft)	576,612	**576,612**
Net Lettable Area[1] (sq ft)		
Total	385,119	**385,928**
Retail	152,595	**153,404**
Office	232,524	**232,524**
Number of Tenants	72	**82**
Committed Occupancy (%)		
Total	97.8	**100**
Retail	96.8	**100**
Office	100	**100**
Annual Shopper Traffic (million)	17.4	**19.4**
Gross Revenue[2] (S$ million)	47.3	**49.7**

LEASE EXPIRY PROFILE[4] (%)

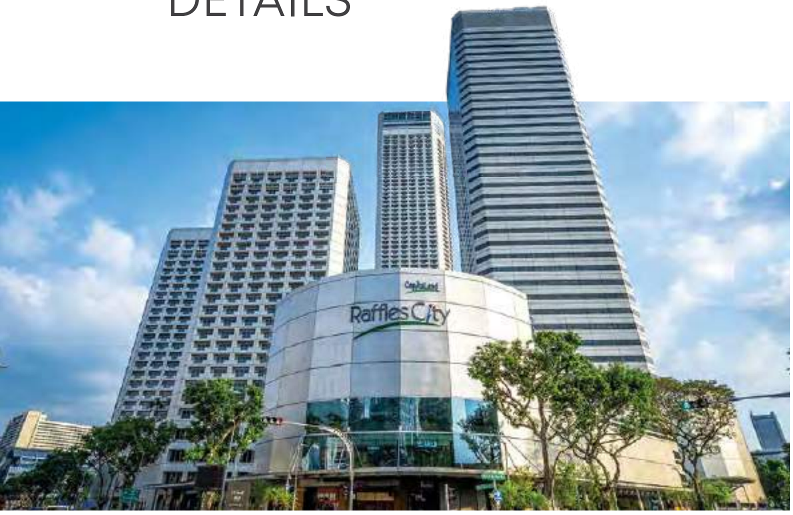


TRADE MIX[4] (%)



1 Includes CSFS area.
2 Gross revenue comprises GRI, car park income and other income for the respective financial year.
3 Based on GRI for the month of December 2023 and excludes gross turnover rent.
4 As at 31 December 2023, based on committed GRI and excludes gross turnover rent.

PROPERTY DETAILS



RAFFLES CITY SINGAPORE

Raffles City Singapore is a prime landmark within the Civic and Cultural District and one of Singapore's largest integrated developments. The development is served by three MRT lines, including City Hall MRT interchange station. It comprises the 42-storey Raffles City Tower, 5-storey Raffles City Shopping Centre, Raffles City Convention Centre, the 73-storey Swissôtel The Stamford Singapore and the 28-storey twin-towers Fairmont Singapore.

Property Information

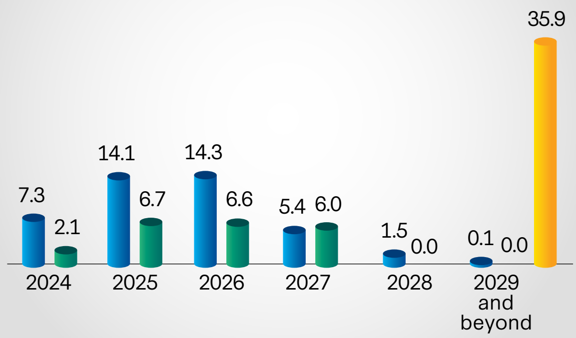
Address	250 & 252 North Bridge Road, 2 Stamford Road and 80 Bras Basah Road
Land Tenure	Leasehold tenure of 99 years with effect from 16 July 1979
Purchase Price in 2006	S$2,166.0 million
Carpark Lots	1,037
Bicycle Lots	12
Green Rating	BCA Green Mark GoldPLUS

Top 5 Tenants[2]

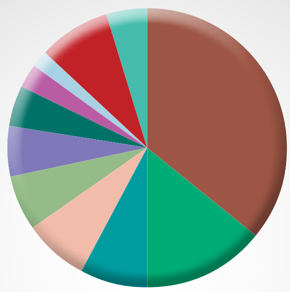
1	RC Hotels (Pte) Ltd
2	Economic Development Board
3	Accenture Pte. Ltd.
4	Breadtalk Group Limited
5	Cortina Watch Pte Ltd

As at 31 December	2022	2023
Valuation (S$ million)	3,120.0	**3,216.0**
Gross Floor Area (sq ft)	3,449,727	**3,449,727**
Net Lettable Area (sq ft)		
Total	791,807	**788,065**
Retail	410,365	**406,596**
Office	381,442	**381,469**
Number of Tenants	288	**290**
Committed Occupancy (%)		
Total	95.3	**98.7**
Retail	91.0	**97.4**
Office	100	**100**
Annual Shopper Traffic (million)	24.8	**27.1**
Gross Revenue[1] (S$ million)	211.6	**238.6**

LEASE EXPIRY PROFILE[3] (%)



TRADE MIX[3] (%)



Travel & Hospitality	35.9	Financial Services	4.8
Food & Beverage	14.2	Gifts & Souvenirs/ Toys & Hobbies/ Books & Stationery/ Sporting Goods	2.9
Fashion	7.9	Luxury	2.0
Beauty & Health	7.5	Other Retail[4]	8.3
Government	6.3	Other Office[4]	4.5
IT, Media & Telecommunications	5.7		

1 Gross revenue comprises GRI, car park income and other income for the respective financial year.
2 Based on GRI for the month of December 2023 and excludes gross turnover rent.
3 As at 31 December 2023, based on committed GRI and excludes gross turnover rent.
4 Other Retail and Office trade categories include: Department Store (1.7%), Energy and Commodities (1.4%), Manufacturing and Distribution (1.4%), Supermarket (1.3%), Shoes & Bags (1.3%), Home Furnishing (1.2%), Services (1.0%), Jewellery & Watches (0.9%), Business Consultancy (0.8%), IT & Telecommunications (0.4%), Services (office) (0.3%), Art Gallery (0.3%), Insurance (0.3%), Banking, Insurance and Financial Services (0.2%), Maritime and Logistics (0.2%), Real Estate and Property Services (0.1%).

101-103 MILLER STREET AND GREENWOOD PLAZA

101-103 Miller Street and Greenwood Plaza is an iconic integrated development comprising a 28-storey Premium Grade office tower, a 2-storey office building and a 3-storey retail centre. The retail centre offers high quality urban retailing and convenience options to the North Sydney workforce, resident and student populations. Strategically located in the North Sydney CBD, the integrated development is directly connected to North Sydney Train Station and located in close proximity to the upcoming Victoria Cross Metro.

Property Information

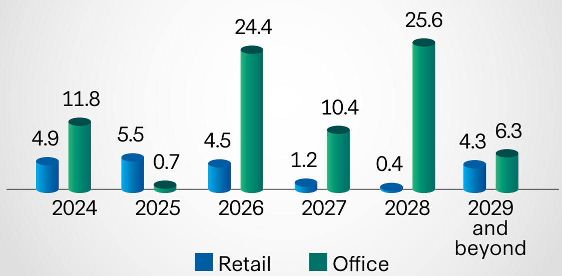
Address	101 - 103 Miller Street & 36 Blue Street, North Sydney, New South Wales
Land Tenure	Freehold
Co-Owners' Interests	CICT: 50.0% Mirvac: 50.0%
Purchase Price in 2022	A$422.0 million[1]
Carpark Lots	525
Bicycle Lots	170
Green Ratings[2]	• 5 Star NABERS Energy • 4.5 Star NABERS Water

As at 31 December (100% basis)	2022	2023
Net Lettable Area (sq ft)		
Total	499,406	**498,238**
Retail	96,047	**96,040**
Office	403,359	**402,198**
Number of Tenants	77	**82**
Committed Occupancy (%)	91.5	**91.7**
(50.0% basis)		
Valuation (A$ million)	398.0	**361.5**
Valuation[3] (S$ million)	359.3	**326.1**
Gross Revenue[4,5] (S$ million)	12.6	**26.1**

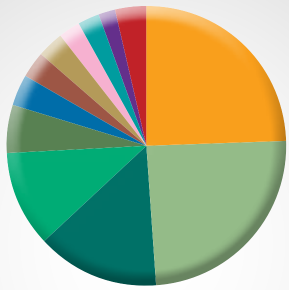
Top 5 Tenants[6]

1. Commonwealth of Australia represented by the Attorney General's Department
2. Allianz Australia Services Pty Limited
3. Chubb Insurance Australia Limited
4. Helia Insurance Pty Limited
5. Work Club Miller Street Services Pty Ltd

LEASE EXPIRY PROFILE[7] (%)



TRADE MIX[7] (%)



Insurance	24.7	Business Consultancy	2.9
Government	24.4	Manufacturing & Distribution	2.7
Financial Services	14.1	Fashion	2.4
Food & Beverage	11.0	Services	1.8
Real Estate & Property Services	5.7	Other Retail[8]	3.6
Supermarket	3.7		
Travel & Hospitality	3.0		

1 Includes an A$7.0 million rental guarantee (RG) granted by the vendor. The RG amount was deducted from the purchase consideration and does not have an effect on distributions of CICT as no distributions were made on the RG amount.
2 Only 101 Miller Street is rated. 103 Miller Street is exempted from certification while Greenwood Plaza is currently under review for a green rating.
3 Based on an exchange rate of A$1 to S$0.903 as at 31 December 2022 and A$1 to S$0.902 as at 31 December 2023.
4 Completion of the acquisition was 21 June 2022.
5 Gross revenue comprises GRI, car park income and other income for the respective financial year.
6 Based on GRI for the month of December 2023 and excludes gross turnover rent.
7 As at 31 December 2023, based on committed GRI and excludes gross turnover rent.
8 Other Retail trade category includes: Beauty & Health (0.9%), IT, Media and Telecommunications (0.7%), Electrical & Electronics (0.7%), Shoes & Bags (0.4%), Services (0.3%), Books & Stationery (0.3%) and Gifts & Souvenirs (0.3%).

INDEPENDENT MARKET REVIEW

SINGAPORE

SINGAPORE ECONOMIC OVERVIEW

Following a moderate growth of 3.8% in 2022, Singapore's economic growth continued to slow in 2023. Accounting for global factors, the Ministry of Trade and Industry Singapore (MTI)[1] reported that Singapore's GDP expanded by 1.1% YoY in 2023. The slower growth was attributed to the ongoing geopolitical tensions such as the conflicts in Gaza and Ukraine, as well as tensions between US and China. However, despite the uncertain geopolitical environment, elevated interest rates and the pressure of higher domestic costs, Singapore was able to avoid a recession. Furthermore, inflation started to gradually come down. Overall unemployment rate stood at 1.9%[2] in 2023, a slight improvement from 2.1% in 2022. Total population stood at 5.9 million, a 5.0% increase from the preceding year.

Services producing industries registered growth of 2.3% for 2023. All sectors within the services producing industry expanded, the growth was mainly driven by the Accommodation (12.1%) and Information & Communications (5.7%). The significant growth observed in the Accommodation subsector was primarily due to the rebound in tourist arrivals, accumulating a total of 13.6 million visitors in 2023. This denoted a remarkable rise of 115.8% on a YoY basis when contrasted with the data from 2022. In the same period, some of the better performers included the Real Estate (4.9%), Other Services Industries (4.4%) and Food & Beverage Services (4.1%) sectors.

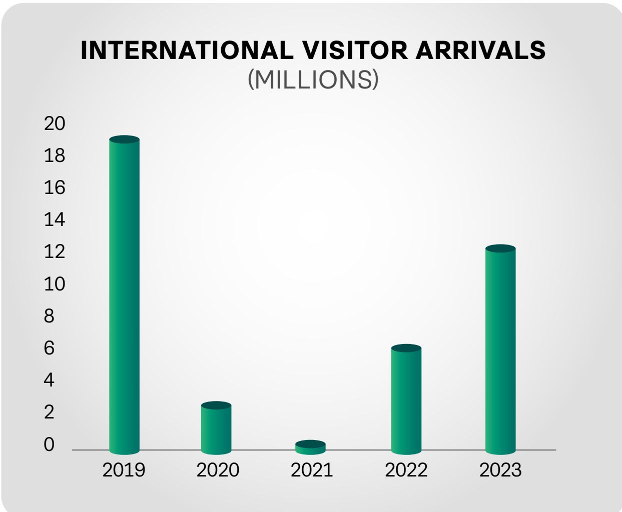
The goods producing industries contracted by 2.9% in 2023. Despite an overall contraction of 4.3% for 2023, the manufacturing sector recorded a 1.4% expansion YoY in 4Q 2023, a turnaround from the 4.9% contraction in the previous quarter, as a result of expansions in output across all clusters, except for precision engineering cluster. The construction sector saw a growth of 5.2% in 2023, a 0.6 percentage point increase from 2022. This was due to an increase in output for both the public and private sectors in the fourth quarter, recording an expansion of 5.2% YoY in 4Q 2023.

To increase public spending, the government has raised the Goods and Services Tax (GST) progressively from 8% to 9% from 2023 to 2024[3]. To cope with higher inflation and cushion the impact of GST increase, the government has been rolling out a comprehensive set of support measures announced at Budget 2023. These support measures have since been enhanced in September 2023. Providing increased cash payments through the Assurance Package cash special payments and additional S$200 CDC vouchers for every Singaporean Household in 2024 are among the enhancements.

Going forward, despite a lower GDP growth in 2023 and an uncertain global economic outlook due to rising geopolitical tensions, Singapore's economy is poised to remain healthy moving into 2024. MTI forecasted that Singapore's GDP will grow between 1.0% and 3.0% in 2024, adding that major global economies will likely slow in the first half of the year, before picking up in the second half of the year.

Singapore Tourism Overview

With the continued easing of travel restrictions and reopening of international borders, the Singapore Tourism Board (STB) reported 13.6 million international arrivals in 2023, which is approximately two times higher than total arrivals in 2022. Tourism receipts are estimated to reach S$24.5-S$26.0 billion, surpassing STB's forecast of S$18.0-S$21.0 billion set out in 2023. The average length of stay for visitors in 2023 was 3.8 days. While the tourism sector has seen a return of international visitors to Singapore, the visitor levels remained 29% lower in comparison with 2019.



Source: CBRE, Singapore Tourism Board, 2024

1 Ministry of Trade and Industry
2 Labour Market Advance Release, 4Q 2023
3 GST has been raised to 9%, effective on 1 January 2024

In December 2022, STB convened the Meeting, Incentives, Conferences and Exhibitions (MICE) sustainability Summit with the Singapore Association of Convention & Exhibition Organisers & Suppliers (SACEOS). During the summit, the MICE Sustainability Roadmap was launched which set clear targets and strategies to raise sustainability standards and certification across Singapore's MICE industry. The MICE industry has also picked up momentum in 2023, with Singapore hosting some major events including Formula 1 Singapore Grand Prix (F1), ZoukOut, Singapore Comic Con 2023 and World's 50 Best Bars announcement ceremony.

In May 2023, STB announced the Singapore Tourism Accelerator programme. The programme is equity-free for the world's most promising technology startups that can power the travel and tourism industry. It aims to support scalable tech innovations to develop and adapt to future-proof the industry through access to some of Asia's and world's most important industry players. Companies will receive funding support of up to 70% of qualifying costs, up to S$25,000 per company to testbed their solutions.

Singapore's visitor arrivals are projected to continue its road of recovery in 2024. While the current Chinese economy may be underperforming, the full recovery of Singapore's tourism is hinged on the potential resurgence of Chinese tourists. This could be supported by the recent easing of travel restrictions where Chinese tourists are exempted from visa requirements for stays of up to 30 days in Singapore. Overall, STB forecasts international visitor arrivals to reach 15-16 million, bringing in approximately S$26.0-S$27.5 billion in tourism receipts in 2024.

RETAIL MARKET OVERVIEW

Retail Sales Index

Compared to the high growth in 2022 due to the low base in 2021, the total Retail Sales Index[4] (excluding motor vehicles) in December 2023 experienced some contractions YoY, with some retail subsectors registering growth while others contracted. Subsectors which registered YoY growth in December 2023 include Watches & Jewellery (6.0%), Food & Alcohol (4.4%), and Computer & Telecommunications Equipment (1.9%). Conversely, Recreational Goods (-12.3%), Optical Goods & Books (-11.8%), and Furniture & Household Equipment (-8.5%) recorded a YoY decline in sales during the same period.

The Food & Beverage Index[5] recorded a 0.3% YoY expansion in December 2023, a step down from the 13.8% YoY increase in December 2022. Despite small growth for the overall Food and Beverage sector, Food Caterers saw the largest growth at 14.5% YoY. In contrast, the largest contraction came from restaurants with a YoY contraction of 4.8%. The growth in food catering subsector was likely due to the increased number of MICE and larger scale events, while the contraction in restaurants could be attributed to changing consumer preference as cost of living increases due to GST hikes and inflation.

Online Sales as a Percentage of Total Retail Sales

While more than 80% of the retail sales in Singapore are generated from physical stores, the penetration of e-commerce in Singapore remained elevated in 2023 as consumers continued to shop online. The average proportion of online retail trade (excluding motor vehicles) stood at 14.4% in 2023, which remained 7.6 percentage points higher as compared to pre-COVID levels (2019). However, this is 1.4 percentage points lower compared to the peak in 2021, and proportionally lower compared to that in the United Kingdom (UK), China and United States (US).

The trends observed in online retailing in the UK and Australia were similar to that of Singapore. UK's average proportion of online retailing accounted for 26.5%[6] of the total retail sales in 2023, 7.4 percentage points higher than that of the average in 2019. Similarly, the proportion of online retail sales in Australia accounted for 16.8%[7] of total retail sales in 2023, 6.5 percentage points higher than that of December 2019.

Online retailing has also seen increased levels of activity in China and the US. China's online retail activities remained robust, with online sales accounting for 27.6%[8] of the total retail sales in 2023, representing a 6.9 percentage points increase compared to 2019. In the US, retail e-commerce sales accounted for 15.6%[9] of its total retail sales in 3Q 2023, growing by 7.6 percentage points over 3Q 2022.

Shoppers' Consumption and Behavioural Trends

Three years after the onset of COVID-19 pandemic, retail sales have recovered and exceeded pre-pandemic levels[10]. However, shopper traffic has yet to fully recover. CBRE observed that while consumers are visiting malls less frequently, they stay for longer durations in 2023. Consumption patterns have also changed, driven by the proliferation of e-commerce, rising income levels

4 Retail Sales Index (2017=100), At Current Prices, Monthly
5 Food & Beverage Services Index, (2017=100), At Current Prices, Monthly
6 Source: Office for National Statistics, United Kingdom
7 Source: Australian Bureau of Statistics
8 Source: National Bureau of Statistics of China
9 Source: Census.gov
10 CBRE Viewpoint – Singapore Retail in the Post-Pandemic Era

and increased focus on wellness, Environmental, Social and Governance (ESG) factors.

Although the proportion of online retail trade (excluding motor vehicles) has significantly elevated from that of pre-pandemic levels at the annual average of 14.4% in 2023 compared to 6.8% in 2019, offline sales continued to contribute to majority of retail sales. With the increased usage of mobile phones, e-commerce has evolved to become "palm retail". More retailers are utilising mobile apps to offer discounts and loyalty programs, as well as click-and-collect services at physical stores to drive traffic. Going forward, there is increasing pressure for retailers to innovate and incorporate omnichannel shopping into their retail offerings and services.

While footfall in most malls have yet to recover to pre-pandemic levels, there is potential upside going forward as tenant sales are meeting or even exceeding pre-pandemic levels. Across all submarkets, consumers are spending more time on average per visit in both 2022 and 2023 compared to pre-COVID-19 levels and is especially pronounced in the City Fringe area. While Orchard Road continues to attract affluent shoppers and local visitors, the City Fringe submarket outperformed in both frequency of visits and dwell time, which could likely be attributed to the closer proximity to consumers' homes compared to Orchard Road or City Hall/Marina Centre areas. Rejuvenation of retail spaces, coupled with refresh of tenant mix, could be another factor to the trends observed.

To attract more footfall, retailers and shopping centres continued to introduce experiential retail and events. This ranges from using artificial intelligence (AI), to hosting activities or workshops for consumers to try their products. Experiential event spaces are typically decorated such that they are deemed Instagram-worthy. This drives traffic to the physical store and increases brand awareness through consumers' posts on social media. Malls that hold experiential events generally see a 10-25% increase in footfall. For instance, the weekly footfall increased by more than 20% in the week that Raffles City launched its Future/Forward event between 21 July and 31 August 2023, compared to the previous week when there were no events.

Consumers continue to place importance on sustainability, wellness and environment. While pre-pandemic openings/expansions were dominated by product retailers, 2023 had seen a shift towards "wellness retail", such as gyms and services. The increased level of openings and expansions is in response to the increasing emphasis on health and wellness post-pandemic. Many consumers now prefer boutique gyms which are more personalised and closer to their homes, e.g. bouldering and spinning gyms. More restaurants are also incorporating local produce into their cuisines to reduce their carbon footprint, and to support local farmers.

Looking ahead, retailers and landlords need to stay adaptable to the evolving lifestyle habits of consumers. With an increased awareness of sustainability and wellness, as well as preferences surrounding e-commerce, adaptation to these consumption patterns and shoppers' behavioural trends will determine the attractiveness of the mall and its footfall.

Existing Retail Supply

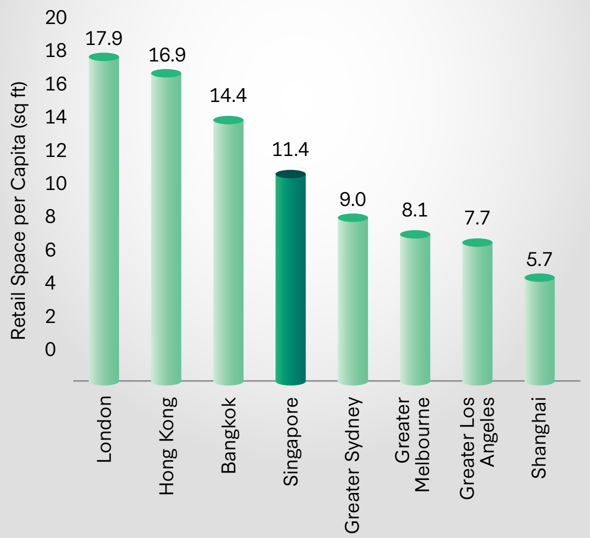
As of 4Q 2023, the total islandwide retail stock increased by 0.7% to 67.6 million sq ft on a YoY basis. Private retail stock represented 74.3% (50.2 million sq ft) of the total retail stock. Overall, the total new completion in 2023 was estimated at 0.8 million sq ft. This included some delayed completions that were postponed to 2023, such as Sengkang Grand Mall (109,000 sq ft) and Shaw Plaza Balestier (67,500 sq ft), as well as 2023-slated completions such as One Holland Village (117,000 sq ft) and Guoco Midtown phase I (30,000 sq ft). However, some retail stock was removed, including JCube (210,000 sq ft) due to the commencement of redevelopment for residential use.

In 4Q 2023, private retail stock in Orchard Road contracted marginally by 1.3% YoY to 7.2 million sq ft and accounted for 10.7% of the total islandwide retail stock. Similarly, the Downtown Core region, comprising Bugis, City Hall, Marina Centre, Raffles Place, and Shenton Way, saw a decrease in private retail stock by 1.3% YoY to 7.3 million sq ft in 4Q 2023 and accounted for approximately 10.9% of islandwide retail stock.

Total Retail Floor Space per Capita

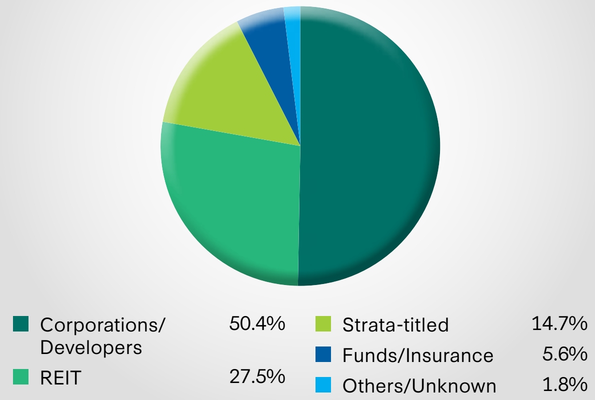
Total retail floor space per capita in Singapore was estimated to be approximately 11.4 sq ft net lettable area (NLA) per capita in 4Q 2023, a contraction from 11.9 sq ft in the previous year. The contraction was attributed to population growth in 2023 while total stock grew at a slower rate. Singapore's total retail floor space per capita provision was higher than those of Greater Los Angeles, Greater Sydney and Shanghai, while lower than those of London, Hong Kong and Bangkok.

PRIVATE RETAIL FLOOR SPACE PER CAPITA OF DEVELOPED CITIES AND METROPOLITAN AREAS IN 2023



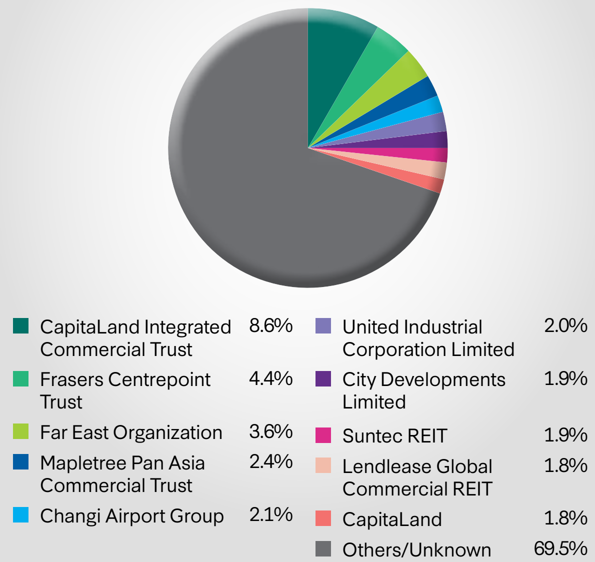
Source: CBRE, GOV.UK, Rating and Valuation Department, Property Council of Australia, Singstat, Australian Bureau of Statistics, United States Census Bureau, 2023

ESTIMATED BREAKDOWN OF PRIVATE RETAIL STOCK OWNERSHIP IN SINGAPORE



Source: CBRE Singapore, 4Q 2023

ESTIMATED SHARE OF PRIVATE RETAIL STOCK BY OWNER[12]



Source: CBRE Singapore, 4Q 2023

Private Retail Stock Ownership

Corporations and developers such as CapitaLand, Frasers Property Group and Far East Organization remain the largest owners of private retail stock in Singapore. They accounted for approximately 50.4%[11] of the private retail stock (NLA) as at 4Q 2023. REITs such as CICT, Mapletree Pan Asia Commercial Trust and Frasers Centrepoint Trust, are the second largest owners, representing an estimated 27.5% of private retail stock. The remaining 22.1% of the private retail stock is spread across strata-titled owners, funds and insurance houses, others and the public sector.

CICT continues to be the largest owner of private retail stock in Singapore, owning approximately 8.6% of the total private retail stock.

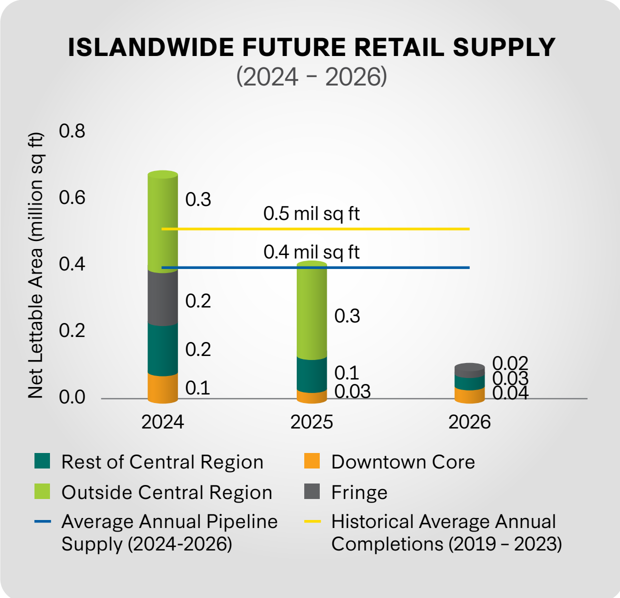
Future Retail Supply

The total retail supply coming into the market between 2024 and 2026 is approximately 1.1 million sq ft of NLA. This amounts to an average of about 0.4 million sq ft of retail space per annum, which is slightly lower than the historical 5-year annual average completion (2019-2023) of 0.5 million sq ft. As the construction sector continues to face challenges such as labour shortages and rising construction costs, several projects were delayed from 2023 to 2024.

11 Based on URA's total private stock
12 The ownership of properties under Frasers Centrepoint Trust includes the increased stake from 25.5% to 50% stake in NEX as announced in January 2024.

In 2024, approximately 0.7 million sq ft of retail space is expected to come into the market, with majority of the supply located in the Outside Central Region (OCR) area, contributed by Pasir Ris Mall. Other notable projects expected to complete include 46 & 48 Kim Yam Road in Rest of Central and IOI Central Boulevard Towers in Downtown Core area. Some 0.4 million sq ft of retail supply is scheduled to be completed in 2025, of which, the OCR submarket will continue to be the largest contributor with the completion of Punggol Digital District and Lentor Modern. In 2026, 0.1 million sq ft of retail supply is projected to complete, and Downtown Core submarket will be the largest contributor with the completion of TMW Maxwell.

The OCR submarket is expected to contribute 48.2%, which is the largest share of total future supply from 2024 to 2026. The other submarkets, Rest of Central, Fringe and Downtown Core will account for 24.5%, 15.3% and 12.0% respectively. There are no new completions in the Orchard Road submarket between 2024 and 2026.



Source: CBRE Singapore, 4Q 2023
Note: As at 31 January 2024

MAJOR FUTURE RETAIL SUPPLY (2024 – 2026)

	2024: (0.7 million sq ft)	2025: (0.4 million sq ft)	2026: (0.1 million sq ft)
Orchard Road	• N.A.	• N.A.	• N.A.
Downtown Core	• Guoco Midtown phase II: 20,000 sq ft • IOI Central Boulevard Towers: 30,000 sq ft • Odeon Towers (A/A): 25,000 sq ft	• Keppel South Central: 27,300 sq ft	• TMW Maxwell: 35,200 sq ft
Rest of Central Region	• 46 & 58 Kim Yam Road: 150,000 sq ft	• Canning Hill Square: 96,900 sq ft	• Central Mall/Central Square: 33,900 sq ft
Fringe	• Marine Parade Underground Mall: 99,800 sq ft • Labrador Tower: 28,300 sq ft • The Linq: 25,100 sq ft	• N.A.	• Piccadilly Grand/Galleria: 21,600 sq ft
Outside Central Region	• Pasir Ris Mall: 282,800 sq ft	• Punggol Digital District: 185,000 sq ft • Lentor Modern: 64,600 sq ft • West Mall: 20,000 sq ft	• N.A.

Source: CBRE, 4Q 2023
Note: As at 31 January 2024

Demand and Vacancy

With the recovery of tourist activity and return to office trends, retail expenditure has recovered to pre-pandemic levels. However, due to changing consumer preferences and shopping patterns, retailers have to adapt to the evolving landscape to stay relevant and attract footfall.

With visitor arrivals at approximately three-quarters of pre-pandemic (2019) levels, and expected to fully recover in 2024, tourist-dependent submarkets such as Orchard Road and Downtown Core have observed stronger recovery compared to other submarket. These submarkets are poised to recover at a faster rate both in terms of rental rates and vacancies.

With a slew of new mall openings, leasing activity has been strong throughout 2023. The demand continued to be primarily driven by F&B operators, especially cafes, with services, fashion and beauty & health stores also increasing their presence.

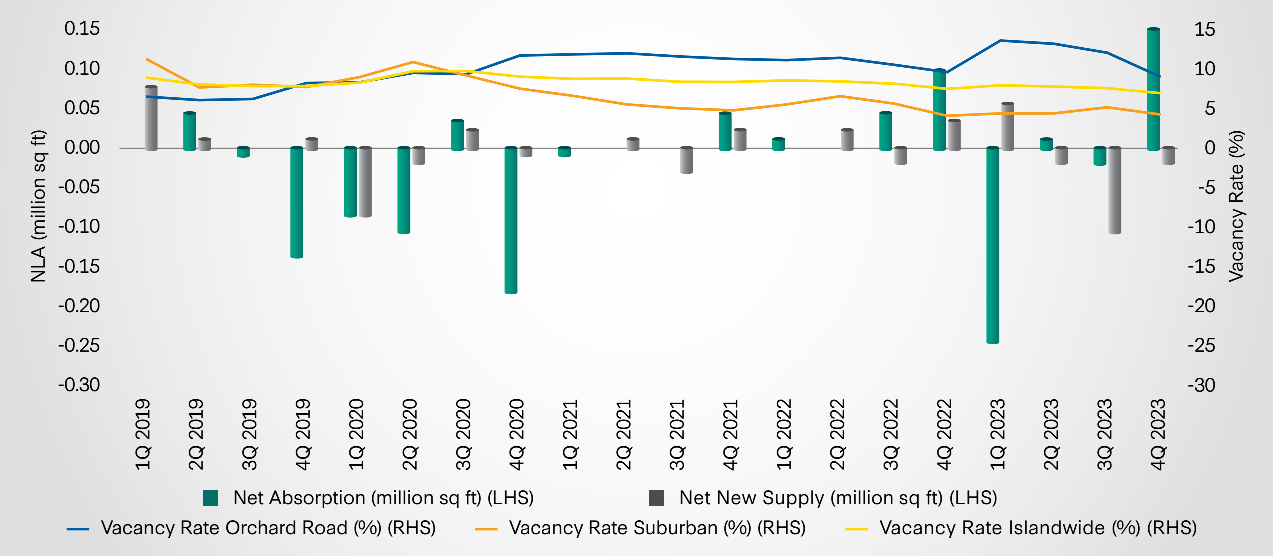
In 2023, islandwide retail market registered a positive net absorption of 0.8 million sq ft. The positive net absorption was supported by businesses in the F&B sector (e.g. Mister Donut, BHC Chicken, Tim Hortons), the fashion sector (e.g. Marimekko, ba&sh, Avenue on 3), as well as strong expansion of supermarkets (e.g. Don Don Donki, FairPrice Finest). Nonetheless, there were some prominent closures over the same period. These included businesses in the service sector (e.g. VS Monsoon) and entertainment sector (e.g. Cathay Cineplex). Due to changing preferences, intense competition and consolidation, 2023 also saw the closure of several gyms such as Pure Fitness, UFC Gym and Haus Athletics. Preferences have instead shifted towards boutique gyms which provide a more personalised experience and are closer to homes.

Overall, with strong demand from F&B and fashion sector, openings outnumbered closures in 2023.

Another trend observed in 2023 amongst the new openings and expansions was pop-up stores. In addition to testing the market, especially for new concepts, retailers are setting up pop-up stores to showcase limited-edition goods.

The vacancy rate for islandwide retail contracted by 0.6 percentage points YoY to 6.5% in 4Q 2023 (from 7.1% in 4Q 2022). Similarly, vacancy rate in Orchard Road decreased by 0.6 percentage points YoY to 8.7% in the same period. With the recovery of visitor arrivals and hence return of tourist spending, retail sentiment of the Orchard Road submarket stays positive for 2024. The suburban market has showed continued resilience and recorded a marginal increase in vacancy rate of 0.1 percentage points YoY to 3.9%.

ORCHARD ROAD SUPPLY AND DEMAND



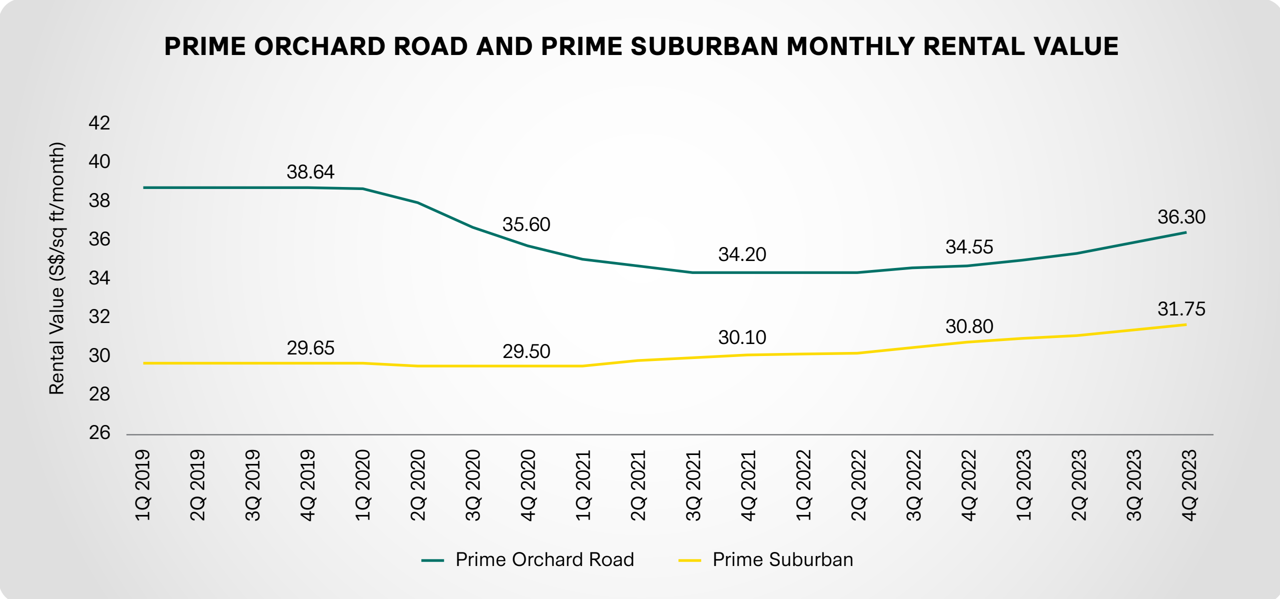
Source: CBRE, 4Q 2023

Rental Values

Average islandwide prime retail gross rents increased by 4.2% YoY in 4Q 2023, a growth from 1.6% the year prior. With the recovery of tourist arrivals and return-to-office trend, the retail market has been able to recover significantly. The increase in service charge has also contributed to the increase in prime retail rents. Prime Orchard Road rents increased by 1.5% QoQ and 5.1% YoY to S$36.30 per sq ft/month in 4Q 2023. However, due to economic uncertainties, retailers remain cautiously optimistic about the market.

Meanwhile, supported by stable and healthy footfall, prime suburban rents continued its resilience in 4Q 2023, registering positive rental reversion for 11 consecutive quarters, recording a 1.0% QoQ and 3.1% YoY growth to S$31.75 per sq ft/month. In 4Q 2023, rental premiums between the two markets have expanded due to stronger growth in Prime Orchard Road market as compared to Prime Suburban.

Amidst the ongoing global economic challenges, the below-historical annual average new retail supply in the next few years alongside a recovered tourism sector, retail rents will continue to recover in 2024.



Source: CBRE, 4Q 2023

Investment Transactions

After an active year of transactions in 2022, total investment transactions slowed in 2023. Total investments in 2023 stood at approximately S$3.9 billion, representing 77% of 2022 total investment transaction. The overall activity decline was likely attributed to high interest rates and an uncertain global economic backdrop.

Three notable transactions were reported in 1Q 2023. Link Asset Management acquired Jurong Point at S$1,988.9 million or S$2,762 per sq ft and 56% stake of Swing by @ Thomson Plaza at S$172.5 million or S$1,568 per sq ft. Frasers Property Group (comprising Frasers Centrepoint Trust's 25.5% and Frasers Property's 24.5%) acquired a 50% stake in NEX at an agreed property value of S$2,077.8 million (100%) or S$3,274 per sq ft on NLA. As of January 2024, Fraser Centrepoint Trust has acquired an additional 24.5% effective interest in NEX for S$523.1 million from Frasers Property, raising Fraser Centrepoint Trust's effective interest in NEX to 50% from 25.5%.

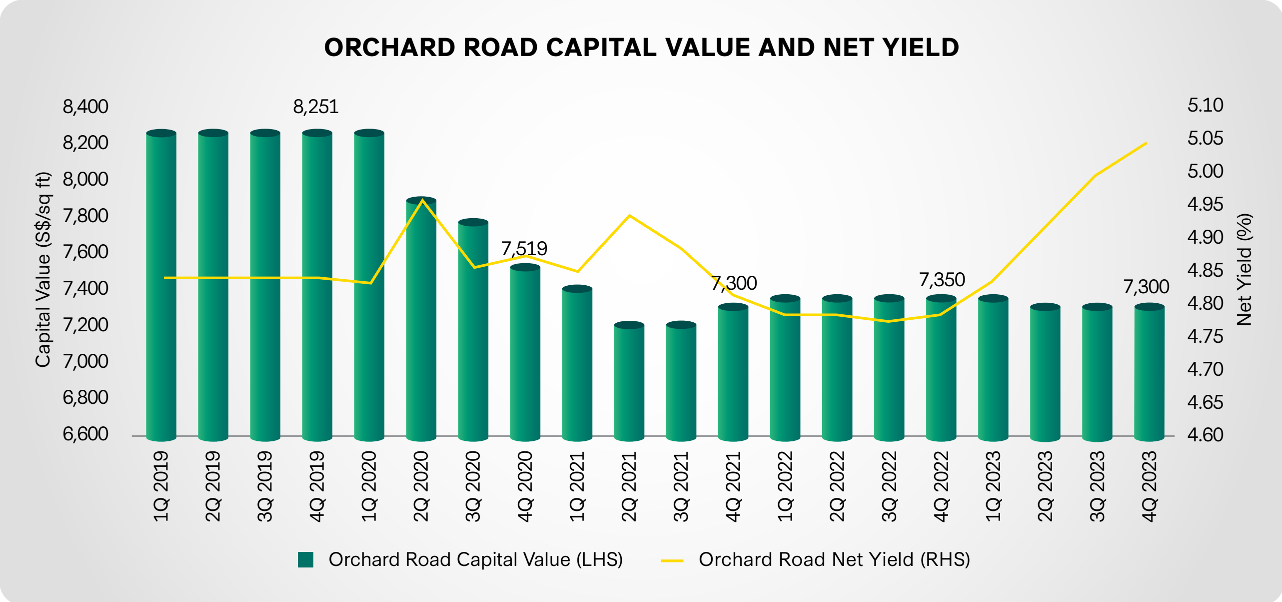
In 2Q 2023, Lendlease Global Commercial REIT had taken an effective stake of property of 7.7%, based on an agreed market value of the Properties at $1,380.0 mil (100%). Despite lack of larger transactions, sales in strata retail market increased in 2Q 2023, reversing the three consecutive quarters of decline.

In 3Q 2023, Far East Shopping Centre was sold to Bright Ruby Resources via a collective sale at a record price of S$908 million or S$3,350 per sq ft ppr based on the potential GFA of about 290,600 sq ft under the SDI scheme. Within the same quarter, Frasers Centrepoint Trust divested Changi City Point for S$338.0 million or S$1,621 per sq ft to Zhao Family.

In 4Q 2023, there was only one significant retail transaction where Peter Koh purchased Jelita Shopping Centre for S$91.7 million or S$2,727 per sq ft from Jardine Matheson Group.

Capital Values and Net Yields – Orchard Road

With interest rates remaining elevated, investors and buyers are accounting for a higher required rate of return given higher funding costs. Therefore, Orchard Road capital values decreased marginally by 0.7% YoY to S$7,300 per sq ft in 4Q 2023. Net yields, however, had increased by 26 basis points (bps) to 5.04% in the same period. This is on the back of rental growth, which is having an upward trajectory driven by limited supply paired with the eventual return of tourists.



Source: CBRE, 4Q 2023

Market Outlook

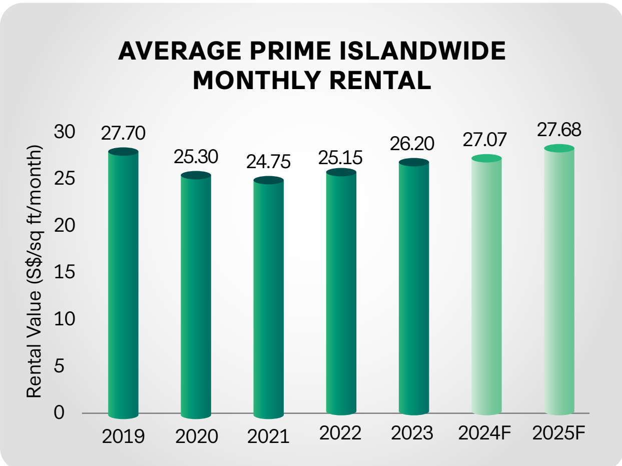
In 4Q 2022, the Singapore Retailer Association and Enterprise Singapore rolled out transformative road maps to support retailers in creating personalised retail experiences and positioning retail as an attractive industry by 2025, as well as encouraging new experiential concepts and grooming local talent. In addition to the road maps, the government has announced schemes to revitalise the heartlands, such as increased funding for retailers' upgrading cost. Workforce Singapore has worked with government agencies and the industry to develop Job Transformation Maps (JTMs) to redesign jobs for the food services and retail sectors were also launched recently, which will help to alleviate manpower shortages.

On 3 August 2023, the bill to mandate compliance with the Code of Conduct for Leasing of Retail Premises in Singapore was passed. The Code of Conduct sets out guidelines for fair and balanced lease negotiations between landlords and tenants of retail premises, which will imbue retailers with more confidence in signing lease agreements.

With full tourism recovery expected by end of 2024, tourist-dependent submarkets such as Orchard Road are likely to post higher rental growth on the back of increased tourism supported by increasing flight connectivity and capacity, coupled with the strong pipeline of MICE events and sell-out concerts. Furthermore, with the continued return-to-office trend, malls in Downtown Core will likely benefit from the increased footfall. Meanwhile, the resilient suburban market will sustain modest rental increases in comparison to other submarkets.

Overall, retailers may continue to face challenges such as e-commerce, manpower shortage, high operating costs, a weak economic environment and higher GST rates. However, with improved mobility, tourism recovery and a below-historical annual average pipeline supply in the next few years, retail rents and occupancy rates are likely to increase in 2024.

Going forward, CBRE expects capital values to remain resilient. In 2H 2023, interest rates have stabilised as compared to earlier in the year. Moving into 2024, although the median target interest rate is expected to remain high with a few rate cuts, capital values are expected to hold firm due to strong holding power and resilient underlying fundamentals. CBRE expects strategic assets with strong performances backed by solid underlying fundamentals and demand drivers to remain attractive to prospective investors in the longer-term.



Source: CBRE Singapore
Note: As of 4Q 2023

INDEPENDENT MARKET REVIEW

OFFICE MARKET OVERVIEW

Existing Office Supply

Islandwide office stock totalled 62.0 million sq ft as at 4Q 2023. The CBD Core accounted for 31.6 million sq ft (or 51.0%) of islandwide office stock, of which 14.8 million sq ft was Grade A CBD Core office space. CBD Fringe and Decentralised Area office stock stood at 15.7 million sq ft (or 25.4%) and 14.7 million sq ft (or 23.6%) respectively.

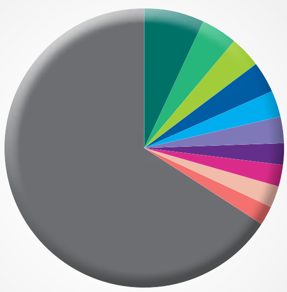
Approximately 0.3 million sq ft of office stock was completed in 2023. Major developments completed included the office component of Surbana Jurong Campus (211,600 sq ft) and One Holland Village (60,600 sq ft) in the Decentralised Area.

Office Stock Ownership

The top 10 owners of office stock in Singapore are corporations, developers and REITs. As of 2023, CICT, which owned 7.2% of total office stock NLA[13], is the largest owner of office stock. This was followed by Keppel REIT (4.1%) and Suntec REIT (3.7%). Out of the total office stock, the top 10 owners owned approximately 34.6%, while other developers, funds and insurance houses, strata-titled owners and others owned the remaining 65.4%.

The CapitaLand Group, which includes CICT, CapitaLand Development, CapitaLand Investment and CapitaLand Ascendas REIT, owned approximately 9.0% of islandwide office stock.

ESTIMATED SHARE OF PRIVATE OFFICE STOCK BY OWNER



CapitaLand Integrated Commercial Trust	7.2%
Keppel REIT	4.1%
Suntec REIT	3.7%
Singapore Land Ltd	3.6%
M+S Pte Ltd	3.2%
GuocoLand Ltd	3.0%
Hongkong Land	2.7%
Mapletree Pan Asia Commercial Trust	2.5%
UOB Group	2.4%
City Developments Ltd	2.3%
Others	65.3%

Source: CBRE Singapore, 4Q 2023

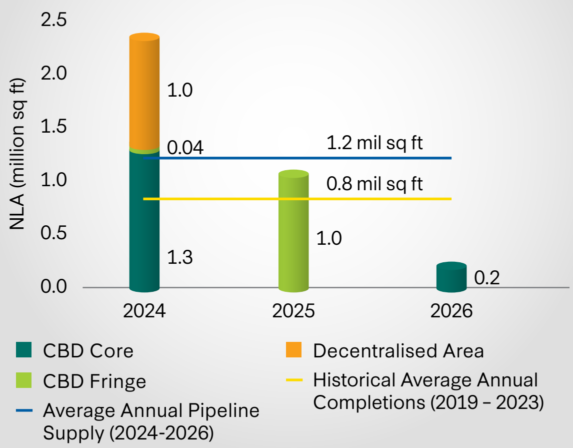
Future Office Supply

Between 2024 and 2026, islandwide new office supply is projected at 3.6 million sq ft. Out of this total pipeline supply, the CBD Core accounts for 40.9%, while the CBD Fringe and Decentralised Area account for the remaining 30.6% and 28.6% respectively. Average annual gross new office supply from 2024 to 2026 is approximately 1.2 million sq ft, higher than the last five-year historical average annual completions (2019-2023) of 0.8 million sq ft.

Approximately 2.3 million sq ft of office supply will enter the market in 2024. This includes IOI Central Boulevard Towers (1.3 million sq ft) in CBD Core which was initially slated to complete in 2023. Other developments due for completion in 2024 include Odeon 333 (39,800 sq ft) in the CBD Fringe, as well as Labrador Tower (696,800 sq ft) and Paya Lebar Green (320,900 sq ft) in the Decentralised Area.

In the CBD Fringe, Keppel South Central (613,500 sq ft), initially planned for completion in 2024, and the redevelopment of Shaw Tower (435,000 sq ft), are slated for completion in 2025. Meanwhile, Solitaire on Cecil (196,500 sq ft) is expected to enter the CBD Core market in 2026. Previously targeted for completion in 2025, Newport Tower in the CBD Fringe has been delayed till beyond 2026.

ISLANDWIDE FUTURE OFFICE SUPPLY
(2024 – 2026)



Source: CBRE Singapore, 4Q 2023

13 Based on CBRE's total islandwide office stock.

MAJOR FUTURE OFFICE SUPPLY (2024 – 2026)

	2024: (2.3 million sq ft)	2025: (1.0 million sq ft)	2026: (0.2 million sq ft)
CBD Core	• IOI Central Boulevard Towers: 1,258,000 sq ft	• N.A.	• Solitaire on Cecil (PIL Building Redevelopment): 196,500 sq ft
CBD Fringe	• Odeon 333: 39,800 sq ft	• Shaw Tower Redevelopment: 435,000 sq ft • Keppel South Central: 613,500 sq ft	• N.A.
Decentralised Area	• Labrador Tower: 696,800 sq ft • Paya Lebar Green (Certis Paya Lebar Redevelopment): 320,900 sq ft	• N.A.	• N.A.

Source: CBRE, 4Q 2023
Note: As at 31 January 2024

The supply of new office spaces in the CBD is expected to be frontloaded with IOI Central Boulevard Towers coming into market in 1Q 2024. The rise of hybrid work is reshaping office space requirements, prompting developers and landlords to leverage the CBD Incentive (CBDI), as seen in mixed-use developments such as 8 Shenton Way (formerly AXA Tower) and Newport Plaza (formerly Fuji Xerox Towers), and Strategic Development Incentive (SDI) Scheme to redevelop and rejuvenate their older assets. This will further contribute to the tightening of office supply in the CBD.

While the CBD market currently has the largest quantum of office stock, new supply is slated to be outside the CBD as the government focuses on decentralisation. A key area of interest is the Jurong Lake District, which is strategically planned to be the largest business district outside the CBD. The government has released a "white site" in Jurong Lake District under the 1H 2023 government land sales (GLS) Programme. With a potential to yield about 1.6 million sq ft GFA of office space, along with other complementary uses including retail and residential, this marks the largest GLS office space supply since 2016, and the largest in a decentralised location. The proposed integrated development will be progressively completed over the next 10 to 15 years. The scalability and new development design concepts could potentially be a unique selling point for occupiers, and the location could offer cost advantages with the right execution and target occupier groups.

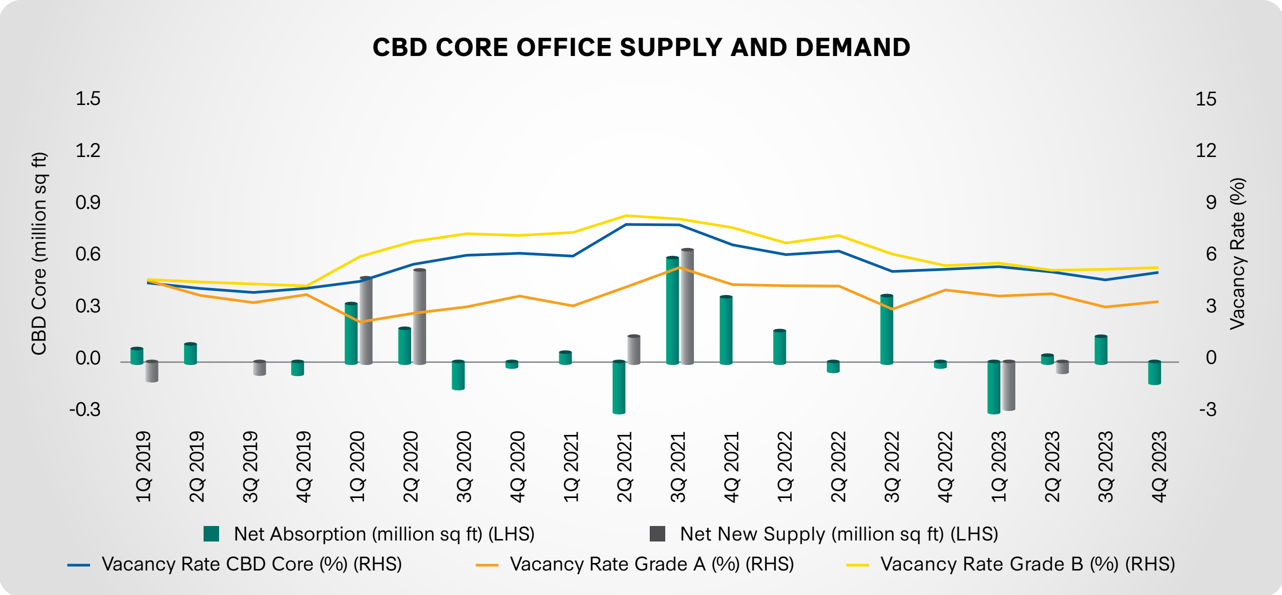
With the redevelopment of older office stock into mixed-use developments and more urban renewal projects expected in the next few years, coupled with limited new supply under the GLS scheme with the government's focus on decentralisation, the mid and long-term CBD office stock is expected to remain limited.

Demand and Vacancy

Despite economic headwinds, office demand remained sustained in 2023, albeit with a slower growth momentum as compared to the strong rebound experienced in 2021 and 2022.

The office market observed some degree of demand on the back of limited supply and a steady absorption of shadow spaces. Over the course of 2023, the amount of shadow spaces continued to decline from the peak of 0.7 million sq ft in 1Q 2023 to 0.2 million sq ft in 4Q 2023. Aside from the absorption of such spaces, some shadow spaces were also taken off the market as tech occupiers decided to retain their office spaces. Meanwhile, shadow spaces in prime areas like Marina Bay and Raffles Place attracted occupiers seeking high-quality, fitted office spaces. For most of 2023, demand was mainly contributed by private wealth and asset management companies, law firms, professional services and government agencies. Despite pockets of rightsizing, some degree of renewal and expansion activity was observed across various sectors. In the coworking space, despite recent headlines of WeWork filing for bankruptcy in the US, the operator announced that its operations in Singapore will not be impacted. Other flexible workspace operators were also undeterred and continue to potentially expand their presence within the CBD.

Flight-to-quality and flight-to-green are other trends that have held steady, as workplace-led changes have encouraged more relocations and adjustments to more efficient footprints. Such demand was prevalent in the private wealth, asset management, and consumer goods sectors. The increasing back-to-office momentum has also contributed to the heightened demand for office space, with many companies mandating their employees to return to the office for more days in the work week in 2023. While some occupiers have



Source: CBRE Singapore, 4Q 2023

fully embraced hybrid work, others are encouraging more workers to return as pandemic worries fade and concerns over innovation and culture heightened.

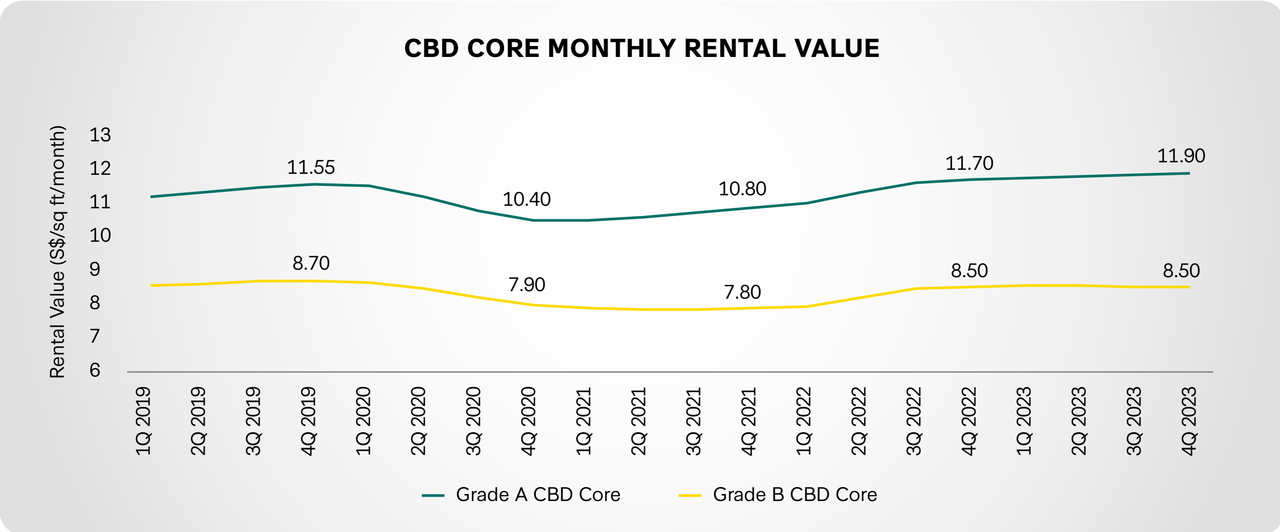
Islandwide net absorption was negative 0.4 million sq ft for the whole of 2023, below the five-year historical islandwide office average annual net absorption (2019 – 2023) of positive 0.3 million sq ft. This was also a significant decrease from the 1.1 million sq ft overall take-up in 2022. The drop was mainly due to the lack of new supply and removal of older buildings that have been scheduled for redevelopment in 2023. Accounting for the net removal of stock, the overall office demand remained resilient with a positive net absorption of 85,000 sq ft. In addition, 2022's higher take-up was due to a significant large project – Guoco Midtown, which achieved healthy commitment rates prior to its completion in 2022.

Islandwide office vacancy rate declined by 0.1 percentage points from 5.0% in 4Q 2022 to 4.9% in 4Q 2023. Grade A office vacancy in the CBD Core dropped from 4.2% in 4Q 2022 to 3.5% as at 4Q 2023. Similarly, vacancy in the CBD Core inched down from 5.3% in 4Q 2022 to 5.2% in 4Q 2023.

In the near term, occupiers could grow more cautious in their expansion plans in anticipation of global economic uncertainties, fewer visible demand drivers and an above historical average completion pipeline in 2024.

Rental Values

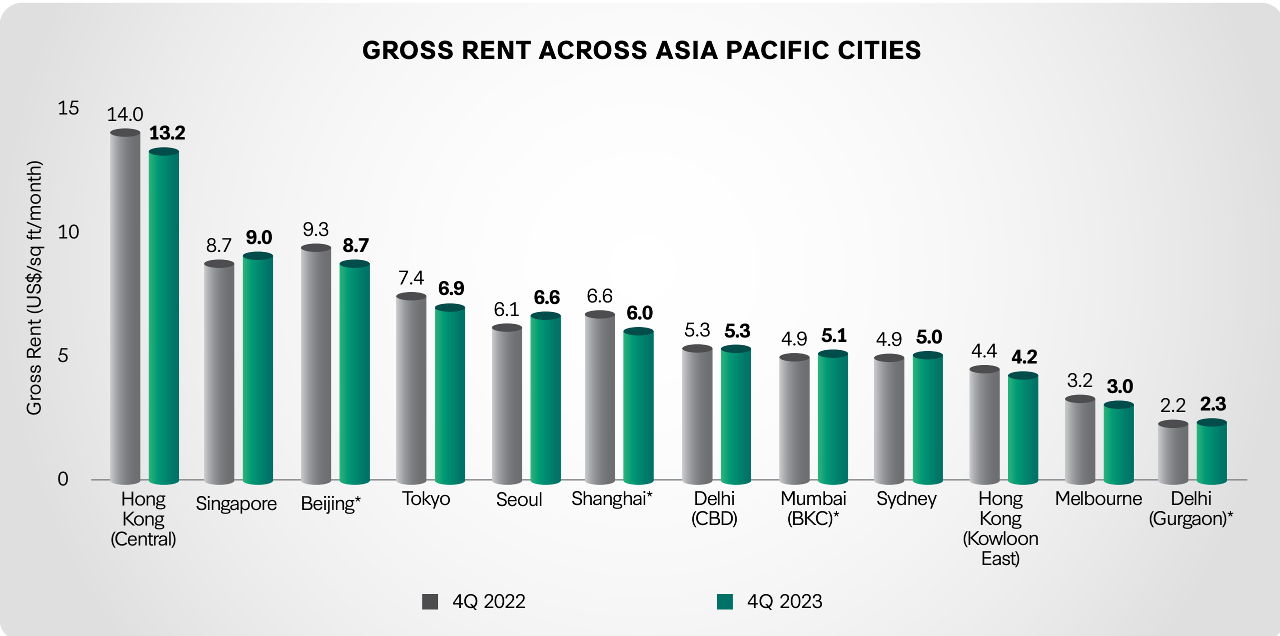
Overall, office rents grew steadily in the first half of the year but eased in the second half as firms prioritised business continuity and operational stability. Grade A CBD Core rents increased by 0.4% QoQ in 4Q 2023 and grew by 1.7% YoY to reach S$11.90 per sq ft/month. The YoY rental growth rate outpaced the projected GDP growth of 1.2% but was lower than the 8.3% annual rental growth in 2022. On the other hand, Grade B CBD Core rents remain resilient despite flight-to-quality trend as rents remain constant with no YoY growth at S$8.50 per sq ft/month. Going forward, office rents are expected to hold firm in 2024, barring increases in service charges because of rising utility costs and inflationary pressures.



Source: CBRE Singapore, 4Q 2023

Gross Rent[14] in Major Cities in Asia Pacific

Singapore Grade A gross rents rose to US$9.0 per sq ft/month YoY and overtook Beijing to rank second among major Asia Pacific cities in 4Q 2023, after Hong Kong (Central). Despite most countries experiencing a decline in gross rents YoY, Singapore Grade A gross rents rose. This increase reflected the strong fundamentals of the office market, as Singapore remains an attractive location for businesses, given its strategic location as a key gateway city within Asia Pacific.



Source: CBRE APAC, 4Q 2023
*Rents quoted for mainland China and India are on a face rents basis, while the rest are effective rents.
The data is also standardised into net floor area.

14 Gross rents (or occupancy costs) in US$ are standardised for all markets in Net Floor Area (NFA) and value cannot be directly calculated by applying exchange rate only.

Office Investment Market and Capital Values

The office investment market saw muted activity in 2023 with investment volume amounting to S$2.0 billion, a significant decline of 72.4% YoY from 2022's S$7.4 billion on the back of rising interest rate environment and economic uncertainty, causing institutional investors to remain on the side lines. The largest transaction in 1Q 2023 was the sale of Robinson Point by Viva Land Investment & Development Holdings for S$399.0 million (S$2,970 per sq ft) to an 81:10:9 consortium between Yangzijiang Shipbuilding (Holdings) Ltd, 9Co Parker Pte Ltd and ICH Singapore Holdings Pte Ltd.

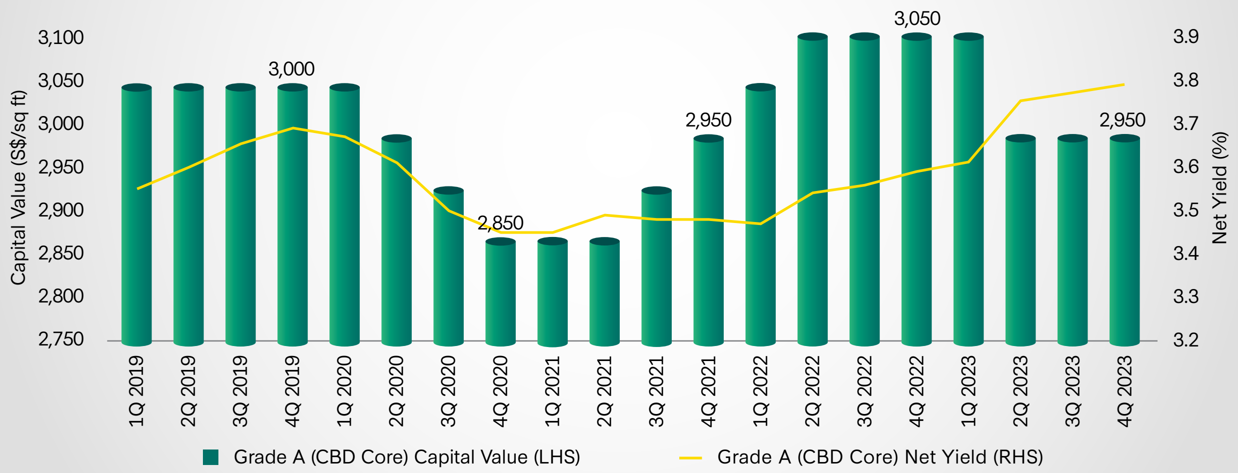
For the rest of 2023, transactions comprised smaller strata office units purchased by non-real estate companies, private individuals and family offices for own use, investment or wealth preservation. The more significant transactions in 4Q 2023 were Union Investment's sale of Visioncrest Commercial for S$441.0 million (S$2,963 per sq ft on NLA) to a consortium comprising Metro Holdings, TE Capital Partners and LaSalle Investment as well as Wilkie Edge, sold by Lian Beng Group and Apricot Capital for S$350.0 million (S$2,265 per sq ft) to Keppel Capital.

Capital Values and Net Yields – Grade A CBD Core

Grade A CBD Core office capital value decreased by 3.3% YoY to S$2,950 per sq ft in 4Q 2023. The decline in capital values was from S$3,050 per sq ft in 1Q 2023 to S$2,950 per sq ft in 2Q 2023, remaining consistent for the rest of 2023. Grade A CBD Core office net yield also expanded by 0.2 percentage points YoY to 3.79% in 4Q 2023. Moving forward, capital values are expected to remain resilient even as investor sentiment turned cautious. Investors are adopting a wait-and-see approach amid the uncertain global economic climate.

In turn, yields may witness slight decompression in the short term. CBRE expects investor interest to return more strongly in 2024, supported by solid market fundamentals and expected continuation of rental growth. Strata office units are also expected to continue to attract market interests.

GRADE A CBD CORE OFFICE CAPITAL VALUE AND NET YIELD



Source: CBRE Singapore, 4Q 2023

Office Market Outlook

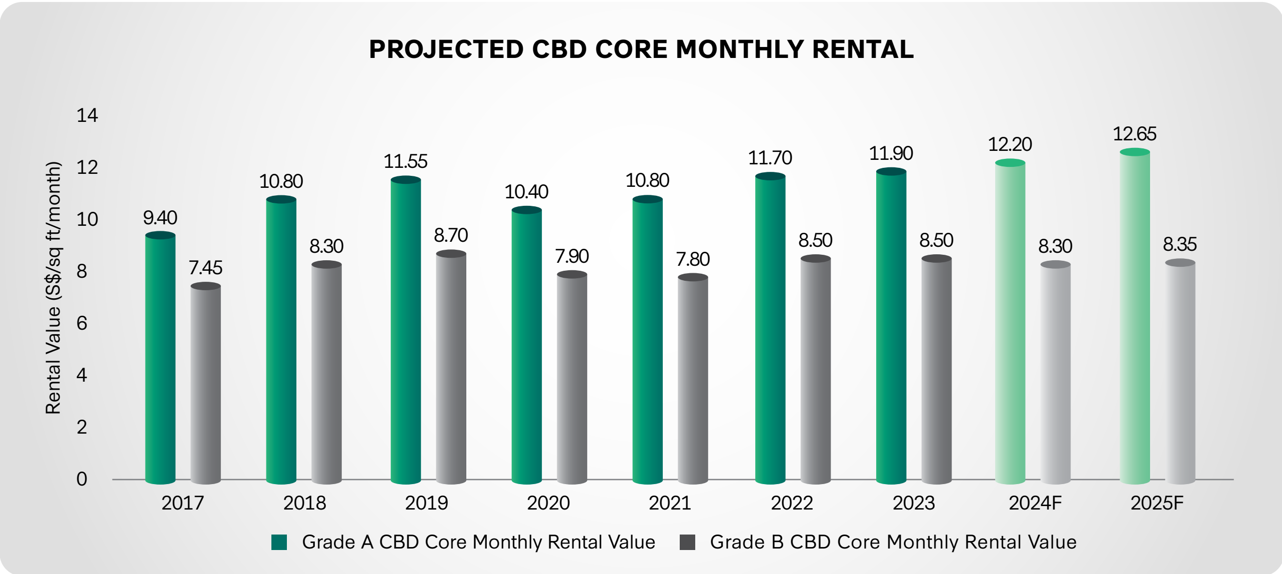
Despite Singapore's modest GDP growth in 2023, demand in the office market, especially for quality office spaces, remained sustained due to limited supply and an increasing back-to-office momentum. This was also reflected in the healthy take-up of shadow space. Throughout 2023, vacancy rates remained low, particularly in prime CBD areas. The lack of readily available spaces created a competitive environment for tenants, driving up rents and creating favourable conditions for landlords. While the Singapore office market is expected to face challenges in the near term such as an uncertain economy and fewer visible demand drivers, cyclical demand could improve alongside an expected recovery in the Singapore economy in 2H 2024.

Going forward, the trends of refining workplace utilisation and flight-to-quality will likely persist, with vacancy increasing across the Grade B submarkets. Occupiers planning to reduce their footprint may choose to upgrade to better-quality but smaller offices. The demand for higher quality buildings will impact the occupancies and rentals of Grade B buildings in the CBD. As the two-tier market becomes more apparent, more landlords could likely see the opportunity to undertake AEIs to unlock the value of their assets in the longer term. This will help to enhance the overall quality of office buildings in the CBD, supporting the government's vision of rejuvenating the CBD.

In 2024, leasing demand is likely to be broad-based, instead of demand largely coming from industries such as technology in recent years. There will also be expected adjustments in space requirements as firms look to calibrate their footprint as they navigate their office strategy between hybrid and return to office arrangements. Demand from mid-sized firms is also expected to contribute to demand.

CBRE expects Grade A CBD Core office rent to outperform 2023's growth rate of 1.7%, coming in at 2-3% for 2024, along with an improvement in the Singapore's economy. Cautious sentiment is likely to be observed in the first half of 2024 which can be attributed to a larger incoming new supply, including the completion of IOI Central Boulevard Towers in CBD Core and Labrador Tower in the Decentralised Area. Rents are likely to pick up more meaningfully in 2H 2024 as the global economic recovery gains more traction.

In addition to rental considerations, high material and labour costs are expected to persist in 2024. As a result, corporations constrained by capital expenditure, will face difficulty in relocating or implementing new workplace strategies that support the post-pandemic environment. Establishing a clear workplace strategy that incorporates hybrid and flexible work options is crucial for companies, especially those with outdated workspaces. Companies may have to balance employees' locational preferences when bringing them back to the office.



Source: CBRE Singapore, 4Q 2023

INTEGRATED DEVELOPMENT MARKET OVERVIEW

The shift towards a live-work-play environment in recent years has contributed to the strong demand for integrated developments, which is well supported by a working population and an immediate residential catchment, creating a sustainable and vibrant ecosystem.

Integrated developments typically have the following features:

- feature a mix of different yet synergistic uses like retail, office, residential or hospitality, managed under one management;
- offer a mix of uses which provides a "campus-like" or "precinct-type" of environment;
- possess excellent connectivity to transportation nodes;
- have high-quality green features and open spaces for the community; and
- offer value-added services for tenants and other stakeholders[15].

The government, via the Urban Redevelopment Authority's (URA) programmes such as the GLS Programme, CBDI Scheme and SDI Scheme, has successfully introduced more mixed-use precincts and integrated developments. Notably, Forum the Shopping Mall, voco Orchard Singapore and HPL House will be redeveloped into a mixed-use development in Orchard Road with hotel, retail, office and residential spaces under the SDI Scheme. Other recent completions include Guoco Midtown (office achieved Temporary Occupation Permit (TOP); retail partial) and One Holland Village.

In December 2023, the GLS Programme released two potential integrated development sites. The 1H 2024 Confirmed List, consist of a mixed-use plot for commercial and residential use at Tampines Street 94 in the East Region while the 1H 2024 Reserve List include one sizeable "white site" at Woodlands Avenue 2 in the West Region.

The commercial and residential parcel in Tampines Street 94 spans 2.35 hectares, with 10,500 sq m of commercial space and a minimum requirement of 650 sq m for childcare space. The site can yield a total of 585 residential units and is expected to launch in June 2024. The mixed-use development is likely to offer the only major mall within the Tampines West heartland estate strategically located right next to Tampines West MRT station (Downtown Line), to serve the growing number of homes in the area.

Located within the Woodlands Regional Centre, the 2.75-hectare site at Woodlands Avenue 2, which can potentially yield 78,000 sq m of commercial space and 440 housing units is envisioned to become the main commercial hub in the North Region, home to new spaces for industry, research and development, learning and innovation. The Woodlands Regional Centre comprises two distinct precincts – Woodlands Central and Woodlands North Coast. Woodlands Central, where the land parcel is located at, is envisioned as a walkable, pedestrian-centric regional retail and employment hub serving the surrounding residents as well as those in the North Region.

Advantages and Observations of Integrated Developments

Integrated developments are observed to have advantages over conventional developments in certain aspects. In general, the office component within integrated developments can potentially command rental premiums of approximately 5% to 15%, and the premium is typically more pronounced in decentralised locations.

In decentralised locations where quality stock remains relatively limited, the offices in integrated developments have better specifications. They are also highly connected to transport nodes and have greater accessibility to amenities. This contrasts with Grade B standalone offices in decentralised areas which typically do not enjoy the same level of connectivity and convenience.

15 Includes integrated services across different parts of the integrated development, tenant offers and events, access to certain privileges such as discounts and updates, and the use of other facilities and amenities within the larger integrated development.

In the CBD Core, a smaller margin of premium is observed in offices of integrated developments over single-use developments and mixed-use developments with no direct connectivity to transport (other developments), as premiums are largely dependent on the quality of the building, location and proximity to amenities. Most offices in the CBD Core, whether integrated or standalone, have good specifications and easy access to transport nodes and surrounding amenities. As such, the rental premiums between such Grade A offices in integrated developments and standalone buildings are likely to be less pronounced and largely dependent on the quality and specifications of the building.

For the retail component within integrated developments, rents are primarily driven by location, retail trade mix and amenities within the locality. The enhanced accessibility due to strong connectivity to transport nodes result in significantly higher footfall, which generates considerable retail sales. The rental premium due to these advantages are approximately 10% to 20%. Integrated developments in decentralised locations tend to have a larger premium as they have distinct advantages of a diverse catchment including office workers, residents, hotel guests or serviced apartment residents. Sited within large onsite catchments contributing to consistent footfalls, these integrated developments are also more attractive to prospective tenants.

In addition, integrated developments are generally owned and managed by established companies with proactive leasing and property management teams. Active engagement with tenants which translates to confidence in landlords is one of the key factors that retail tenants typically look for and are attracted to. This helps to contribute in part to the rental premium observed.

Future Supply

Between 2024 and 2026, four new integrated development projects are expected to complete. This includes IOI Central Boulevard Tower (CBD Core), a partial retail component of Guoco Midtown (Fringe CBD)[16], Labrador Tower (Decentralised) and Pasir Ris 8 (Decentralised) in 2024. In 2025, the Liang Court Redevelopment, known as CanningHill Piers and CanningHill Square, is expected to enter the CBD Fringe.

Additionally, the redevelopments of Fuji Xerox Tower and AXA Tower which plan to include office, retail, residential, hotel and leisure components are scheduled to enter the CBD Fringe in 2027 and 2028.

MAJOR FUTURE INTEGRATED DEVELOPMENTS SUPPLY (2024 – 2026)

Project	Developer	City Area	Office Est. NLA (sq ft)	Retail Est. NLA (sq ft)	Residential Units	Hotel / Serviced Apartment Units	Est. Year of Completion
IOI Central Boulevard Towers	Wealthy Link Pte Ltd, IOI Properties	CBD Core	1,258,000	30,000	Nil	Nil	2024
Labrador Tower	SP Group	Decentralised Area	696,800	28,300	Nil	Nil	2024
Pasir Ris 8 & Pasir Ris Mall	Allgreen Properties & Kerry Properties	Decentralised Area	Nil	282,800	487	Nil	2024 (Retail) / 2026 (Residential)
CanningHill Piers & CanningHill Square (Liang Court Redevelopment)	City Developments Limited, CapitaLand, CapitaLand Ascott REIT	Rest of Central Region	Nil	96,900	696	475 hotel rooms, 192 service apartments	2025

Source: CBRE Singapore, 4Q 2023

16 As majority of the commercial component of Guoco Midtown has attained TOP, CBRE has not included the details in the table above.

Investment Sales and Transactions

In 2023, a mixed-use site at Tampines Avenue 11 was awarded to a consortium comprising CapitaLand, UOL Group and SingLand for S$1.206 billion (S$885 per sq ft ppr). The development will comprise residential and commercial components, integrated with a bus interchange, a community club and a hawker centre.

Integrated Development Market Outlook

Going forward, the increasing presence of integrated developments will continue to be spearheaded by the change of dynamics in the urban landscape as well as government initiatives such as planning policies that encourage more mixed-use and integrated development precincts. This is in tandem with URA's strategy to develop sub-regional centres to decentralise commercial activities to locations outside of the CBD, coupled with the resilience of suburban areas in light of the pandemic.

The demand for prospective integrated development land sites is anticipated to intensify with greater interest from developers with scale and experience across different uses, or a consortium of developers specialising in different components. The release of "white site" under the GLS Programme such as at Woodlands Avenue 2 and mixed-use development site at Tampines Street 94 will provide potential opportunities for developers to conceptualise such developments.

The quality of integrated developments is expected to continue improving with more diverse offerings, better programming and better public spaces for users. Developers/landlords of non-integrated developments will need to continually innovate and invest in technology and enhance their placemaking efforts, to improve their services and offerings within their developments as the integrated development market becomes more competitive.

FRANKFURT, GERMANY

FRANKFURT OFFICE MARKET

The Frankfurt economy in 2023 was impacted by global uncertainties and a mild recession in Germany. The city's GDP which was forecasted to grow by 0.7%[17] in 2023, held up better than that of -0.3%[18] for Germany as a whole. GDP growth is likely to remain subdued in 2024. The Frankfurt economy in 2024 is expected to be weighed down by a significant contraction in the financial sector, which is a major component of Frankfurt's economy, as well as declines in professional and public services. According to the Federal Employment Agency, the unemployment rate in Frankfurt increased slightly from 5.7% in December 2022 to 5.9% in December 2023. Consumer prices in Germany rose by 5.9% in 2023 on an annual average basis compared with 2022. The Federal Statistical Office (Destatis) reported that the inflation rate for 2023 was thus lower than in the previous year, which stood at 6.9%, as a result of monetary policy interventions[18].

In line with the current economic situation, take-up and investment figures in the Frankfurt market declined in 2023. Office take-up for the overall market totalled 348,100 sq m, a further 6% down on the previous year's take-up of 369,000 sq m. Take-up in 2023 was approximately 26% lower than the 10-year average of 467,500 sq m. This marked the weakest annual total since 2020 (319,600 sq m). The majority of take-up is attributable to small and medium-sized office spaces. 38% of the office take-up accounted for small spaces of up to 1,000 sq m, 42% for spaces in the medium segment of 1,000 to 5,000 sq m and only 20% for spaces over 5,000 sq m. The two largest lettings of the year (by size) are a pre-let of 11,900 sq m by an industrial service provider in a new building completed in 2023 in the Airport District submarket and a pre-let of 10,600 sq m by a German banking institution in a building currently undergoing sustainability refurbishment in the Eschborn submarket.

Many occupiers, especially in the large size segment, adopted a wait-and-see approach. Economic uncertainties and the importance of ESG criteria and home-office quotas are influencing and delaying occupiers' decisions on location, space sizes and office concepts. This is also reflected in the number of lease renewals, which at around 200,000 sq m is almost 40% above the 10-year average. The average length of lease extension for these occupiers was five years.

17 Oxford Economics, January 2024
18 Federal Statistical Office Germany

The submarkets comprising peripheral locations (including Eschborn, Offenbach/Kaiserlei and the Airport District) recorded a higher take-up of 141,000 sq m (41% of total take-up) than the traditionally strongest CBD cluster (Banking District, City, Westend). By the end of 2023, take-up in the CBD cluster amounted to 102,400 sq m (29% of total take-up). The largest share of take-up at submarket level was achieved in the Banking District (41,600 sq m/12% of total take-up). This was supported by lettings in the small to medium-sized segment of up to 3,000 sq m. The Eschborn submarket registered the second highest take-up in 2023 (36,800 sq m/11% of total take-up). Demand in this submarket, located outside the city boundaries of Frankfurt, is being driven by new-build and refurbished spaces of the highest quality coming onto the market in 2024 and 2025 at affordable prices and a lower trade tax rate compared to Frankfurt. At 25,100 sq m, the Airport District submarket also benefited from high demand compared to the previous year (+161%) and the average of the last five years (+28%). This is mainly due to the aforementioned deal of 11,900 sq m, the largest deal in 2023.

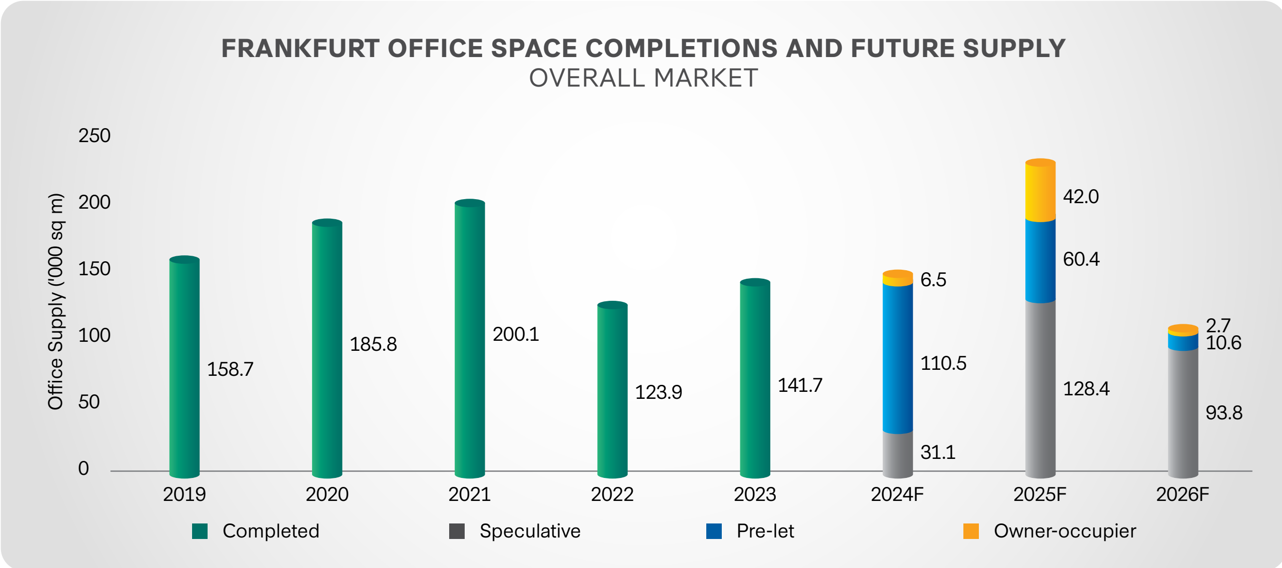
The vacancy rate (excluding sublet space) increased significantly due to the completion of developments in the Airport District and Offenbach/Kaiserlei, as well as the vacating of office space in properties that do not meet modern fit-out standards or sustainability criteria, particularly in peripheral submarket locations. As a result, the overall vacancy rate rose by 1.0 percentage point YoY to 8.9%. At submarket level, vacancy rates rose by 0.2 percentage points to 4.1% in the Banking District and by 3.0 percentage points to 10.9% in the Airport District. The increase in vacancy in the Airport District is mainly due to the completion of the second construction phase of 'Flow' and 'The Move'. The two new buildings which came into the market in 2023 have contributed to approximately 22,400 sq m of vacant office space.

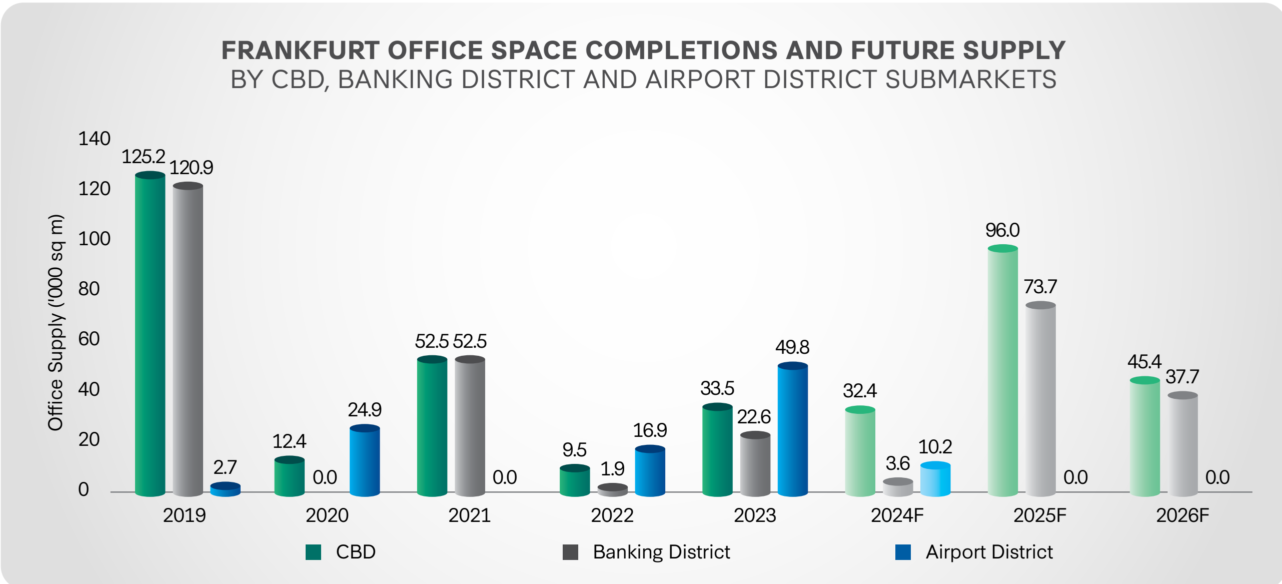
In total, 486,000 sq m of refurbished spaces and new construction is expected to be completed by 2026. The projected office space pipeline for 2024-2026 has fallen by 7% YoY. This was due to construction freezes caused by developer bankruptcies and the cancellation of pre-letting agreements, as initially agreed rental prices could not be met. This was on the back of either higher construction and financing costs, or because of developments that were originally planned as speculative projects but cannot be realised in the current market environment without a pre-letting quota of 30% to 50%.

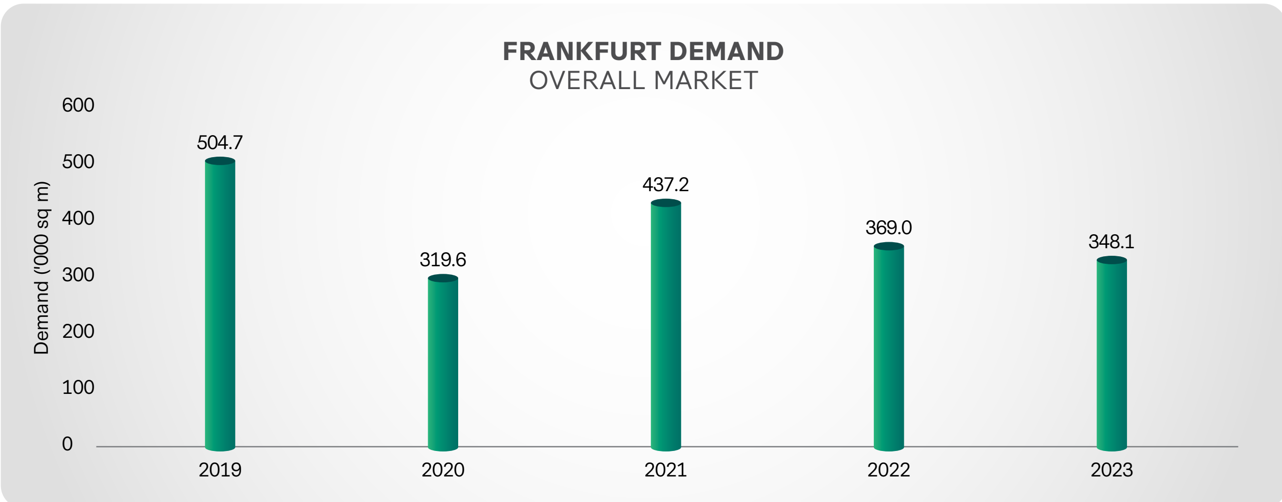
48% of new space (486,000 sq m) expected to come onto the market by the end of 2026 is pre-let as of 4Q 2023. In the CBD submarkets, 51% of the 173,800 sq m in the development pipeline comprises available (speculative) office space, while 49% is already occupied (pre-let). In the Banking District in particular, just under 58% of the planned 115,000 sq m is still available for lease. Within the submarket, the second office tower 'Tower 1' within the 'FOUR Frankfurt' development had the highest vacant space (speculative), which stood at 26,300 sq m as of 4Q 2023. It is scheduled for completion in 1H 2025. In the Airport District, 59% of the 10,200 sq m of office space scheduled for completion by 2024 is currently available. No further new or refurbished developments are currently planned in the submarket for 2025 and 2026.

Prime rent increased by 3% YoY to €47.50 per sq m/month, driven by sustainably certified space in new-build quality developments in the Banking District. By contrast, the area-weighted average rent (rolling 12-months) for the entire market fell by 5% to €23.24 per sq m/month, as most tenants were more price-sensitive in the current economic environment. This has impacted the weighted average rents (rolling 12-months) achieved in the CBD submarkets, which declined by 9% to €30.04 per sq m/month. The submarkets of the city fringe and periphery locations benefited from an increase in demand, with average rents rising by 6% and 16% YoY. The area-weighted average rent (rolling 12-months) in the Banking District rose by 6% YoY to €35.74 per sq m/month. This was largely driven by lease agreements signed in the two office towers of the 'Frankfurt FOUR' development – 'T4' (completion in 4Q 2023) and 'T1' (completion in 2Q 2025). In the Airport District, both prime rent and the area-weighted average rent increased compared to 4Q 2022. The prime rent rose by 4% to €26.00 per sq m/month and the average rent by 20% to €22.87 per sq m/month driven by the supply of new office space.

Frankfurt's real estate investment market (including residential portfolios of 50 units or more) registered a transaction volume of €771 million in 2023, a 84% YoY decline. Commercial real estate accounted for €579 million, a 86% decrease YoY. Only €253 million was invested in office properties. There were no transactions involving Frankfurt's typical skyscrapers. The environment of high interest rates has led to hesitation in the investment market in 2023. Nevertheless, the ongoing repricing and structural trends on the letting markets offer investors with a value-add approach and opportunistic risk profile in the second half of 2024. Yields are also expected to stabilise. Over the course of 2023, yields have risen by 1.35 percentage points to currently 5.1% for prime properties in CBD locations, 1.15 percentage points to 5.4% for properties in city fringe locations and 1.9 percentage points to 6.7% in peripheral locations.

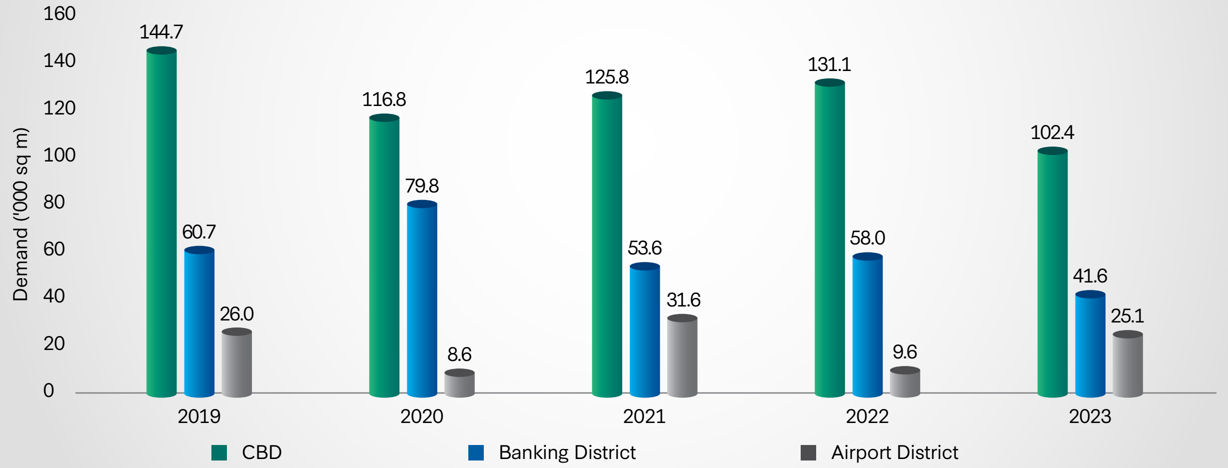




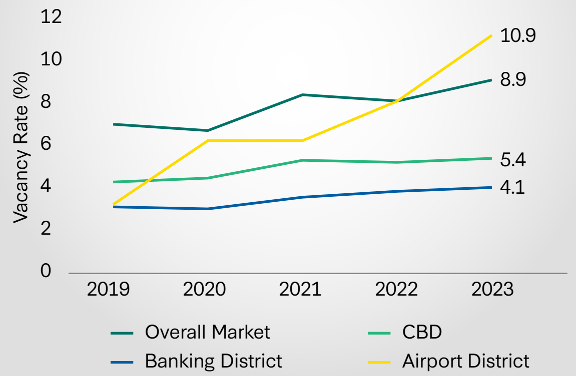


Source: CBRE Germany Research, 4Q 2023

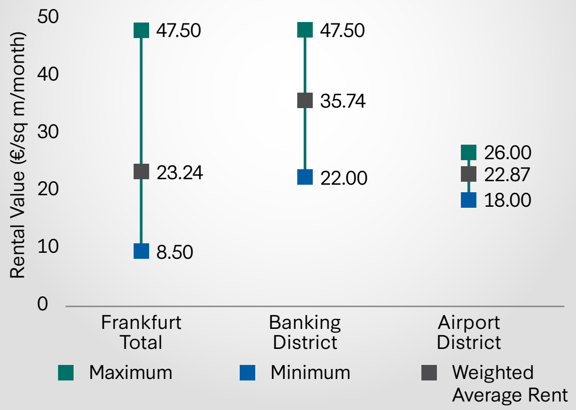
FRANKFURT DEMAND
BY CBD, BANKING DISTRICT AND AIRPORT DISTRICT SUBMARKETS



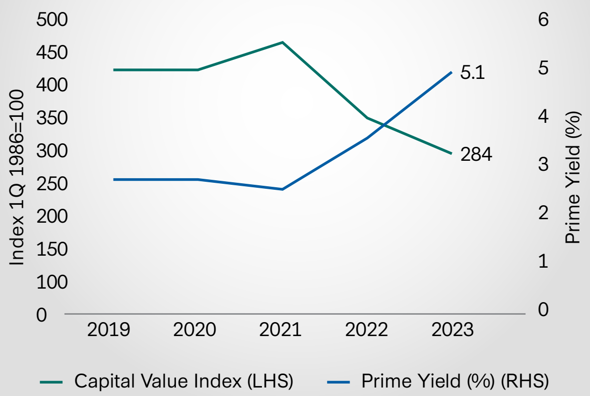
FRANKFURT VACANCY RATES
OVERALL MARKET, CBD, BANKING DISTRICT AND AIRPORT DISTRICT



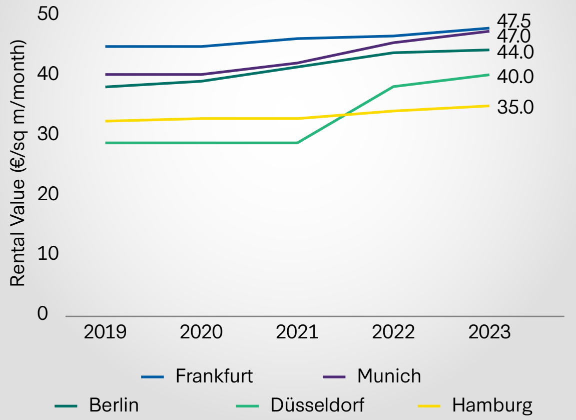
FRANKFURT RENTAL BAND
OVERALL MARKET, BANKING DISTRICT AND AIRPORT DISTRICT



FRANKFURT PRIME YIELD / CAPITAL VALUE INDEX (CBD)



GERMANY PRIME OFFICE RENTS
CITIES OF GERMANY



Source: CBRE Germany Research, 4Q 2023

SYDNEY, AUSTRALIA

AUSTRALIA ECONOMIC OVERVIEW

In 2023, the Australian economy exhibited resilience and recovery on multiple fronts, although inflation and higher interest rates did impact on sentiment. One noteworthy aspect was the low unemployment rate, sitting at 3.9%[19] as of December 2023, reflecting strong demand for labour across many sectors. The major contributors to the resilient job market were strong investments from both the private and public sectors. In addition, the continued rebound in tourism contributed to retail and hospitality job growth, while underlying population growth and an aging population underpinned growth in health and social assistance sectors.

The resurgence of international migration significantly influenced the Australian economy in 2023. As such, population growth surged to 2.4% YoY to 26.6 million in FY 2023, well above the pre-COVID-19 level of 1.5%[19]. Australia, traditionally reliant on immigration for population growth and economic activity, saw a return of skilled workers, students, and other migrants. This influx underpinned consumer spending, despite the headwinds from rising interest rates. Housing demand also benefitted with residential vacancy rates remaining low and dwelling prices rising by about 10% in 2023 across Australia.

Despite local and international headwinds, GDP growth remained positive in 2023. GDP grew by 1.5% YoY to December 2023, although growth was just 0.2% QoQ in 4Q 2023[19]. Despite these relatively positive results, growth in GDP per capita has been negative, largely due to real consumption of households dropping off on the back of inflationary pressures.

Inflation in Australia remains above the RBA's range of 2-3%, with the December reading at 4.1%. The inflation rate in Australia peaked at 8.4% in December 2022 and has been trending down since then. The outlook has improved in recent months with bond markets now expecting the RBA to hold interest rates at 4.35%, with two rate cuts expected over the course of 2024.

Looking ahead to 2024, the Australian economy appears poised for steady growth given the stabilisation in interest rates and continued decline in inflation. One key headwind is likely to be the slowdown in the Chinese economy which will continue to impact the tourism sector as well as mining exports. Unemployment rate is likely to soften slightly given challenges in some industries, and some concerns around the global economy. Population growth is also expected to moderate to more normalised levels over the course of 2024. This is partly because of the dissipating "catch-up effect" after the pandemic. The Australian government is also looking to curb some migration, particularly the international students.

TRENDS IN THE DEVELOPMENT OF SYDNEY

Economic Overview and Trends

As the largest city and financial hub of Australia, Sydney, the capital of New South Wales (NSW), houses approximately 5.3 million residents. In 2023, it ranked as the 4th most liveable city in the world according to the Economist Intelligence Unit. Economic growth for New South Wales was solid in 2023, with State Final Demand up 1.7% YoY to September 2023. This was despite the relatively flat real household consumption, given higher interest rates causing mortgage holders to restrict spending. Dwelling prices observed strong growth in Sydney, up by 11.1% for the year, largely as a result of an elevated population growth and an undersupply of new housing.

Sydney (as well as Melbourne) were the greatest beneficiaries of the reopening of international borders, with the international student population rebounding in 2023. Visitor arrivals have also come back strongly, although they remained below pre-COVID-19 levels due to flight capacity issues, as well as a slower than expected rebound in tourists from China.

Investment in NSW Infrastructure

The infrastructure pipeline in Sydney is part of the government's plan to enhance the city's growth and development. This involves numerous projects across different sectors including transport, health and education.

The transport sector is a key focus, with significant investments in rail, roads, and airports. The Sydney Metro project, currently under construction, is the largest of these projects. Projected to be completed in 2024, it is expected to significantly reduce travel times across the city and improve connectivity. Additionally, road projects like the recently completed WestConnex aim to ease traffic congestion. Finally, the new Western Sydney Airport will increase air traffic capacity into Sydney, with completion expected by 2026.

Health infrastructure is also being prioritised, with several new hospitals and healthcare facilities being constructed. This includes the Royal Prince Alfred Hospital redevelopment and the Liverpool Health and Academic Precinct redevelopment.

19 Australian Bureau of Statistics

In the education sector, new schools and universities are being built and existing facilities are being upgraded to provide quality education infrastructure. The government's School Infrastructure NSW program is a prime example of this.

Overall, Sydney's infrastructure pipeline aims to support the city's growing population and economy. It is expected to create jobs, stimulate economic growth, and improve the quality of life for residents.

NSW MAJOR INFRASTRUCTURE PROJECTS AND TIMELINES

Infrastructure Project	Projected Completion
Rail	
Sydney Metro City and Southwest	2024
Parramatta Light Rail	2024
Sydney Metro Western	2026
Sydney Airport Sydney Metro West	2028
Road	
M6 Stage 1	2025
M12 Motorway	2026
Western Harbour Tunnel	2026
Air	
Western Sydney Airport	2026
Source: CBRE Research, 1Q 2024	

Interest rates in Australia are likely to have reached their peaks which will be beneficial to Sydney consumers, given house prices are the highest in the country. Economic growth is expected to moderate further in the short-term before returning to trend growth from about 2025. Population growth is likely to continue to underpin domestic demand while elevated infrastructure spend will also drive economic activity. Dwelling investment is likely to rise over the course of 2024 to respond to the housing shortfall, after a decline in recent times. Overall, the Sydney/NSW economy is likely to remain buoyant despite global risks.

SYDNEY CBD OFFICE MARKET OVERVIEW

Demand and Supply

According to the Property Council of Australia, the Sydney CBD comprised of 5.2 million sq m of stock as of year-end 2023. There were no new office developments completed within the Sydney CBD over 2023, and the only new office space added to the market's inventory was through refurbishment of older stock. Given the lack of new supply, inventory in the Sydney CBD declined over the last 12 months as existing properties were withdrawn for future development or refurbishment.

While no new developments were delivered in 2023, there are several projects currently under construction across the CBD and net supply is forecast to total 157,900 sq m in 2024. Developments to be completed over the next 12 months include Metro Martin Place (105,000 sq m across two towers) and Parkline Place (48,000 sq m). Each of these projects are built above stations being constructed for the new Metro train line which will begin operation in 2024.

The supply pipeline will slow down considerably following 2024. Net supply is forecast to reach a combined total of only 84,000 sq m over 2025 and 2026. The office stock to be delivered in 2025 will comprise primarily of smaller refurbishment projects. The next major office development to be delivered to the CBD will be the Atlassian HQ (57,000 sq m) in 2026.

Demand across Sydney remained steady over the course of 2023, although headwinds limited actual transaction activity. Leasing interest improved over the course of the year as occupiers obtained greater clarity on their employees' office usage and visitation patterns. CBRE data indicated that office visitation in the Sydney CBD reached an average of 75% of pre-COVID-19 levels by year-end 2023, and this trend remains supportive of future demand for office space.

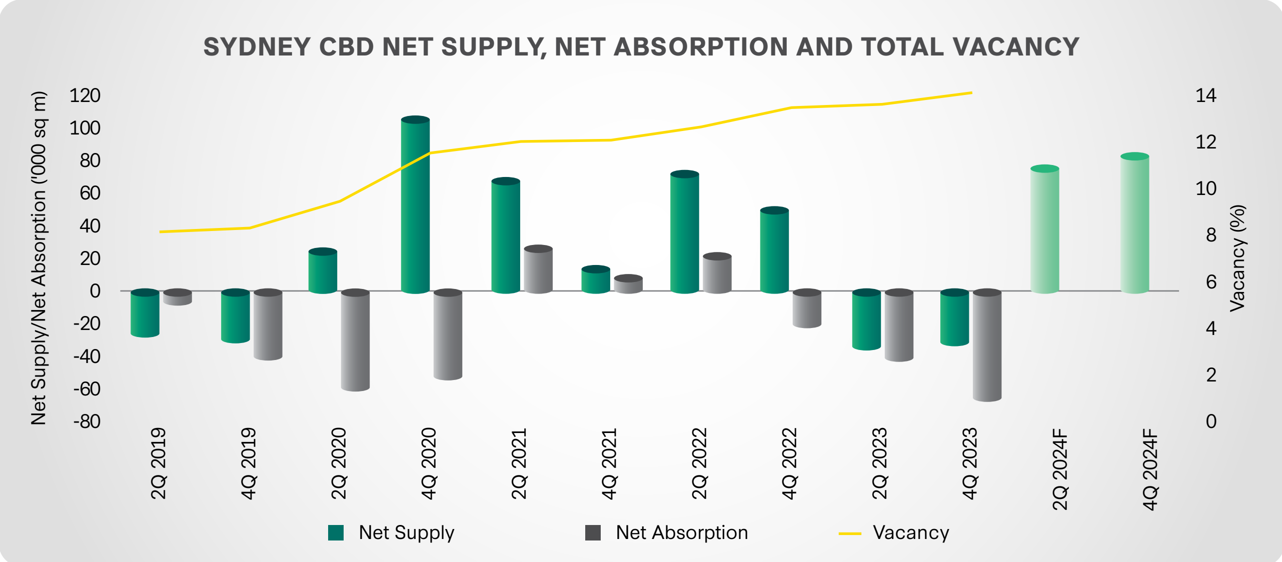
Despite the improvement in office visitation, deal timelines remain drawn out and this has muted transaction activity. There also continues to be some tenant contraction throughout the market, especially by larger occupiers, and this tempered net absorption totals in 2023. Overall net absorption for the CBD totalled negative 104,000 sq m over the last year.

The flight-to-quality trend has persisted through 2023 as occupiers continue to show a preference for higher grade space. Prime properties in the CBD recorded negative net absorption of 41,000 sq m over the last 12 months, while secondary buildings recorded negative net absorption of 63,000 sq m over this time. This trend was also evident when looking at absorption totals across the various CBD precincts. The primary benefactor of the flight-to-quality has been the CBD Core precinct which recorded positive net absorption of 16,000 sq m over the trailing 12-month period. The only other CBD precinct to record positive net absorption over this time was The Rocks.

Contraction by larger occupiers also led to sublease availability rising over the first three quarters of 2023. Sublease levels reached a peak of 140,000 sq m in August 2023. This trend showed signs of reversing towards the end of the year and sublease levels ended 2023 at 129,000 sq m. The 2023 peak was still well below the highest levels observed over COVID-19.

Given the lack of transaction activity and some contraction decisions from larger occupiers, Sydney CBD's overall vacancy rate increased to 12.2% as of year-end 2023. This represented an increase of 0.9 percentage points YoY.

Vacancy rates in the Sydney CBD are expected to correlate highly with the delivery of new supply over the next three years. CBRE forecasts vacancy rates to rise in 2024 due to the elevated supply pipeline over the next 12 months. Following this supply wave, however, the market will have the opportunity to stabilise as limited new supply is expected to be delivered in 2025 and 2026.



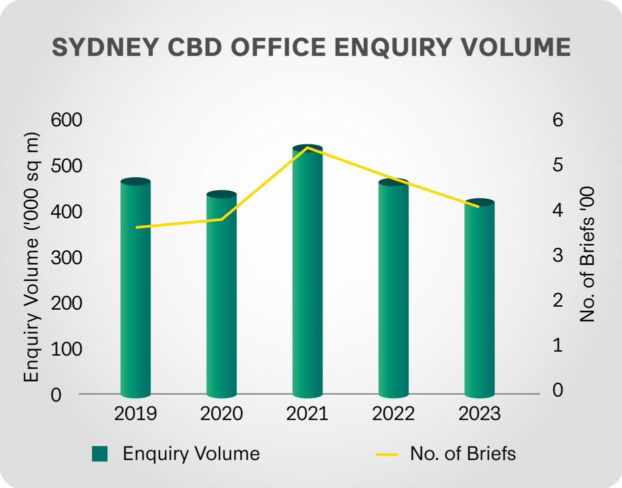
Source: Property Council Australia, CBRE Australia Research, 4Q 2023

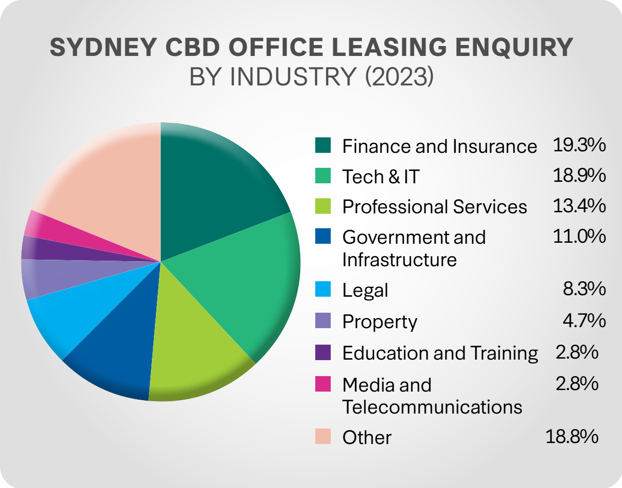
Demand Drivers

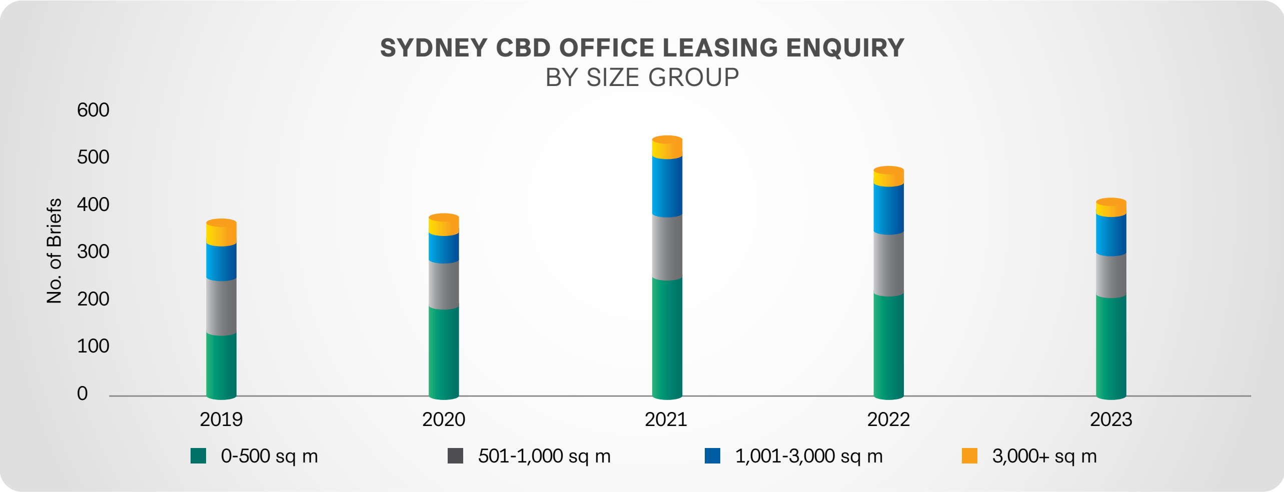
The Sydney CBD continued to see steady demand for office space in 2023. CBRE received 411 leasing enquiries totaling over 421,200 sq m over the trailing 12-month period. The number of briefs received in 2023 decreased by 13.7% YoY, and the volume of briefs received was down 8.8% YoY. While the 2023 enquiry totals were lower than the record setting figures seen in 2021 and 2022, they were broadly in line with pre-COVID-19 totals.

The largest proportion of enquiry originated from Finance & Insurance (19.3%), Technology & IT (18.9%) and Professional Services (13.4%) firms. These sectors remain the largest occupier types in the Sydney CBD and are expected to account for the bulk of leasing activity going forward.

The decline in the number of leasing briefs observed in 2023 was due primarily to a decrease in demand from mid-sized occupiers. Leasing briefs for spaces between 500-1,000 sq m declined 33.1% in 2023, and that for spaces between 1,000-3,000 sq m were down 18.8%. Comparatively, the number of leasing briefs requiring space sizes between 0-500 sq m were only down 1.4% YoY. On the other hand, there was no change in the number of larger leasing briefs above 3,000 sq m YoY.







Source: CBRE Australia Office Leasing, CBRE Australia Research, 4Q 2023

Rental Values

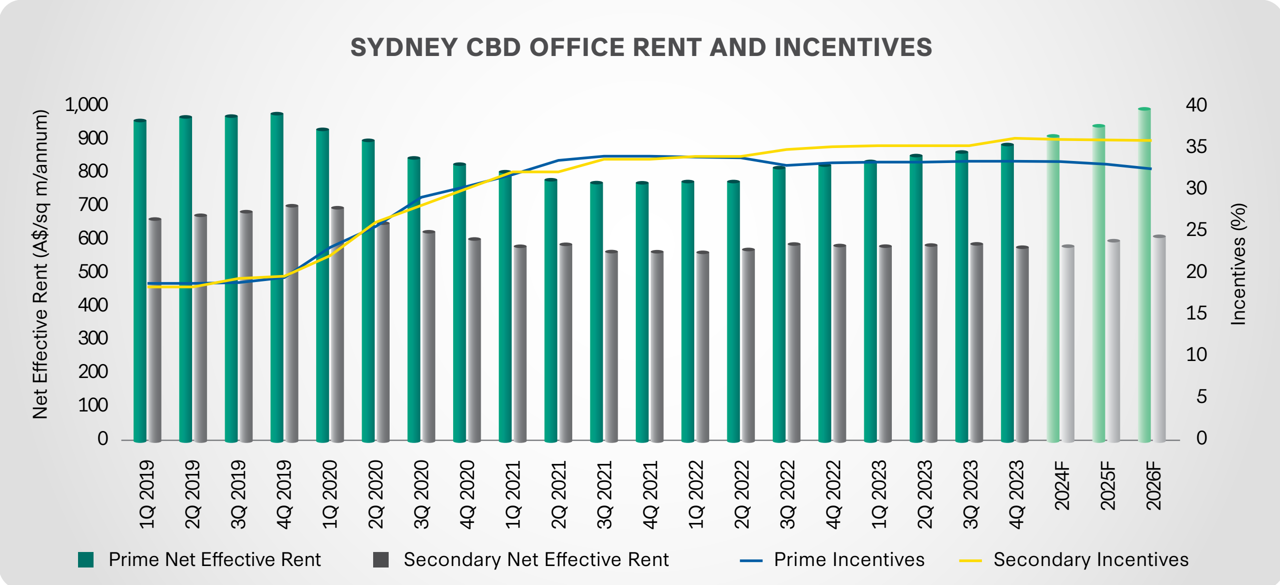
Sydney CBD prime and secondary net face rents (NFR)[20] ended 2023 at A$1,436 per sq m/annum and A$999 per sq m/annum, respectively. These figures marked YoY increases of 7.3% and 0.9%. Face rents in the CBD have continued to be driven by rental rates in newly completed Premium assets, freshly renovated Grade-A office buildings with better quality fit-outs, and inflationary pressures, particularly in the construction sector.

While face rental rates continued to increase over 2023, a significant portion of this growth has been offset by increases in incentives. Prime and secondary incentives stood at 33.3% and 36.0% by year-end 2023 respectively. These figures marked increases of 0.2 and 1.0 percentage points over the 12-month period, with the largest increases being seen in precincts with elevated vacancy rates. At this time, incentives are typically being used by occupiers to fit-out their spaces before occupation.

While face rental rates increased for both prime and secondary spaces in 2023, net effective rental rate[21] growth was mixed due to the relative increases in incentives. Prime and Secondary net effective rental rates ended 2023 at A$875 per sq m/annum and A$572 per sq m/annum, respectively. Prime net effective rents increased by 7.5% YoY as incentives only increased marginally over the period. Conversely, secondary net effective rents declined by 1.1% in 2023 due to incentives increasing by 1.0 percentage point over the same period.

Going forward, effective rent growth is expected to continue to bifurcate across building grade. Rent growth will be strongest in prime assets as a flight-to-quality continues to drive demand for this space. It is likely that face rents will continue to increase both in prime and secondary properties. However, incentives in secondary stock will remain more elevated than in prime assets.

20 Base rent paid by a tenant excluding (or net of) outgoings.
21 Base rent that would be achieved, less the incentives paid by the owner. The average net effective rent for a market is the market net face rent less incentives which are amortised over the term of the lease.



Source: CBRE Australia Research, 4Q 2023

Investment Market, Capital Values and Yields

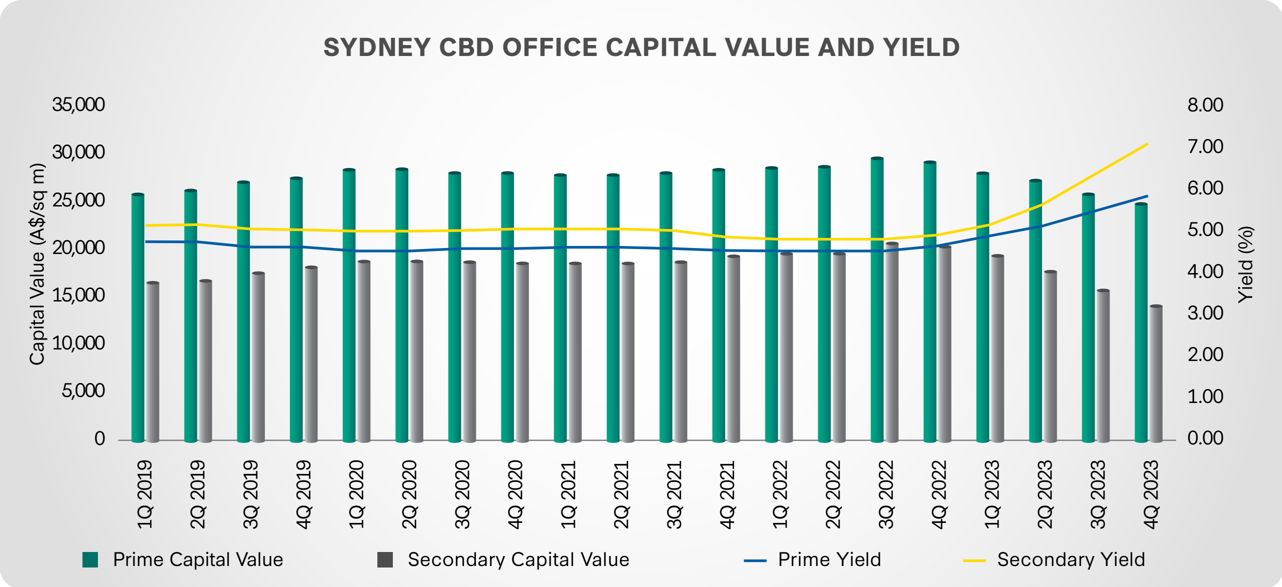
Office investment activity slowed dramatically in 2023 as cash rates[22] continued to expand. Total office sales volumes in the Sydney CBD totalled A$2.3 billion comprising 23 transactions in 2023. This marked a YoY volume decrease of 43.0%. Rising interest rates, coupled with increased swap rates and bond yields across all maturities, drove all-in cost of debt for office investment to between 6.0-6.5%. Debt costs have now risen by over 400 bps since the interest rate hike cycle began in 2022. The increased cost of debt has caused a large gap to develop between purchaser and vendor pricing expectations which, in turn, has led to the transaction slowdown observed over the course of the year.

While investment activity remained slow in 2023, several larger transactions did close over the second half of the year. The most notable transactions included the purchase of 60 Margaret Street by AsheMorgan and Mitsubishi for A$777.2 million, 44 Market Street by PAG for A$393.1 million, and 1 Margaret Street by Quintessential Equity for A$293.1 million.

The gap between buyer and seller pricing expectation has caused cap rates to expand significantly over the course of 2023. Prime and secondary office yields ended the year at 5.9% and 7.1%, respectively. These figures marked YoY expansion of 125 bps and 225 bps. These yield increases also led to capital value declines across the CBD. The average capital value for prime and secondary CBD office assets ended the year at A$24,690 per sq m and A$13,990 per sq m respectively. These figures represented significant value depreciation of 15.0% and 30.9% YoY.

While 2023 saw significant headwinds across the capital markets landscape, there are now signs that 2024 may bring better investment conditions. Inflation is slowing entering the new year and forecasts now suggest that cash rate cuts may begin over the second half of 2024. Should this occur, investment volumes in the office sector will likely reach 2023 levels and may have opportunity to outperform last year's results marginally in 2024.

22 The cash rate is the interest rate on unsecured overnight loans between banks.



Source: CBRE Australia Research, 4Q 2023

NORTH SYDNEY OFFICE MARKET OVERVIEW

The North Sydney office market is located across the harbour, north of the Sydney CBD and is connected by the Harbour Bridge, several vehicular underground tunnels, as well as train and ferry services. The Victoria Cross Station, which will be part of the Sydney Metro City & Southwest line, will be completed in 2024. This will further enhance the connectivity between the North Sydney and Sydney CBD, with an estimated travel time of about 6 minutes. The improved connectivity between the two markets is expected to drive additional leasing demand to the North Sydney market.

Demand and Supply

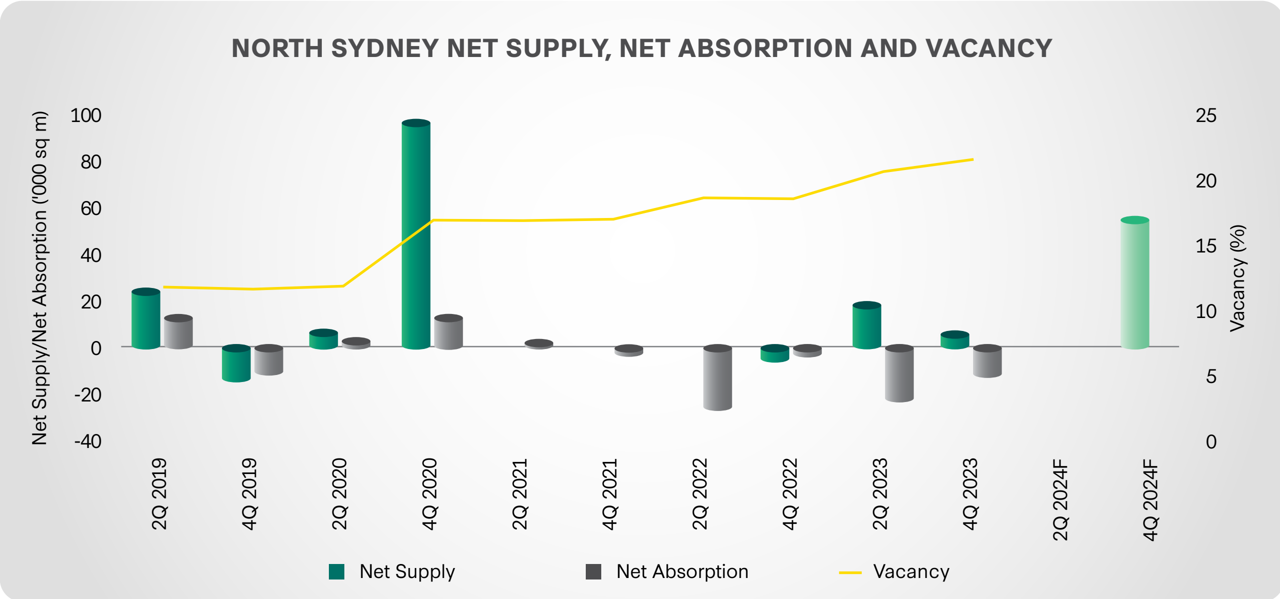
As of year-end 2023, office inventories in North Sydney totalled 936,000 sq m, representing 10.8% of the total size of Sydney's office market. North Sydney is the third largest office market in Sydney trailing only the CBD and Paramatta. The market remains a two-tiered market with about 60% of the office stock consisting of secondary-grade assets.

North Sydney saw relatively elevated levels of new office supply in 2023. Office developments completed over the last 12 months included 2-4 Blue Street (15,000 sq m) and 88 Walker Street (12,500 sq m). These projects represented the first major deliveries to the market since 2019 and 2020 which saw the delivery of 100 Mount Street (42,000 sq m) and 1 Denison Street (59,000 sq m).

Looking forward, the only major office development currently under construction is the Metro Victoria Cross Development (55,000 sq m) due for completion in 2025. A further 450,000 sq m of office developments have also been mooted at this time, meaning they have all either been side-lined due to elevated construction costs, are in the stage of early feasibility studies, contingent on pre-leasing or are undergoing refurbishments with no known commitment to construction.

For full year 2023, the North Sydney market recorded a total negative net absorption of 32,100 sq m. Secondary assets accounted for the majority of negative net absorption of 23,300 sq m over the past 12 months. Prime assets recorded a negative net absorption of 8,800 sq m over this time. Office assets in North Sydney struggled to attract tenants in 2023 due to the flight-to-quality occurring across the market. Many North Sydney occupiers have taken advantage of elevated vacancy rates and incentives in the CBD to move into the city.

The lack of leasing activity and relatively elevated levels of new supply resulted in the overall North Sydney vacancy rate climbing to 24.2% as of year-end 2023.



Source: Property Council Australia, CBRE Australia Research, 4Q 2023

Demand Drivers

The tenant profile of North Sydney is dominated by the Professional, Scientific and Technical Services firms. Companies such as Coca Cola, Microsoft, Nine Entertainment, SAP, Sony, Ooh!Media and NBN Co have headquarters or major offices located in North Sydney. North Sydney is now able to boast increasing connectivity, a good variety of facilities and amenities, and high-quality developments with similar specifications as the Sydney CBD.

While the characteristics of the submarket remain enticing over the long term, the submarket is facing headwinds over the short term. Flight-to-quality has meant that occupiers are migrating into the CBD. Also, the elevated vacancy rates in fringe portions of the CBD and rising incentives have resulted in effective rents in areas of the CBD (for example the Western Corridor) being on par with North Sydney.

While attracting tenants to North Sydney is challenging at this time, these dynamics are expected to normalise over the coming years as vacancy rates begin to tighten in the CBD.

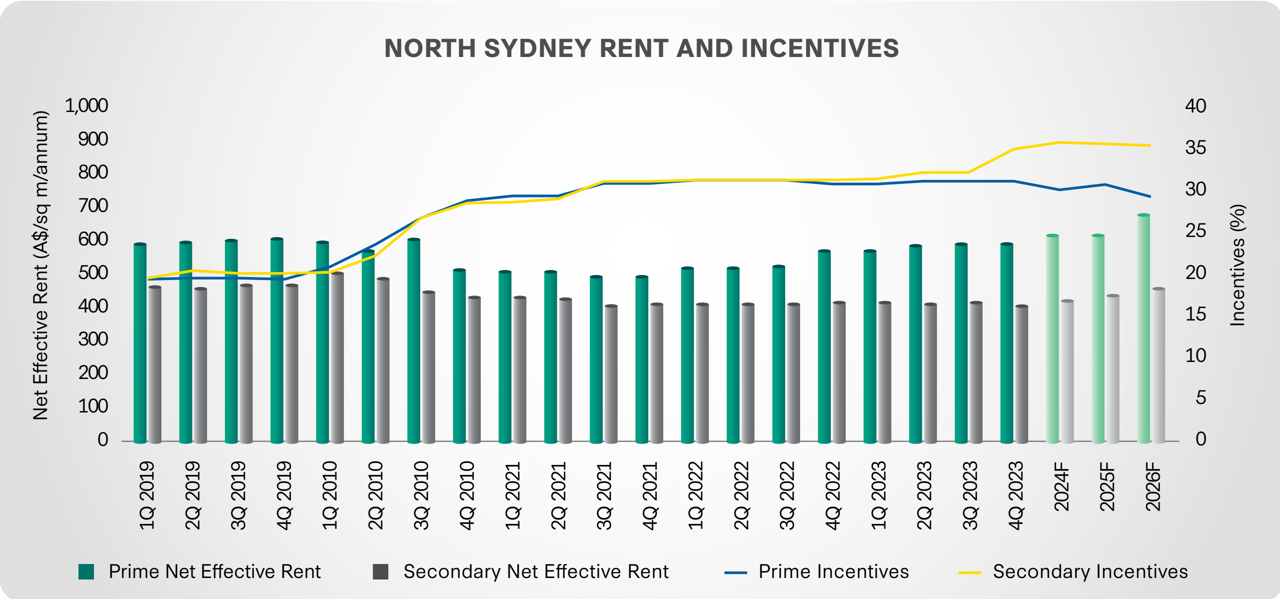
Rental Values

North Sydney prime and secondary net face rents ended 2023 at A$993 per sq m/annum and A$762 per sq m/annum, increasing by 4.6% and 5.6% respectively. Face rents in the North Sydney have primarily been driven by rental rates in newly completed premium assets and refurbished secondary stock.

While face rental rates continued to increase over 2023, a significant portion of this growth has been offset by increases to incentives. Prime and secondary incentives ended 2023 at 34.9% and 39.1%, respectively. These figures marked increases of 0.4 percentage points and 4.1 percentage points over the 12-month period.

Prime and secondary net effective rental rates ended 2023 at A$595 per sq m/annum and A$409 per sq m/annum, respectively. Prime net effective rents increased by 4.0% YoY as incentives only increased marginally over the period. Conversely, secondary net effective rents declined by 2.6% in 2023 due to incentives increasing by 4.1 percentage points over the same period.

Going forward, CBRE expects that the limited supply pipeline, the ongoing increase in office visitation, and a normalisation of vacancy rates in the CBD are likely to result in strong net effective rental growth in North Sydney over in the long term.



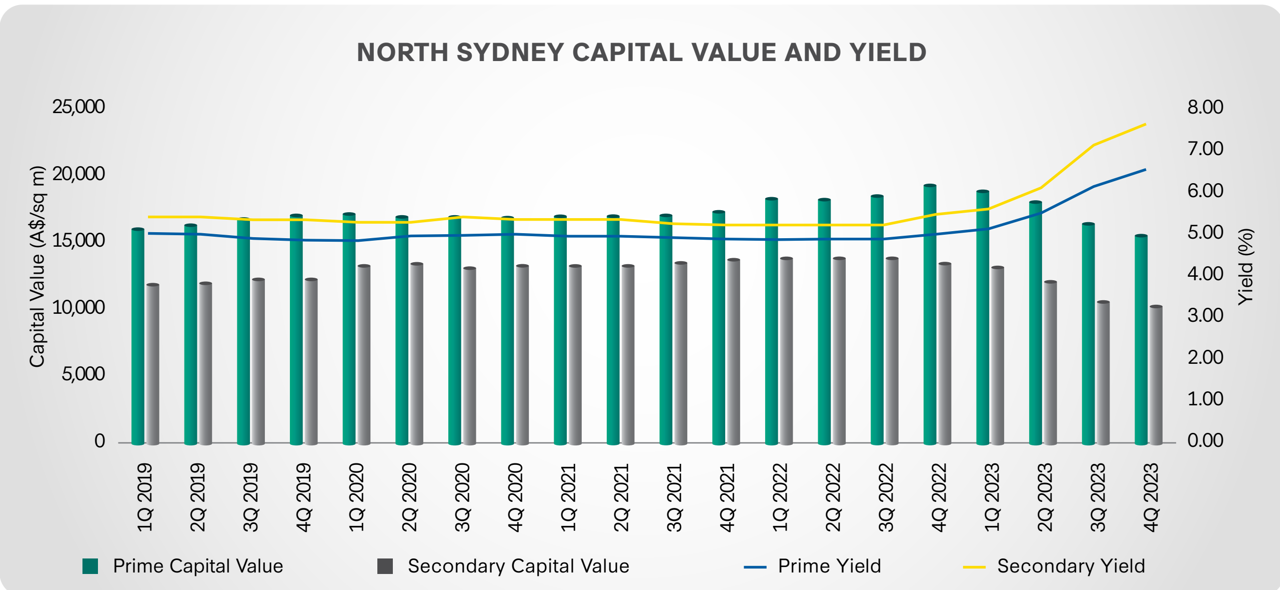
Source: CBRE Australia Research, 4Q 2023

Investment Market, Capital Values and Yields

As was the case across all the major Australian office markets, investment activity in North Sydney was heavily impacted by the cash rate increases seen over the last two years. Transaction volumes in North Sydney totalled A$181 million across four transactions in 2023, a decline of 86.6% compared to the transaction volumes recorded in 2022. The largest transactions to close over the period were the purchase of 54 Miller Street by a private buyer for A$72.1 million and the purchase of 162 Blues Point Road by Fortinet for A$65.4 million.

The gap between buyer and seller pricing expectation has caused cap rates to expand significantly over the course of 2023. Prime and secondary office yields ended the year at 6.5% and 7.6%, respectively. These figures marked YoY expansion of 153 bps and 212 bps. These yield increases also led to capital value declines in North Sydney. The average capital value for prime and secondary office assets ended the year at A$15,375 and A$10,086 per sq m, respectively. These figures represented significant value depreciation of 19.8% and 24.2% YoY.

A recovery in investment activity in North Sydney is now highly dependent on declines to cash rates and the cost of capital. CBRE forecasts that cap rates will likely continue to expand in North Sydney over the first half of the year before stabilising and beginning to fall over the second half of 2024.



Source: CBRE Australia Research, 4Q 2023

INDEPENDENT MARKET REVIEW

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Heightened Market Volatility

We draw your attention to the fact that a combination of global inflationary pressures (leading to higher interest rates) and the recent geopolitical events in Ukraine, in addition to the on-going effects of the global Covid-19 pandemic in some markets has heightened the potential for greater volatility in property markets over the short-to-medium term. Experience has shown that consumer and investor behaviour can quickly change during periods of such heightened volatility. Investment decisions should reflect this heightened level of volatility and caution is advised in this regard.

You should note that the conclusions set out in this report are current as at the date outlined only. Where appropriate, we recommend that market conditions are monitored closely, as we continue to track how market participants respond to current events.

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This Market Report has been prepared with the necessary diligence and information contained herein has been obtained from sources believed to be reliable. Nevertheless, it cannot be ruled out that, despite careful research and appropriate calculation of possible risks, the information provided in this report may contain mistakes and/or inaccuracies.

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SUSTAINABILITY APPROACH

SUSTAINABILITY COMMITMENT

CICT aligns its sustainability goals with CLI to achieve the sustainable performance of its portfolio. Both CICTML and the property managers oversee CICT's business and operations, ensuring adherence to CLI's sustainability framework, policies, and guidelines, including its ethics and business conduct code. The 2030 SMP, which is reviewed every two years, guides CICT's sustainability efforts across the ESG pillars. This enables CICT to create a greater positive impact on both the environment and communities.

Based on CLI's revised 2030 SMP, the SBTi-approved targets for scope 1 and 2 emissions are in line with a 1.5 °C trajectory. The commitment to achieve Net Zero emissions by 2050 for scope 1 and 2 is reaffirmed, with an increased emphasis on social indicators. For each of the three ESG pillars and their respective focus areas, CLI has identified specific pathways to achieve the sustainability objectives and will adapt its strategies as technologies evolve and new scientific data becomes available.

Aligned with CLI's refreshed 2030 SMP framework and targets, CICT is committed to reducing its absolute scope 1 and 2 emissions by 46% by 2030, using 2019 as the baseline year. In addition, CICT aims to achieve Net Zero for its scope 1 and 2 emissions by 2050. This ambitious commitment aligns with the global effort to limit the temperature increase to below 1.5°C. Roadmaps and plans are devised to achieve CICT's sustainability objectives.

GROUP-WIDE COMMITMENT

Role of CLI Board, Management and Staff

CLI's group-wide sustainability management comes under the purview of a CLI Board Committee – the Strategy and Sustainability Committee (SSC). Chaired by the Lead Independent Director, the CLI SSC is responsible for overseeing sustainability strategies and goals, including providing guidance to the management and monitoring progress towards achieving the objectives of any sustainability initiatives. The CLI SSC is supported by the CLI Group Sustainability Office and the various work teams to drive continued progress and improvement in ESG. The work teams comprise representatives from various CLI business units and corporate functions. This governance is cascaded from CLI to CICT through CICT's Sustainability Committee.

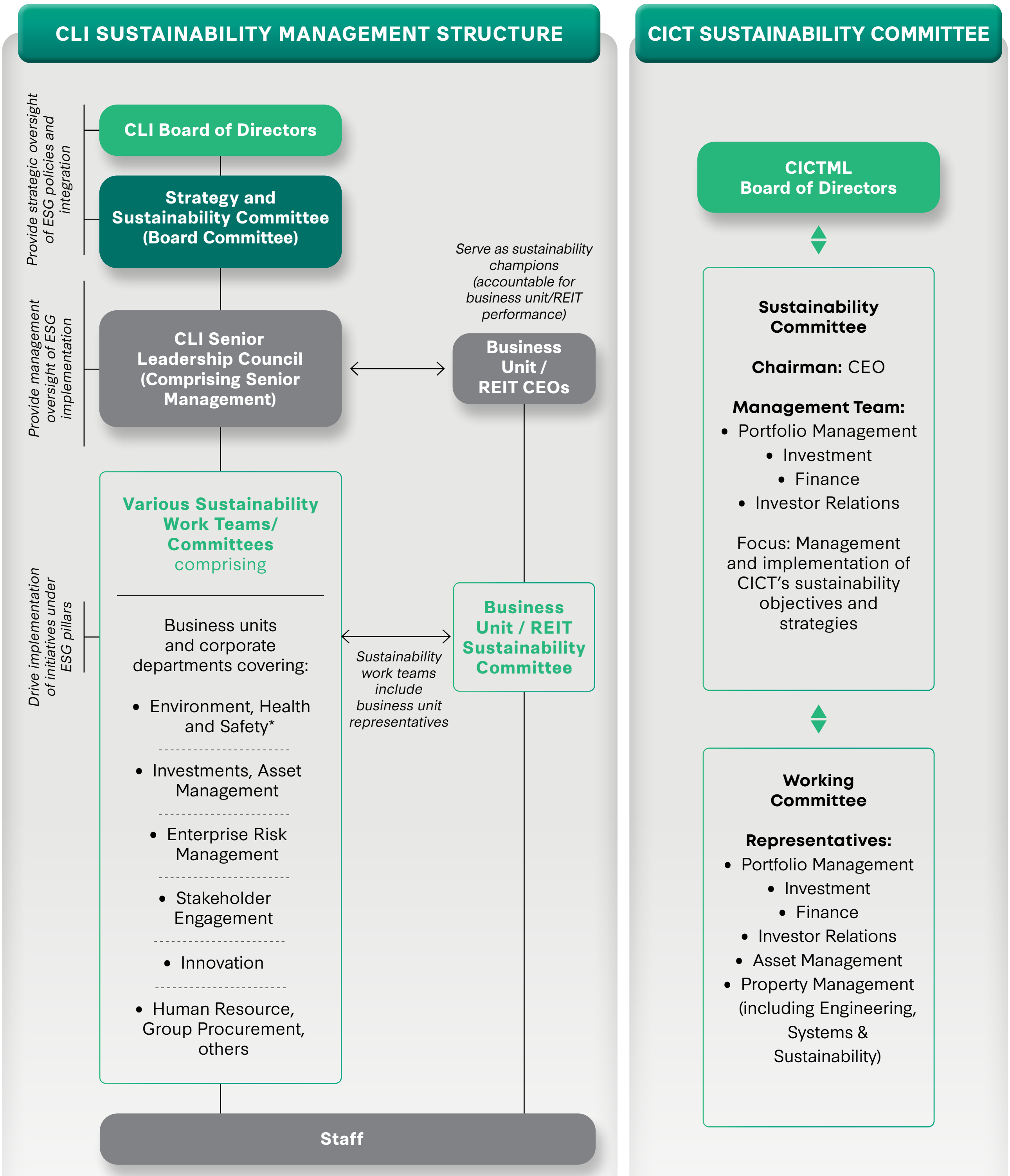
The CEO of Retail and Workspace at CLI, as the head of the business unit, oversees the property managers. The property managers have an Environmental, Health and Safety (EHS) Committee and an Engineering, Systems and Sustainability team whose role includes integrating sustainability into operations.

ROLE OF CICTML BOARD, MANAGEMENT AND STAFF

The CICTML Board considers sustainability issues as part of its strategic formulation, confirms the material ESG factors listed by the Manager and property managers and oversees the management and monitoring of the material ESG factors. The Board determines the Trust's risk appetite, guiding the nature and extent of material risks that CICT is prepared to accept in pursuit of its strategic and business objectives. Among the material risks, climate change is recognised as particularly crucial. The Board is actively involved in discussions on climate-related initiatives and regularly evaluates climate change risks as part of its Enterprise Risk Management (ERM) Framework. Updates to the Board are provided at least biannually during quarterly or ad hoc Board meetings. These updates cover various climate-related topics, such as the 2030 SMP, TCFD, green capital expenditure, green ratings of properties, and performance metrics, including carbon emissions data, progress towards reduction targets, and stakeholder expectations regarding climate change. Reports of any environmental incidents, including climate-related damages or disruptions, are also presented to the Board. Environmental impact factors are integral to the asset investment evaluation process and strategy and are accordingly brought to the Board's attention when relevant.

CICT has a Sustainability Committee championed by the CEO (also an Executive Director) of the Manager. This Sustainability Committee provides strategic oversight, drives initiatives and guides reporting concerning climate-related risks and opportunities, and broader environmental issues. The CEO of the Manager is responsible for CICT's climate change-related targets. A key objective of the Manager's senior management is to transit to a low-carbon business that aligns with climate science and to build a resilient and resource-efficient portfolio. As part of these efforts, the directors of CICT Manager, senior management and relevant stakeholders undergo periodic training to further build capacity to manage climate-related risks and opportunities. The frequency and content of these capacity-building trainings will be regularly reviewed to incorporate current and emerging issues relating to environmental risk management.

SUSTAINABILITY APPROACH



* Including EHS Internal Audit committee and Environmental Tracking System committee

ROLES AND RESPONSIBILITIES OF CICT'S SUSTAINABILITY COMMITTEE

	Roles and Responsibilities
CEO and Executive Director	• Responsible for decisions on ESG-related targets and engagements with stakeholders.
Portfolio Management	• Works closely with Asset Management and Property Management teams to evaluate solutions relating to matters including green energy procurement, greening of the portfolio and related capital expenditure, and promoting workplace safety and health. • Engages with staff and investors on ESG matters.
Investment	• Responsible for seeking growth opportunities with environmental impact as one of the assessment criteria.
Finance	• Responsible for securing green financing and engaging with stakeholders, such as bankers and debt investors.
Investor Relations	• Responsible for engagements with stakeholders, including investors and ESG rating agencies as well as ESG reporting matters.
Asset Management	• Responsible for proposing solutions relating to matters including green energy procurement, greening of the portfolio and related capital expenditure. • Engages various internal stakeholders on ESG matters.
Property Management - Engineering, Systems and Sustainability - Operations	• Responsible for driving innovative ESG solutions, and operational efficiency and processes, piloting CSXC initiatives roll-out, achieving target consumption savings, promoting workplace safety and health and engaging with staff, tenants, service providers and relevant government agencies for ESG matters.

MAINTAINING DIVERSITY ON THE BOARD

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

For more information, please refer to the Corporate Governance section of the AR 2023 and Governance section of the SR 2023.

GLOBAL BENCHMARKING

CICT remains guided by externally validated international standards and frameworks in our sustainability reporting and will strive to continue enhancing our disclosures.

CICT's SR 2023 has been prepared in accordance with the GRI Standards, aligned with GRESB with references to Value Reporting Foundation Integrated Reporting Framework, UN SDGs, Sustainability Accounting Standards Board (SASB) Standards for Real Estate and Real Estate Services and TCFD[1]. We will continue to enhance our disclosures in accordance with these standards, and working towards preparing for International Sustainability Standards Board's (ISSB) standards relating to climate reporting.

CICT is committed to the 10 principles of the United Nations Global Compact (UNGC) in the areas of human rights, labour, environment and anti-corruption. This aligns with CLI, as a signatory to the UNGC since 2015. Additionally, CLI became a signatory of the UN-supported Principles of Responsible Investing (UN PRI) and the Institute of Limited Partners Association (ILPA) Diversity in Action initiative in February 2023.

As a testament to our efforts to enhancing ESG standards and improve disclosures, CICT continues to be listed in ESG indices such as FTSE4Good Index Series, iEdge SG ESG Leaders Index and iEdge SG ESG Transparency Index.

CICT will continue to rely on CLI's external assurance in their Global Sustainability Report (GSR) with reference to the ISAE 3000 International Standard on Assurance Engagements. The assurance will cover the sustainability performance of CLI's employees and global portfolio, which includes the properties under CLI's six listed REITs and business trusts, such as CICT. CLI's GSR 2023 will be published on its website in May 2024.

1 The Financial Stability Board (FSB) set up the TCFD in 2015 to address concerns around insufficient disclosure of climate-related risks and opportunities. Following the publication of IFRS S1 and IFRS S2, and at the FSB's request, the TCFD itself is now being subsumed into the ISSB with the standard-setter taking over the monitoring of the progress on companies' climate-related disclosures from 2024.

SUSTAINABILITY APPROACH

MATERIALITY

CICTML Board endorses the material ESG issues that are most relevant and significant to CICT and its stakeholders. A double materiality approach is adopted, considering issues which are material from either the impact or financial[2] perspectives, or both.

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

In addition, CICT has a regular review, assessment and feedback process in relation to ESG topics. Identified material issues are reported in a corporate risk register through the annual group-wide Risk and Control Self-Assessment (RCSA) exercise[3], which identifies, assesses and documents material risks and the corresponding internal controls to manage those risks. These material risks include fraud and corruption, environmental (e.g. climate change), health and safety, and human capital risks which are ESG-relevant. Identified material ESG issues are then prioritised based on the likelihood and their potential impact on CICT's business continuity. For external stakeholders, priority is given to issues important to the community and applicable to CICT and CLI. In FY 2023, the ESG material topics were endorsed by CICTML Board for their continued relevance. For more details, please refer to the Material Topics and Boundaries section of the SR 2023.

REGULAR REVIEW, ASSESSMENT AND FEEDBACK PROCESS FOR MATERIAL ESG FACTORS

1

Review material ESG factors through the assessments of:

- Risk and Control Self Assessment Exercise
- GRESB Survey
- S&P Dow Jones Sustainability Assessment
- Surveys
- Engagements
- Feedback

2

Reference other ESG standards and frameworks including:

- GRI Standards
- UN Principles for Responsible Investment
- UN SDGs
- SASB real estate sector-specific standards
- TCFD

3

Seek Board's endorsement for prioritised material ESG factors

4

Material ESG factors[4] priority list

See table on the next page on the Prioritisation of Material ESG Issues

2 To identify ESG issues which are potentially financially material, CICT takes reference from the SASB Standards for Real Estate and Real Estate Services, which identify sustainability factors that are material to short, medium, and long-term enterprise value for the industry.

3 For more information on CICT's ERM and the Group-wide RCSA exercise, please refer to the Risk Management section of the AR 2023 and Risk Management under the Governance section of the SR 2023.

4 Economic Performance, Market Presence and Governance are deemed to be material for CICT but not considered as ESG Factors.

PRIORITISATION OF MATERIAL ESG ISSUES

Environment	Social	Governance
Critical		
• Climate change and carbon emissions reduction • Energy efficiency • Water management	• Occupational health and safety • Human capital • Stakeholder engagement[i] • Products and services[ii] • Supply chain management • Diversity (Board and staff)	• Risk management[iii] • Business ethics
Moderate and Emerging		
• Waste management • Biodiversity	• Human rights[iv]	

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

Creating Value and Aligning to UN SDGs

CICT-endorsed material ESG issues, along with the value created[5], adhere to the 2030 SMP focus areas and commitments. These are mapped to CICT's resources, which include Financial, People and Structure, Properties, Environment, and Stakeholders and Communities. They are also aligned with the eight UN SDGs that closely match the 2030 SMP focus areas, where CICT can make the most significant 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.

	Areas of Focus	CICT's Commitments	Resources and UN SDGs supported
ENVIRONMENT	Low-carbon Transition	• Transit to low-carbon business and reduce energy consumption through improved energy efficiency and increase use of renewable energy. • Achieve a minimum green rating for all operating properties. • Strengthen climate resilience of portfolio by addressing climate-related risks and opportunities throughout the real estate life cycle. • Sign green leases with tenants.	**Environment** **Properties**
	Water Conservation and Resilience	• Reduce water consumption, reuse water and prevent water pollution.	
	Sustainable Innovation and Technology	• Actively embrace innovation to ensure commercial viability without compromising the environment for future generations. • Leverage CLI's Supply Chain Code of Conduct to influence supply chain to operate responsibly in the area of environmental management.	

5 Please refer to SR 2023 for CICT's ESG frameworks, commitments and progress for details of the value created.

SUSTAINABILITY APPROACH

	Areas of Focus	CICT's Commitments	Resources and UN SDGs supported
SOCIAL	Dynamic Human Capital	• Adopt consistent, equitable, and fair labour policies and practices in rewarding and developing staff. Staff can make a significant contribution based on their talent, expertise and experience, regardless of ethnicity, age or gender.	**Stakeholders & Communities** **Properties** 3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS
	Healthy and Safe Buildings	• Aim to provide a safe work environment that contributes to the general well-being of our stakeholders.	
	Proactive Customer Relationship Management	• Commit to activities that are aligned with our focus on community investment. Engage stakeholders to raise awareness in the areas of EHS, as well as promote sustainability within the tenant community.	
	Robust Supply Chain Management	• Leverage CLI's Supply Chain Code of Conduct to influence supply chain to operate responsibly in the areas of environmental management, human rights, and health and safety.	
GOVERNANCE	Board Diversity	• Guided by a Board Diversity Policy to comprise talented and dedicated Directors with a diverse mix of expertise, experience, perspectives, skills and backgrounds, with due consideration to diversity factors, including but not limited to, diversity in business or professional experience, age and gender.	**Stakeholders & Communities** **People & Structure** 17 PARTNERSHIPS FOR THE GOALS
	Compliance and Training	• Commit to meet high standards of risk management in the way we conduct business. All staff must understand and be responsible for ensuring that risks are managed effectively in their daily work. • Require third-party service providers and vendors to adhere to anti-bribery and anti-corruption provisions. • Leverage CLI's Supply Chain Code of Conduct to influence the supply chain to operate responsibly in the area of anti-corruption.	
ECONOMIC	ESG Performance and Financial Metrics	• Integrate CICT's ESG performance with financial metrics.	**Financial**

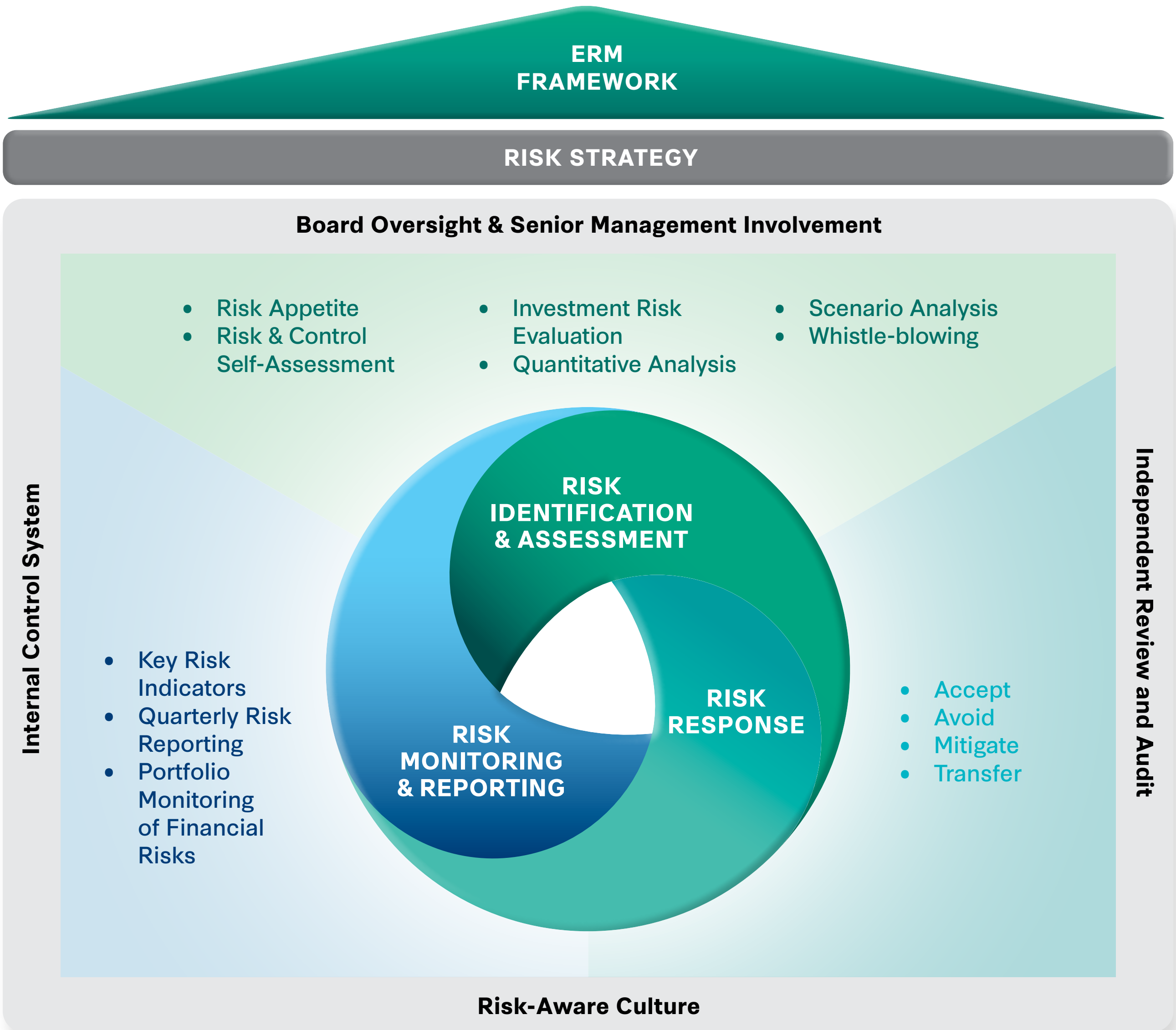
RISK MANAGEMENT

CICT Group maintains a robust risk management framework that allows us to proactively identify, assess and respond to material risks that can impact our objective to deliver stable distributions and sustainable total returns to Unitholders.

We position CICT Group 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

The 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.



RISK MANAGEMENT

RISK GOVERNANCE

The Manager's Board of Directors (the Board) is responsible for the governance of risk, and ensures that the Manager's management maintains a sound system of risk management and internal controls, to safeguard the interests of CICT Group and its stakeholders. Under our risk management approach, the Board, assisted by the Audit and Risk Committee, approves CICT Group's risk appetite (risk tolerance) which determines the nature and extent of material risks CICT Group is willing to take to achieve its strategic objectives. The Board also regularly reviews CICT Group's risk profile, material risks and mitigation strategies, and ensures the adequacy and effectiveness of the risk management framework and policies.

The Manager's management team supports the Board and Audit and Risk Committee in terms of risk governance and oversight. In doing so, the Manager's management team directs and monitors the implementation and practice of risk management across CICT Group, including the monitoring of risk exposure through key risk indicators.

INTERNAL CONTROLS SYSTEM

The Manager's ERM Framework operates within a risk governance structure based on three lines of defence which sets out clear accountability across all functions in CICT Group:

Employees play an important role as the first line of defence and are accountable for the effective identification and 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 over risk management and compliance practices, promote and embed a culture of risk ownership and accountability.

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

A STRONG CULTURE OF RISK AWARENESS

The fostering of a strong risk culture helps ensure risk management practices are implemented effectively and consistently across CICT Group.

The first line of defence, comprising employees, work closely with the second line of defence to ensure risk awareness and accountability are ingrained in our culture.

In addition, risk workshops are conducted regularly by the second line of defence departments, to enhance the risk management knowledge of our employees and ensure risk management principles are embedded in all decision-making and business processes.

The Manager's management further reinforces the culture by setting the right 'tone at the top', leading by example, and communicating our risk management strategy.

CICT GROUP'S MATERIAL RISKS AND KEY MITIGATING ACTIONS

A Group-wide Risk and Control Self-Assessment (RCSA) is conducted annually to identify key material risks, which include new and emerging risks, that CICT Group faces in delivering our strategic objectives, our respective mitigating measures and any opportunities that we can leverage on. Based on the 2023 RCSA results, the measures that we have taken to mitigate the material risks are set out below:

Material Risk	Key Mitigating Actions
Climate Related Physical risks such as rising sea levels, violent storms, long intense heat waves, flash floods and fresh water depletion. Transition risks including potentially more stringent regulations and increased expectations from stakeholders.	• Detailed assessment of the physical risks in the evaluation of any new acquisitions. • 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. • Regularly review CICT Group's mitigation and adaptation efforts, which include → future proofing our portfolio against changing climatic conditions from the design stage and → improving the operational efficiency of our properties, setting targets for carbon emissions, water, energy and waste efficiency. • Leverage CLI's well-established environmental management system which is externally certified to ISO 14001 in 19 countries. • Take actions to influence decarbonisation along CICT Group's value chain, including engaging with suppliers and tenants. • For more information, please refer to CICT's SR 2023.
Competition Keen industry competition from established real estate players who are able to attract and manage more capital by meeting investors' expectations or reacting aptly to market trends.	• Constantly strive to differentiate ourselves from competitors by proactively engaging customers on their requirements and provide relevant solutions. • Focus on building key enablers that give CICT Group a competitive advantage amidst the competition and digital disruptions, such as embarking on digital transformation in our processes, enhancing our data analytics capabilities to speed up data-driven decisions. • Incorporate ESG considerations in CICT Group's business. • Leverage in-house team of industry analysts to keep CICT Group on top of latest market trends. • Constant stream of customer-centric initiatives and a shopper loyalty programme also help to set us apart.

Material Risk	Key Mitigating Actions
Cyber Security & Information Technology Ongoing business digitalisation exposes the business to IT-related threats, which may result in compromising the confidentiality, integrity and availability of CICT Group's information assets and/or systems.	• Outsourced execution of Cyber Security Strategy to Information Technology (IT) team from CLI. • Conduct ongoing review against existing/evolving threat landscapes, and institute measures to minimise vulnerability exposure and manage threat vectors. • Conduct regular mandatory staff IT Security Awareness Training to counter human intervention in the information security chain. • Periodically review and update group-wide IT Security Policy and Data Protection Framework to ensure relevancy. • Maintain and test IT Security Incident Management Procedure to ensure prompt response to and timely remediation of cyber security incidents. • Conduct third party vulnerability test and annual Disaster Recovery Plan exercise to assure IT infrastructure/ management system security and ensure timely recoverability of business-critical IT systems. • Put in place enhanced protection controls for systems that hold personal data. • Provide periodic updates to Audit and Risk Committee on the state of Cyber Security risk activities and key control improvements.
Economic Economic instability or changes in macro-economic factors such as inflation or unemployment, which results in challenging business conditions.	• Actively monitor macroeconomic trends, policies and regulatory changes in key markets. • Adopt disciplined approach to financial management and a well-balanced portfolio. • Diversify our portfolio across asset classes and selected geographies in accordance with Board approved mandates. • Focus on markets where CICT Group or CLI has operational scale and where the underlying economic fundamentals are more robust.
Financial Exposure to financial risks involving liquidity, foreign currency and interest rates and their volatility.	• Actively monitor CICT Group's debt maturity profile, operating cash flows and the availability of funding to ensure that there are sufficient liquid reserves, in the form of cash and banking facilities, to finance CICT Group's operations and AEIs. • Access to various sources of funds from both banks and capital markets to minimise over-reliance on single source of funds for any funding or refinancing requirements. • Actively review and maintain an optimal mix of fixed and floating rate borrowings. • Seek to minimise the level of interest rate risk by borrowing at fixed rate or hedging through interest rate swaps. • Seek to minimise foreign currency risks by entering into cross currency swaps to hedge the foreign currency denominated bonds into SGD for both the principal amount and the periodic interest payments. • Adopt natural hedging where possible, by borrowing in the same currency as the revenue stream.

Material Risk	Key Mitigating Actions
Fraud, Bribery & Corruption Any form of fraud, bribery and corruption that could be perpetuated by employees, third parties or collusion between employees and third parties.	• Foster a culture of ethics and integrity. • Adopt a zero-tolerance stance against fraud, bribery and corruption (FBC) across our businesses. • 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. • Adopt e-learning modules to raise awareness and train employees on ways to avoid or prevent non-compliant behaviour.
Investment & Divestment Deployment of capital into loss-making or below- target return investments due to wrong underwriting assumptions or poor execution. Inadequate planning to identify suitable divestment opportunities.	• Evaluate all investment and divestment proposals against a rigorous set of criteria which includes potential for growth in yield, rental sustainability and potential for value creation. • Board reviews and approves all major investment and divestment decisions. • Rigorous review of key financial assumptions and key sensitivity analysis are undertaken. Third-party consultants are engaged and independent valuation is conducted, where required. • Identify potential risks associated with proposed projects and issues that may affect smooth implementation or attainment of projected outcomes at the evaluation stage and devise action plans to mitigate such risks as early as possible. • Integrate sustainability in real estate life cycle from the earliest stage of our investment and redevelopment processes.
Regulatory & Compliance Non-compliance with applicable laws, regulations and rules, relating to fund management, tax, data protection & privacy, financial crimes and sanctions in the major economies and key markets in which CICT Group operates.	• Maintain a framework that proactively identifies the applicable laws, regulations and rules, assesses the regulatory & compliance risks, and embeds compliance risk mitigation measures into day-to-day operations. • Leverage in-house specialised teams in CLI such as legal, compliance and tax, and external consultants to provide advisory services and updates on changes to laws, regulations and rules. • Rely on CLI's established group-wide policies and procedures to address the requirements of the applicable laws, regulations and rules such as Personal Data Protection Policy, Anti-Money Laundering and Countering the Financing of Terrorism Policy, Global Sanctions Compliance Policy and Tax Strategy. • Adopt e-learning modules to raise awareness and train employees on ways to avoid or prevent non-compliant behaviour.

RISK MANAGEMENT

Material Risk	Key Mitigating Actions
Safety, Health & Well-being Increased expectations from stakeholders to provide a safe and healthy environment, including well-being, at our assets and operations.	• Assess health and safety related risks in the evaluation of any new acquisitions. • 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 CICT Group and our supply chain. • Leverage CLI's well-established occupational health and safety management system which is externally certified to ISO 45001 in 19 countries. • For more information, please refer to CICT's SR 2023.
Sales & Leasing Risk Strong competition, poor economic and market conditions are some key factors that could result in key tenants not renewing their leases, adversely affecting the leasing performance of CICT Group's properties.	• Establish and maintain a diversified tenant base. • Proactive leasing strategy to ensure a diversified tenant base and a well spread lease expiry profile. • Achieve tenant retention and build loyalty with proactive tenant management and engagement to understand their business performance and leasing requirements. • Closely monitor tenants' sales performance and occupancy costs to ensure sustainable trade mix for CICT Group's retail properties. • Plan AEIs to maintain relevance and appeal of CICT Group's assets. • Actively monitor relevant leasing transactions in the market to ensure rental competitiveness of CICT Group's properties.

CORPORATE GOVERNANCE

OUR ROLE

We, as the manager of CICT (Manager), set the strategic direction of CICT Group and make recommendations to HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of CICT (Trustee), on any investment or divestment opportunities for CICT and the enhancement of the assets of CICT in accordance with the stated investment strategy for CICT. The research, evaluation and analysis required for this purpose are coordinated and carried out by us as the Manager.

As the Manager, we have general powers of management over the assets of CICT. Our primary responsibility is to manage the assets and liabilities of CICT for the benefit of the Unitholders. We do this with a focus on generating rental income and enhancing asset value over time so as to maximise returns from the investments, and ultimately the distributions and total returns, to Unitholders.

Our other functions and responsibilities as the Manager include, but are not limited to:

(a) using our best endeavours to conduct CICT's business in a proper and efficient manner;
(b) preparing annual business plans for review by the directors of the Manager (Directors), including forecasts on revenue, net income, and capital expenditure, explanations on major variances to previous years' financial results, written commentaries on key issues and underlying assumptions on rental rates, operating expenses and any other relevant assumptions;
(c) ensuring compliance with relevant laws and regulations, including the Listing Manual of the Singapore Exchange Securities Trading Limited (SGX-ST) (Listing Manual), the Code on Collective Investment Schemes (CIS Code) issued by the Monetary Authority of Singapore (MAS) (including Appendix 6 of the CIS Code (Property Funds Appendix)), the Securities and Futures Act 2001 (SFA), written directions, notices, codes and other guidelines that MAS may issue from time to time, the tax rulings issued by the Inland Revenue Authority of Singapore on the taxation of CICT and Unitholders and the United Kingdom's Alternative Investment Fund Managers Regulations 2013 (as amended) (AIFMR);
(d) attending to all regular communications with Unitholders; and
(e) supervising the property managers of CICT which perform the day-to-day property management functions (including leasing, marketing, promotion, operations coordination and other property management activities) for CICT's properties.

The Manager also considers sustainability issues (including environmental and social factors) as part of its responsibilities. CICT's sustainability policies and programmes are set out in the SR 2023 and pages 24 to 25 and 121 to 126 of this AR.

CICT, constituted as a trust, is externally managed by the Manager. The Manager appoints experienced and well-qualified personnel to run its day-to-day operations.

The Manager was appointed in accordance with the terms of the trust deed constituting CICT dated 29 October 2001 (as amended, varied or supplemented from time to time) (Trust Deed[1]). The Trust Deed outlines certain circumstances under which the Manager can be removed, including by notice in writing given by the Trustee upon the occurrence of certain events, or by resolution passed by a simple majority of Unitholders present and voting at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

The Manager is a wholly owned subsidiary of CLI which holds a significant unitholding interest in CICT. CLI is a leading global real estate investment manager, with a vested interest in the long-term performance of CICT. CLI's significant unitholding in CICT demonstrates its commitment to CICT and as a result, CLI's interest is aligned with that of other Unitholders. The Manager's association with CLI provides the following benefits, among other things, to CICT:

(a) strategic pipelines of property assets through, amongst others, CLI's access to the development capabilities of and pipeline investment opportunities from CapitaLand group's development arm;
(b) wider and better access to banking and capital markets on favourable terms;
(c) fund raising and treasury support; and
(d) access to a bench of experienced management talent.

1 A copy of the Trust Deed will be available for inspection at the registered office of the Manager during usual business hours. Prior appointment with the Manager is required. Please contact the Manager via email at ask-us@cict.com.sg.

OUR CORPORATE GOVERNANCE FRAMEWORK AND CULTURE

The Manager embraces the tenets of good corporate governance, including accountability, transparency and sustainability. It is committed to enhancing long-term Unitholder value and has appropriate people, processes and structure to direct and manage the business and affairs of the Manager with a view to achieving operational excellence and delivering the CICT Group's long-term strategic objectives. The policies and practices it has developed to meet the specific business needs of the CICT Group provide a firm foundation for a trusted and respected business enterprise.

Our corporate governance framework as at the date of this AR is set out below:

BOARD OF DIRECTORS

6 Independent Directors (ID) and
3 Non-Independent Directors (Non-ID)
Led by ID, Ms Teo Swee Lian, Chairman

Key Responsibility: Oversees the Manager's strategic direction and performance, fosters the success of CICT so as to deliver sustainable value over the long term, engages with stakeholders based on the principles of sustainability and sound governance.

AUDIT AND RISK COMMITTEE (ARC)	EXECUTIVE COMMITTEE (EC)	NOMINATING AND REMUNERATION COMMITTEE (NRC)
4 IDs Led by Mrs Quek Bin Hwee, ARC Chairman	3 Non-IDs Led by Mr Jonathan Yap Neng Tong, EC Chairman	2 IDs and 1 Non-ID Led by Ms Teo Swee Lian, NRC Chairman

Note: The Audit Committee changed its name to the Audit and Risk Committee with effect from 1 January 2024.

The Board of Directors (Board) sets the tone from the top and is responsible for the Manager's corporate governance standards and policies, underscoring their importance to the CICT Group.

This corporate governance report (Report) sets out the corporate governance practices for the financial year (FY) 2023 with reference to the Code of Corporate Governance 2018 (last amended 11 January 2023) (Code).

Throughout the fiscal year ended 31 December 2023 (FY 2023), the Manager has complied with the principles of corporate governance laid down by the Code 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. This Report also sets out additional policies and practices adopted by the Manager which are not provided in the Code.

CICT has received accolades from the investment community for excellence in corporate governance and corporate governance-related efforts.

In FY 2023, CICT was the winner of the Singapore Corporate Governance Award 2023 in the REITs and Business Trusts category at the SIAS Investors Choice Awards 2023. In addition, the CEO of CICT Manager received the Investors' Choice Outstanding CEO Award 2023. On the Singapore Governance and Transparency Index, CICT was ranked fifth in the REIT and Business Trust category. CICT also won Silver for Best Investor Relations in the REITs and Business Trusts category at the Singapore Corporate Awards 2023.

As testament to its commitment to environment, social and corporate governance, CICT maintained its 5 Star rating in 2023 GRESB Diversified-Office/Retail, Asia, Listed category on the back of a 3-point improvement to 91 points and also scored 'A' for public disclosure. Please refer to Sustainability Highlights section on pages 24 to 25 of this AR for more details.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

Duties and Responsibilities
The Board oversees the strategic direction, performance and affairs of the Manager, in furtherance of the Manager's primary responsibility to foster the success of CICT so as to deliver sustainable value over the long term to Unitholders. It provides overall guidance to the management team (Management), led by the Chief Executive Officer (CEO). The Board works with Management to achieve CICT's objectives and long-term success and Management is accountable to the Board for its performance. Management is responsible for the execution of the strategy for CICT and the day-to-day operations of CICT's business.

The Board establishes goals for Management and monitors the achievement of these goals. It ensures that proper and effective controls are in place to assess and manage business risks and compliance with requirements under the Listing Manual, the Property Funds Appendix, as well as any other applicable guidelines prescribed by the SGX-ST, MAS or other relevant authorities, and applicable laws. It also sets the disclosure and transparency standards for CICT and ensures that obligations to Unitholders and other stakeholders are understood and met.

The Board has adopted a set of internal controls which establishes financial approval limits for capital expenditure, investments, divestments, bank borrowings and issuance of debt instruments and this is clearly communicated to Management in writing. The Board has reserved authority to approve certain matters including:

(a) material acquisitions, investments and divestments;
(b) issuance of new units in CICT (Units);
(c) income distributions and other returns to Unitholders; and
(d) matters which involve a conflict of interest for a controlling unitholder or a Director.

Apart from matters that specifically require the Board's approval, the Board delegates authority for transactions below the Board's approval limits to Board Committees and Management to optimise operational efficiency.

The Directors are fiduciaries and are collectively and individually obliged at all times to act honestly and objectively in the best interests of CICT. Consistent with this principle, the Board is committed to ethics and integrity of action and has adopted a Board Code of Business Conduct and Ethics (Board Code) which provides that every Director is expected to, among other things, adhere to the highest standards of ethical conduct. All Directors are required to comply with the Board Code. This sets the appropriate tone at the top in respect of the desired organisational culture, and assists the Board in ensuring proper accountability within the Manager. In line with this, the Board has incorporated in the Board Code a standing policy that a Director must not allow himself or herself to get into a position where there is a conflict between his or her duty to CICT and his or her own interests. Where a Director has a conflict (including potential conflict) of interest in a particular matter, he or she is required to disclose his or her interest to the Board, recuse himself or herself from deliberations on the matter and abstain from voting on the matter. During FY 2023, every Director has complied with this policy, and where relevant, such compliance has been duly recorded in the minutes of meeting or written resolutions.

Furthermore, the Directors have the responsibility to act with due diligence in the discharge of their duties and ensure that they have the relevant knowledge to carry out and discharge their duties as directors, including understanding their roles as executive, non-executive, and independent directors, the business of CICT and the environment in which CICT Group operates. The Directors are also required to dedicate the necessary effort, commitment and time to their work as directors, 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.

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 to the best of their abilities. The Nominating and Remuneration Committee (NRC) ensures that the Manager has in place a training and professional development framework to guide and support the Manager 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. Directors who have no prior experience as a director of an issuer listed on the SGX-ST will be provided with training on the roles and responsibilities of a director of a listed issuer in accordance with the listing rules of the SGX-ST. The costs of training are borne by the Manager. The induction, training and development provided to the new and existing Directors are set out below.

Upon appointment, each Director is provided with a formal letter of appointment and a copy of the Director's Manual (which includes information on a broad range of matters relating to the role, duties and responsibilities of a Director and 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 CICT's business, operations, strategies, organisation structure, responsibilities of CEO and other persons having executive roles with authority and responsibility for planning, directing and controlling the activities of the Manager (key management personnel), and financial and governance practices. The induction programme may include visits to the CICT Group's properties. Conducted by the CEO and senior management executives, the induction programme also provides opportunities for the new Director to get acquainted with members of Management which facilitates their interaction at Board meetings.

Following appointment, all Directors are provided with opportunities for continuing education in areas such as director's duties and responsibilities, laws and regulations, accounting standards, industry related matters and sustainability matters as prescribed under the Listing Manual, at the Manager's expense, so as to be updated on matters that affect or may enhance their performance as Directors or Board Committee members. The 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. In FY 2023, the training and professional development programmes for the Directors included seminars and training sessions conducted by experts and senior business leaders on cyber security, ESG, sustainability, and governance of climate-related risks and opportunities. Sharing and information sessions were also organised as part of Board meetings, where guest speakers and Management team members presented on key topics to the Board. The Directors also regularly receive reading materials on topical matters or subjects as well as updates on regulatory changes and their implications for the business.

Board Committees

The Board has established various Board Committees to assist it in the discharge of its functions. These Board Committees are the Audit and Risk Committee (ARC) (previously known as the Audit Committee), the Executive Committee (EC) and the NRC. The Board has, on the recommendation of the ARC, approved the renaming of the Audit Committee to the Audit and Risk Committee with effect from 1 January 2024, to better reflect the remit of this Board Committee.

All the Board Committees have clear written terms of reference setting out their respective composition, authorities and duties, including reporting back to the Board. Each of the Board Committees operates under delegated authority from the Board with the Board retaining overall oversight. The decisions and significant matters discussed at the respective Board Committees are reported to the Board on a periodic basis. The minutes of the Board Committee meetings which record the key deliberations and decisions taken during these meetings are also circulated to all Board members for their information. The composition of the various Board

Committees is set out on pages 34 to 39 and the inside back cover of this AR. The duties and responsibilities of the Board Committees are set out in this Report.

The Board may form other Board Committees from time to time. The composition of each Board Committee is also reviewed regularly, and as and when there are changes to the Board membership. Where appropriate, changes are made to the composition of the Board Committees, with a view to ensuring there is an appropriate diversity of skills and experience, and fostering active participation and contributions from Board Committee members.

Meetings of Board and Board Committees

Board and Board Committee meetings are scheduled prior to the start of each financial year in consultation with the Directors. The Constitution of the Manager (Constitution) permits the Directors to participate in Board and Board Committee meetings via audio or video conference. If a Director is unable to attend a Board or Board Committee meeting, he or she may provide his or her comments to the Chairman or the relevant Board Committee chairman ahead of the meeting and these comments are taken into consideration in the deliberations. The Board and Board Committees may also make decisions by way of written resolutions.

In addition to scheduled meetings, the Board may also hold ad hoc meetings as required by business imperatives. The non-executive Directors, led by the independent Chairman or other independent Director as appropriate, also meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Management as appropriate. In FY 2023, the non-executive Directors, led by the independent Chairman, met once without the presence of Management.

At each scheduled Board meeting, the Board is apprised of the following:

(a) significant matters discussed at the ARC meeting which is typically scheduled before the Board meeting;
(b) ARC's recommendation on CICT's periodic and year-end financial results following ARC's review of the same;
(c) decisions made by Board Committees in the period under review;
(d) updates on the CICT Group's business and operations in the period under review, including market developments and trends, as well as business initiatives and opportunities;
(e) financial performance, budgetary and capital management related matters in the period under review, including any material variance between any projections in budget or business plans and the actual results from business activities and operations;
(f) any risk management issues that materially impact CICT's operations or financial performance;
(g) updates on key Unitholder engagements in the period under review, as well as analyst views and market feedback; and
(h) prospective transactions which Management is exploring.

This allows the Board to develop a good understanding of the progress of the CICT Group's business as well as the issues and challenges faced by CICT, and also promotes active engagement with Management.

The Manager adopts and practices the principle of collective decisions and therefore, no individual Director influences or dominates the decision-making process. There is mutual respect and trust among the Directors and therefore the Board benefits from a culture of frank and rigorous discussions. Such discussions conducted on a professional basis contribute to the dynamism and effectiveness of the Board. The Board composition is such that there is diversity in views and perspectives which enriches deliberations and contributes to better decision-making of the Board in the best interests of CICT. At Board and Board Committee meetings, all the Directors actively participate in discussions, in particular, they engage in open and constructive debate and challenge Management on its assumptions and recommendations. Management provides the Directors with complete, adequate and timely information prior to Board and Board Committee meetings and on an ongoing basis. This enables the Directors to make informed decisions and discharge their duties and responsibilities.

As a general rule, meeting materials are provided to the Directors at least five days prior to Board and Board Committee meetings, to allow them to prepare for the meetings and to enable discussions to focus on any questions or issues that they may have or identify. Agendas for Board and Board Committee meetings are prepared in consultation with the Chairman and the chairmen of the respective Board Committees. This provides assurance that there is time to cover all relevant matters during the meetings.

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

A total of six Board meetings, six ARC meetings and two NRC meetings were held in FY 2023. The key deliberations and decisions taken at Board and Board Committee meetings are recorded in writing in the minutes of meeting.

A record of the Directors' attendance at Board and Board Committee meetings for FY 2023 is set out on page 167 of this AR. The CEO who is also a Director attends all Board meetings. He also attends all ARC meetings and NRC meetings on an ex officio basis. Other members of Management attend Board and Board Committee meetings as required to brief the Board and Board Committees on specific business matters.

There is active interaction between the Directors and Management during and outside Board and Board Committee meetings. The Directors have separate, independent and unfettered access to Management for any information that they may require. The Board and Management share a productive and harmonious relationship, which is critical for good governance and organisational effectiveness.

The Directors also have separate and independent access to the company secretary of the Manager (Company Secretary). The Company Secretary has oversight of corporate secretarial administration matters and advises the Board and Management on corporate governance matters. The Company Secretary attends Board meetings and assists the Chairman in ensuring that Board procedures are followed. The Company Secretary also facilitates the induction programme for new Directors and oversees the administration work relating to professional development for the Directors. The appointment and the removal of the Company Secretary is subject to the Board's approval.

The Directors, whether individually or collectively as the Board, are entitled to have access to independent external professional advice where necessary, at the Manager's expense.

Principle 2: Board Composition and Guidance

Board Independence
The Board has a strong independent element as six out of nine directors, including the Chairman, are non executive IDs. Other than the CEO who is the only executive director on the Board, non-executive directors make up the rest of the Board. None of the Directors have served on the Board for nine years or longer. No lead ID is appointed as the Chairman is an ID. Profiles of the Directors, their respective Board Committee memberships and roles are set out on pages 34 to 39 of this AR. Key information on the Directors is also available on CICT's website at www.cict.com.sg (Website).

The Board, through the NRC, reviews from time to time the size and composition of the Board and Board Committees, with a view to ensuring that the size is appropriate in facilitating effective deliberations and decision-making, and the composition reflects a strong independent element as well as diversity of thought and background. The review takes into account the scope and nature of the CICT Group's operations, the evolving external environment and the competition that the CICT Group faces.

The Board, through the NRC, assesses annually (and as and when circumstances require) the independence of each Director in accordance with the requirements of the Listing Manual and the guidance in the Code, the Securities and Futures (Licensing and Conduct of Business) Regulations (SFR) and where relevant, the recommendations set out in the Practice Guidance accompanying the Code (Practice Guidance). A Director is considered independent if he or she is independent in conduct, character and judgement and:

(a) has no relationship with the Manager, its related corporations, its substantial shareholders, CICT's substantial unitholders (being Unitholders who have interests in voting Units with 5% or more of the total votes attached to all voting Units) or the Manager's officers that could interfere, or be reasonably perceived to interfere with the exercise of his or her independent business judgement in the best interests of CICT;
(b) is independent from the management of the Manager and CICT, from any business relationship with the Manager and CICT, and from every substantial shareholder of the Manager and every substantial unitholder of CICT;

(c) is not a substantial shareholder of the Manager or a substantial unitholder of CICT;
(d) is not employed and has not been employed by the Manager or CICT or their related corporations in the current or any of the past three financial years;
(e) does not have an immediate family member who is employed or has been employed by the Manager or CICT or their related corporations in the current or any of the past three financial years and whose remuneration is or was determined by the Board and/or NRC; and
(f) has not served on the Board for a continuous period of nine years or longer.

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

(a) each such Director provides information of his or her business interests and confirms, annually, 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 Unitholders as a whole, and such information is then reviewed by the NRC; and
(b) the NRC also gives consideration to the respective Directors' conduct and contributions at Board and Board Committee meetings, in particular, whether the relevant Director has exercised independent business judgement in discharging his or her duties and responsibilities.

Thereafter, the NRC's recommendation is presented to the Board for its approval. Each ID is required to recuse himself or herself from the NRC's and the Board's deliberations on his or her independence. In appropriate cases, the NRC also reviews the independence of an ID as and when there is a change of circumstances involving the ID and makes its recommendations to the Board for its consideration and determination. In this regard, an ID is required to report to the Manager when there is any change of circumstances which may affect his or her independence.

The Board, through the NRC, has carried out the assessment of the independence of the IDs for FY 2023, and the paragraphs below set out the outcome of the assessment and the Board's determination of independence based on the information available and having taken into account the views of the NRC. Each of the IDs had recused himself or herself from the NRC's and the Board's deliberations on his or her independence.

Ms Teo Swee Lian
Ms Teo is a non-executive director of Singapore Telecommunications Limited (Singtel) which provides telecommunication services to the CICT Group and CLI and its subsidiaries (CLI Group). Singtel group is also a tenant of some shopping malls in CICT's portfolio. CLI Group also provided campaign management and marketing services through the CapitaStar app to Singtel.

Ms Teo also serves as a non-executive director of HSBC Holdings PLC (HSBC), with effect from 1 October 2023. HSBC and its subsidiaries (HSBC Group) provide banking, financial advisory and related services to CICT Group and CLI Group. HSBC's wholly owned subsidiary, the Trustee, provides professional trustee services to CICT Group. HSBC is also a tenant and licensee (in respect of rental of space for ATMs) in some of the malls in CICT’s portfolio. Ms Teo served as a non-executive director of AIA Group Limited (AIA), before stepping down from AIA on 31 August 2023. AIA rented event spaces at some of the malls in CICT’s portfolio and entered into a lease agreement for an office unit in CICT’s portfolio.

Ms Teo’s roles in Singtel, HSBC and AIA are non-executive in nature and she was not involved in the business operations or day-to-day conduct of Singtel group, HSBC Group and AIA group. She was not involved in the process or approval of the aforementioned transactions, which were conducted in the ordinary course of business, on arm's length basis and based on normal commercial terms and/or market rates.

In addition to her directorship in Singtel which is a subsidiary of Temasek Holdings (Private) Limited (Temasek), Ms Teo also serves as a non-executive director of an associated company of Temasek and such associated company's subsidiary. Temasek is deemed to be a substantial unitholder of CICT, through its indirect interest in CLI, which is a substantial unitholder of CICT. Ms Teo's role in these corporations is non-executive in nature and she is not involved in the day-to-day conduct of the business of these corporations. She has also confirmed that she is not under any obligation, whether formal or informal, to act in accordance with the directions of Temasek in relation to the corporate affairs of CICT and the Manager.

CORPORATE GOVERNANCE

The Board has considered the conduct of Ms Teo in the discharge of her duties and responsibilities as a Director, and is of the view that the relationships set out above did not interfere with the exercise of her independent business judgement in the discharge of her duties and responsibilities as a Director. Save for the relationships stated above, Ms Teo does not have any other relationships and is not faced with any of the circumstances identified in the Code, SFR and Listing Manual, or any other relationships which may affect her independent business judgement. The Board is therefore of the view that Ms Teo has exercised independent business judgement in the discharge of her duties and responsibilities. Based on the above, the Board arrived at the determination that Ms Teo is an ID. Ms Teo will recuse herself from participating in any Board's deliberation on any transactions that could potentially give rise to a conflict of interest.

Mrs Quek Bin Hwee
Mrs Quek serves as a non-executive director of Certis Cisco Security Pte. Ltd. (CCS) and SIA Engineering Company Limited (SIAEC), which are subsidiaries of Temasek. CCS group provides security and integrated services to the CICT Group. Mrs Quek's roles in CCS and SIAEC are non-executive in nature and she is not involved in the day-to-day conduct of the business of CCS and SIAEC. The services provided by CCS group are in the ordinary course of business, on arm's length basis and based on normal commercial terms. She has also confirmed that she is not under any obligation, whether formal or informal, to act in accordance with the directions of Temasek in relation to the corporate affairs of CICT and the Manager.

The Board has considered the conduct of Mrs Quek in the discharge of her duties and responsibilities as a Director, and is of the view that the relationships set out above did not interfere with the exercise of her independent business judgement in the discharge of her duties and responsibilities as a Director. Save for the relationships stated above, Mrs Quek does not have any other relationships and is not faced with any of the circumstances identified in the Code, SFR and Listing Manual, or any other relationships which may affect her independent business judgement. The Board is therefore of the view that Mrs Quek has exercised independent business judgement in the discharge of her duties and responsibilities. Based on the above, the Board arrived at the determination that Mrs Quek is an ID. Mrs Quek will recuse herself from participating in any Board's deliberation on any transactions that could potentially give rise to a conflict of interest.

Mr Leo Mun Wai
Mr Leo serves as a non-executive director of Great Eastern General Insurance Limited (GEGIL), which provided a range of corporate insurance plans and coverage for Industrial All Risks, Property Damages and Business Interruption and claim settlement services, to the CICT Group and CLI Group. Mr Leo's role in GEGIL is non-executive in nature and he was not involved in the day-to-day conduct of GEGIL's business. He was not involved in the process or approval of the aforementioned transactions, which were carried out in the ordinary course of business, on arm's length basis and based on normal commercial terms.

The Board has considered the conduct of Mr Leo in the discharge of his duties and responsibilities as a Director, and is of the view that the relationships set out above did not interfere with the exercise of his independent business judgement in the discharge of his duties and responsibilities as a Director. Save for the relationships stated above, Mr Leo does not have any other relationships and is not faced with any of the circumstances identified in the Code, SFR and Listing Manual, or any other relationships which may affect his independent business judgement. The Board is therefore of the view that Mr Leo has exercised independent business judgement in the discharge of his duties and responsibilities. Based on the above, the Board arrived at the determination that Mr Leo is an ID. Mr Leo will recuse himself from participating in any Board's deliberation on any transactions that could potentially give rise to a conflict of interest.

Ms Jeann Low Ngiap Jong
Ms Low serves as Singtel's Senior Advisor. Singtel provides telecommunication services to the CICT Group and CLI Group. Singtel group is also a tenant of some shopping malls in CICT's portfolio. CLI Group also provided campaign management and marketing services through the CapitaStar app to Singtel. Ms Low's role in Singtel is non-executive in nature and she is not involved in the day-to-day conduct of Singtel's business. She was not involved in the process or approval of (i) the engagement of Singtel by CICT Group and CLI Group for the provision of telecommunication services; and (ii) the leases entered into between CICT Group and Singtel group. Ms Low was also not involved in the process or approval of the provision of campaign marketing services through CapitaStar by CLI's subsidiary to Singtel. The aforementioned transactions were conducted in the ordinary course of business, on arm's length basis and based on normal commercial terms and/or market rates.

In addition to her role in Singtel which is a subsidiary of Temasek, Ms Low also serves as a non-executive director of certain other subsidiaries of Temasek under the Singtel group. Temasek is deemed to be a substantial unitholder of CICT through its indirect interest in CLI, which is a substantial unitholder of CICT. Ms Low's role in these corporations is non-executive in nature and she is not involved in the day-to-day conduct of the business of these corporations. She has also confirmed that she is not under any obligation, whether formal or informal, to act in accordance with the directions of Temasek in relation to the corporate affairs of CICT and the Manager.

The Board has considered the conduct of Ms Low in the discharge of her duties and responsibilities as a Director, and is of the view that the relationships set out above did not interfere with the exercise of her independent business judgement in the discharge of her duties and responsibilities as a Director. Save for the relationships stated above, Ms Low does not have any other relationships and is not faced with any of the circumstances identified in the Code, SFR and Listing Manual, or any other relationships which may affect her independent business judgement. The Board is therefore of the view that Ms Low has exercised independent business judgement in the discharge of her duties and responsibilities. Based on the above, the Board arrived at the determination that Ms Low is an ID. Ms Low will recuse herself from participating in any Board's deliberation on any transactions that could potentially give rise to a conflict of interest.

Mr Tan Boon Khai
Mr Tan serves as the Chief Executive Officer of JTC Corporation (JTC). Leases/sub-leases have been entered into between JTC and CICT Group or CLI Group which includes (i) the payment of rent and various fees arising from such leases/sub-leases, and (ii) the payment of way leave and driveway licence fees by CICT Group to JTC in relation to IMM Building, which is a property in CICT's portfolio. The payment of land premium for renewal of the JTC lease for the land on which IMM Building is situated was made in 2004, which pre-dates Mr Tan's appointment in JTC as well as his appointment as a Director. The annual rent and various fees arising from the JTC lease for the land on which IMM Building is situated, as well as the way leave and driveway licence fees in relation thereto, are nominal. The aforementioned transactions were carried out in the ordinary course of business, on arm's length basis and based on normal commercial terms.

The Board has considered the conduct of Mr Tan in the discharge of his duties and responsibilities as a Director, and is of the view that the relationships set out above did not interfere with the exercise of his independent business judgement in the discharge of his duties and responsibilities as a Director. Save for the relationships stated above, Mr Tan does not have any other relationships and is not faced with any of the circumstances identified in the Code, SFR and Listing Manual, or any other relationships which may affect his independent business judgement. The Board is therefore of the view that Mr Tan has exercised independent business judgement in the discharge of his duties and responsibilities. Based on the above, the Board arrived at the determination that Mr Tan is an ID. Mr Tan will recuse himself from participating in any Board's deliberation on any transactions that could potentially give rise to a conflict of interest.

Mr Stephen Lim Beng Lin
Mr Lim does not have any relationships, is not faced with any of the circumstances, identified in the Code, SFR and Listing Manual, or any other relationships which may affect his independent business judgement.

The Board has considered the conduct of Mr Lim in the discharge of his duties and responsibilities as a Director, and is of the view that Mr Lim has exercised independent business judgement in the discharge of his duties and responsibilities. Based on the above, the Board arrived at the determination that Mr Lim is an ID. Mr Lim will recuse himself from participating in any Board's deliberation on any transactions that could potentially give rise to a conflict of interest.

The Board is of the view that as at the last day of FY 2023, each of Ms Teo, Mrs Quek, Mr Leo, Ms Low, Mr Lim, and Mr Tan was able to act in the best interests of all the Unitholders in respect of the period in which they served as directors in FY 2023.

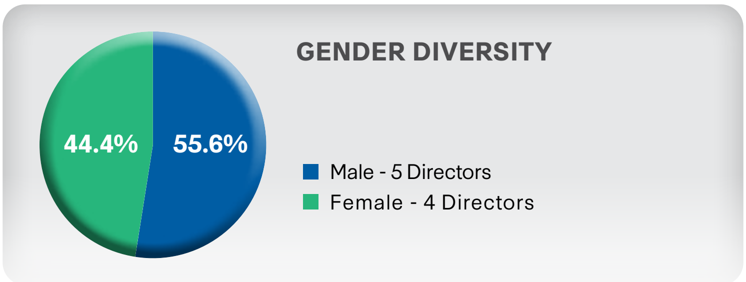
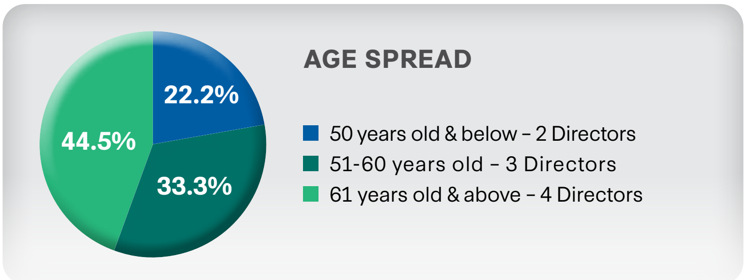
The remaining Directors, namely, Mr Tony Tan Tee Hieong and Ms Janine Gui Siew Kheng, are employees of CLI Group and are considered to be not independent. Mr Jonathan Yap Neng Tong is an employee of CapitaLand Group Pte. Ltd., a substantial shareholder of the Manager and a substantial unitholder of CICT. He is therefore considered to be not independent.

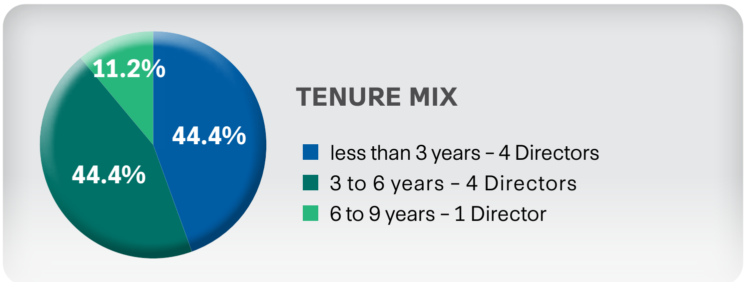
Board Diversity

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

The Board values the benefits that diversity can bring to the Board in its deliberations by avoiding group-think and fostering constructive debate. Diversity enhances the Board's decision-making capability and ensures that the Manager has the opportunity to benefit from all available talent and perspectives, which is essential to the effective governance of CICT's business and for ensuring long-term sustainable growth.

CICT's Board diversity targets, plans and timelines for achieving the targets and progress towards achieving the targets are described below.

Diversity Targets, Plans and Timelines	Targets Achieved / Progress Towards Achieving Targets
Gender	
To have at least 2 female Directors on the Board during the period leading up to 2025. The Manager believes in achieving an optimum mix of men and women on the Board to provide different approaches and perspectives.	**Achieved** As at the end of FY 2023, there were 4 female Directors (out of 9 Directors) on the Board. This represents 44.4% of the Board exceeding Singapore's Council for Board Diversity's recommended representation of 25% by 2025. 
Age	
To ensure that the Board comprises Directors across diverse age groups: (a) 50 years old & below; (b) 51 to 60 years old; and (c) 61 years old & above, and to maintain such level of age diversity during the period leading up to 2025. The Manager believes that age diversity would provide a broad spectrum of thoughts and views in Board and Board Committee deliberations.	**Achieved** As at the end of FY 2023, the Board comprised Directors across all 3 age groups. 

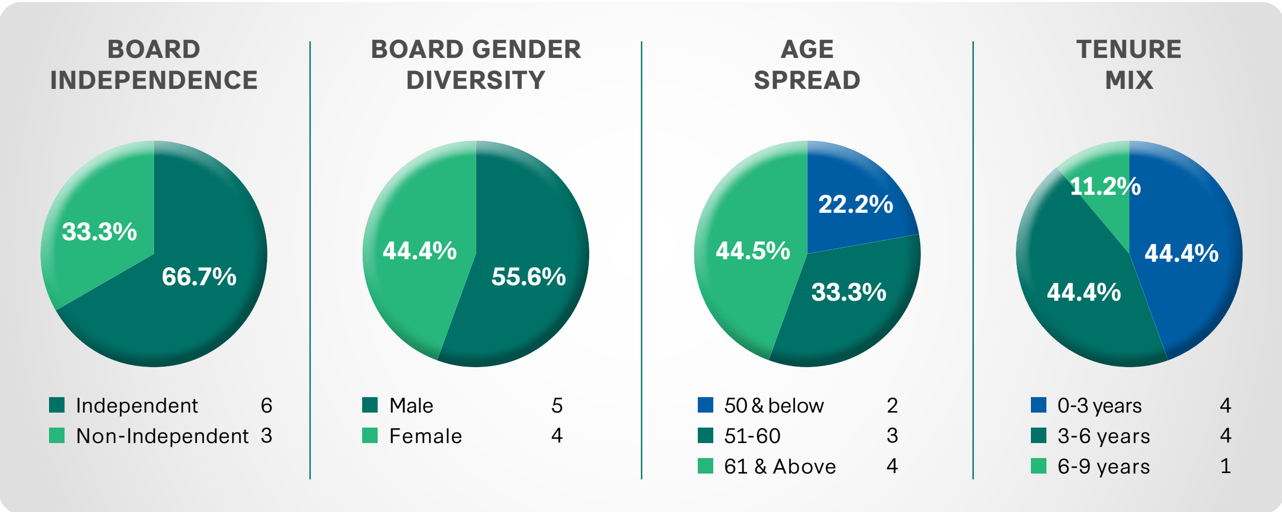
Diversity Targets, Plans and Timelines	Targets Achieved / Progress Towards Achieving Targets
Tenure	
To ensure that the Board comprises Directors across the following tenure groups: (a) less than 3 years; (b) 3 to 6 years; and (c) 6 to 9 years, and to maintain such level of tenure diversity during the period leading up to 2025. The Manager believes that tenure diversity would facilitate Board renewal progressively and in an orderly manner, whilst ensuring knowledge continuity about the Manager and its business operations and sustainability of corporate performance.	**Achieved** As at the end of FY 2023, the Board comprised Directors across all 3 tenure groups. 
Skills / Experience	
To ensure that the Directors, as a group, possess: (a) a variety of skill sets, including in core competencies, domain knowledge and other fields of expertise, such as finance, banking, real estate and investment management; and (b) a mix of industry experience, management experience and listed company board experience, by 2025, or (if applicable) to maintain such level of diversity in skill sets and experience during the period leading up to 2025. The Manager believes that diversity in skill sets would support the work of the Board and Board Committees and needs of the Manager, and that an optimal mix of experience would help shape the Manager's strategic objectives and provide effective guidance and oversight of Management and the Manager's operations. The Manager continually endeavours to deepen the bench strength of the Board with complementary and relevant expertise, including in the areas of investment management and sustainability.	**Achieved / Achieving Target** As at the end of FY 2023, the Board comprised Directors who, as a group, possess a significant majority of the identified core skills and experience. The Board will continue to look for opportunities to strengthen certain skill sets. In terms of skill sets, the Board comprises Directors with a variety of skills and expertise in areas including investment management, M&As, real estate, accounting, finance, leadership, governance, banking and capital markets, legal and compliance, innovation and technology, marketing, and branding. 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, have international or regional experience and have exposure in various industry sectors and markets, including commercial (retail and office).

The NRC, in carrying out its duties of determining the optimal composition of the Board in its Board renewal process and addressing Board vacancies, identifies possible candidates that bring a diversity of background and opinion from amongst candidates 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 NRC's considerations include achieving an appropriate level of diversity in the Board composition having regard to diversity factors such as skills, experience, age, tenure, as well as educational, business and professional background of its members. Gender diversity is also considered an important aspect of diversity.

In its annual review of the Board's composition, the NRC 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 NRC has reviewed the size and composition of the Board and is of the opinion that the Board's current size is appropriate with an appropriate balance and diversity of skills, experience, gender, age and tenure, taking into account CICT's diversity targets, plans and timelines and objectives of the Board Diversity Policy and the CICT Group's business needs and plans, for effective decision-making and constructive debate.

In line with the Board Diversity Policy, the current Board comprises Directors who are corporate and business leaders, or professionals with varied backgrounds, expertise and experience in areas including accounting and finance, banking and capital markets, country experience in Australia and Germany, investment, mergers and acquisitions, real estate and industry expertise in retail and office sectors, legal and compliance, innovation and technology, leadership and governance, and marketing and branding. The Board also has a few members with prior working experience in the industry in which the CICT Group operates. The Board members bring with them the combination of skills, talents, experience and diversity required to serve the needs of the CICT Group.

The charts below set out the key details relating to Board diversity, which is illustrative of how the Board has already achieved a level of diversity which fulfils the objectives as envisioned by the Board Diversity Policy – which is to leverage on the diversity in the Board in business and professional experience, age and gender to enhance the Board's decision-making capacity and ensure that the Manager has the opportunity to benefit from all available talent and perspectives.



Principle 3: Chairman and Chief Executive Officer

The roles and responsibilities of the Chairman and the CEO are held by separate individuals, in keeping with the principles that there be a clear division of responsibilities between the leadership of the Board and Management and that no one individual has unfettered powers of decision-making. The non-executive independent Chairman is Ms Teo Swee Lian, whereas the CEO is Mr Tony Tan Tee Hieong. They do not share any family ties. The Chairman and the CEO enjoy a positive and constructive working relationship between them, and support each other in their respective leadership roles.

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

The Chairman devotes considerable time to keep herself updated as to the business of CICT, including the issues and the competition that CICT faces. She plays a significant leadership role by providing clear oversight, direction, advice and guidance to the CEO. She also maintains open lines of communication and engages with other members of Management regularly, and acts as a sounding board for the CEO on strategic and significant operational matters.

The Chairman also presides over the AGM each year and other general meetings where she plays a crucial role in fostering constructive dialogue between the Unitholders, the Board and Management.

The CEO has full executive responsibilities to manage the CICT Group's business and to develop and implement policies approved by the Board.

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

As the roles of the Chairman and the CEO are held by separate individuals who are not related to each other, and the Chairman is an ID, no lead ID has been appointed. Moreover, the Board has a strong independent element as six out of nine directors (including the Chairman) are non-executive IDs. There are also sufficient measures in place to address situations where the Chairman is conflicted as the Directors are required to recuse themselves from deliberations and abstain from voting on any matters that could potentially give rise to conflict. Accordingly, the foregoing is consistent with the intent of Principle 3 of the Code.

Principle 4: Board Membership

The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board. The NRC 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.

The NRC comprises three non-executive directors, two of whom (including the chairman of the NRC) are IDs. The members of the NRC are Ms Teo Swee Lian (NRC Chairman), Mr Stephen Lim Beng Lin and Mr Jonathan Yap Neng Tong. The NRC met twice in FY 2023.

The NRC has also reviewed and approved various matters within its remit via circulating papers. Under its terms of reference, the NRC's scope of duties and responsibilities in relation to the nomination and appointment of directors includes:

(a) reviewing and making recommendations to the Board on the structure, size and composition of the Board and Board Committees and formulating, reviewing and making recommendations to the Board on succession plans for Directors, in particular the appointment and/or replacement of the Chairman and CEO;
(b) reviewing and making recommendations to the Board on the process and criteria for the evaluation of the performance of the Board, Board Committees and individual Directors and the results of such evaluation annually;
(c) considering annually and, as and when circumstances require, if a Director is independent; and
(d) considering and making recommendations to the Board on the appointment and re-appointment of Directors.

Guided by its terms of reference, the NRC oversees the development and succession planning for the CEO. This includes overseeing the process for selection of the CEO and conducting an annual review of career development and succession matters for the CEO.

In addition to the above, the NRC and/or the Board as a whole is kept abreast of relevant matters relating to the review of succession plans relating to the key management personnel, in particular the appointment and/or replacement of the key management personnel. While this is a partial deviation from Provision 4.1(a) which requires the NRC to make recommendations to the Board on relevant matters relating to the review of succession plans, in particular the appointment and/or replacement of the key management personnel, the Board is of the view that such matters could be considered either by the NRC or by the Board as a whole. This is accordingly consistent with the intent of Principle 4 of the Code.

In respect of the review of training and professional development programmes for the Board and the Directors, the Board is of the view that this should be a matter involving the views and feedback of all members of the Board. Hence, any Director may contribute by recommending to the Board specific training and development programmes which he or she believes would benefit the Directors or the Board as a whole. The review of training and professional development programmes for the Board and its Directors is done by the Board as a whole, and this function was not delegated to the NRC. This is consistent with the intent of Principle 4 of the Code, notwithstanding that the NRC was not specifically assigned to review and make recommendations to the Board on such matters.

The NRC's duties and responsibilities in relation to remuneration matters are set out on pages 148 to 154 of this AR.

Board Composition and Renewal
The Board, through the NRC, strives to ensure that there is an optimal blend in the Board of backgrounds, experience and knowledge in business and general management, expertise relevant to the CICT 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 CICT Group. The channels used in the search and nomination process for identifying appropriate candidates, and the channels via which the eventual appointee(s) were found, and the criteria used to identify and evaluate potential new directors, are set out below.

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 NRC considers different time horizons for purposes of succession planning. The NRC evaluates the Board's competencies on a long-term basis and identifies competencies which may be further strengthened in the long term to achieve CICT's strategy and objectives. As part of medium-term planning, the NRC seeks to refresh the membership of the Board progressively and in an orderly manner, whilst ensuring continuity and sustainability of corporate performance. The NRC also considers contingency planning to prepare for sudden and unforeseen changes. In reviewing succession plans, the NRC has in mind CICT's strategic priorities and the factors affecting the long-term success of CICT. Board succession planning takes into account the need to maintain flexibility to effectively address succession planning and to ensure that the Manager continues to attract and retain highly qualified individuals to serve on the Board. The NRC aims to maintain an optimal board composition by considering the trends affecting CICT, reviewing the skills needed and identifying gaps, including considering whether there is an appropriate level of diversity of thought. The process ensures that the Board composition is such that the Board has capabilities and experience which are aligned with CICT's strategy and the environment it operates in, and includes the following considerations: (a) the current size of the Board and Board Committees, composition mix and core competencies, (b) the candidate's/ Director's independence, in the case of an independent director, (c) the composition requirements for the Board and relevant Board Committees (if the candidate/Director is proposed to be appointed to any Board Committee), and (d) the candidate's/Director's age, gender, track record, experience and capabilities and such other relevant factors as may be determined by the Board, which would provide an appropriate balance and contribute to the collective skills of the Board.

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

Board succession planning is carried out through the annual review by the NRC of the Board's composition as well as when a Director gives notice of his or her intention to retire or resign. The outcome of that review is reported to the Board. The Board also has in place guidelines on the tenure of Directors. The guidelines provide that an ID should serve for no more than a maximum of two three-year terms and any extension of tenure beyond six years will be reviewed on a yearly basis up to a period of nine years (inclusive of the initial two three-year terms served) by the NRC in arriving at a recommendation to the Board.

The NRC identifies suitable candidates for appointment to the Board. Searches for possible candidates are conducted through contacts and recommendations. In this regard, the Manager may rely on external consultants from time to time to assist the NRC in identifying candidates. Candidates are identified based on the needs of CICT and the relevant skills required, taking into account, among other things, the requirements in the Listing Manual and the Code, as well as the factors in the Board Diversity Policy. The candidates will be assessed against a range of criteria including their 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. The NRC also considers the qualities of the candidates, in particular whether they are aligned with the strategic directions and values of CICT. In addition, the NRC assesses the candidates' ability to commit time to the affairs of CICT, taking into consideration their other current appointments or commitments. The NRC uses a skills matrix to determine the skills gaps of the Board and if the expertise and experience of a candidate would complement those of the existing Board members.

Whilst the Board believes that it has an optimal blend of backgrounds, experience, knowledge in business and general management, and expertise relevant to help CICT 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.

Directors who are appointed to the Board from time to time either have prior experience as a director of an issuer listed on the SGX-ST or will undergo the training required under Rule 210(5)(a) of the Listing Manual. All Directors attended the sustainability training courses prescribed under the Listing Manual. Going forward, new Directors who are appointed to the Board from time to time will either have expertise in sustainability matters or will undergo further training required under Rule 720(7) of the Listing Manual.

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 NRC 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 affairs of the Manager. In this regard, Directors are required to report to the Board any changes in their other appointments or commitments.

In respect of the Directors' other appointments and commitments, no limit is set as to the number of listed company board appointments. The Board takes the view that the number of listed company directorships that an individual may hold should be considered on a case-by-case basis, as a person's available time and attention may be affected by many different factors, such as his or her capacity, whether he or she is in full-time employment, the nature of his or her other responsibilities and his or her 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 Manager. IDs are also required to inform the Chairman before accepting any invitation for appointment as a director of another entity or offer of a full time executive appointment.

There is also no alternate director to any of the Directors. In keeping with the principle that a Director must be able to commit time to the affairs of the Manager, the Board has adopted the principle that it will generally not approve the appointment of alternate directors to the 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 Manager. For FY 2023, all non-executive directors of the Manager 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 NRC assesses each Director's ability to commit time to the affairs of the Manager. In the assessment, the NRC 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 and contributions (including preparedness, participation and level of engagement) at Board and Board Committee meetings.

The Directors' listed company directorships and principal commitments are disclosed on pages 34 to 39 of this AR and their attendance record for FY 2023 is set out on page 167 of this AR. In particular, the CEO does not serve on any listed company board outside of the CICT Group. For FY 2023, the Directors achieved high meeting attendance rates and have contributed positively to discussions at Board and Board Committee meetings. Based on the above, the NRC (with each member recused from deliberations in respect of himself) has determined that each Director has been adequately carrying out his or her duties as a Director and noted that no Director has a significant number of listed directorships and principal commitments.

The Board, taking into consideration the NRC's assessment, has noted that each Director has been adequately carrying out his or her duties and responsibilities as a director of the Manager.

Principle 5: Board Performance

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

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

The NRC recommends for the Board's approval the objective performance criteria, and the Board undertakes a process to evaluate the effectiveness of the Board as a whole and that of each of its Board Committees and individual Directors for every financial year. As part of the process, a questionnaire is sent to the Directors. Management also provides feedback on areas including Board structure, strategy, performance and governance, as well as Board functions and practices. The evaluation results are aggregated and reported to the NRC, and thereafter the Board. The findings are considered by the Board and follow up action is taken where necessary with a view to enhancing the effectiveness of the Board, Board Committees and individual Directors in the discharge of its and their duties and responsibilities. As and when required, external facilitators may be appointed to assist in the evaluation process of the Board and Board committees. For FY 2023, the evaluation process was conducted without involving any external facilitator.

Board and Board Committees
The evaluation categories covered in the questionnaire include Board composition, Board processes, strategy, performance and governance, access to information and Board Committee effectiveness. As part of the questionnaire, the Board also considers whether the creation of value for Unitholders has been taken into account in the decision-making process. For FY 2023, the outcome of the evaluation was satisfactory and the Board as a whole, and each of the Board Committees, received affirmative ratings across all the evaluation categories.

Individual Directors
The evaluation categories covered in the questionnaire include Director's duties, contributions, conduct and interpersonal skills, as well as strategic thinking and risk management. For FY 2023, the outcome of the evaluation was satisfactory and each of the Directors on the whole received affirmative ratings across all the evaluation categories.

The Board also recognises that contributions by an individual Director 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 Board Committee meetings.

Board Evaluation as an Ongoing Process
The Board believes that performance evaluation should be an ongoing process and the Board achieves this by seeking feedback on a regular basis. The regular interactions between the Directors, and between the Directors 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 Directors which also contributes to a positive Board culture. The collective Board performance and the contributions of individual Directors 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 CICT in the appropriate direction, as well as the long-term performance of CICT 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

All fees and remuneration payable to Directors, key management personnel (including the CEO) and staff of the Manager are paid by the Manager.

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

The NRC's scope of duties and responsibilities in relation to remuneration matters under its terms of reference include:

(a) to review and determine the Board remuneration framework and the specific remuneration packages for the Directors; and
(b) to review and determine the compensation framework and the specific remuneration packages for the CEO and other key management personnel.

While Provision 6.1 of the Code provides for the NRC to make recommendations to the Board on such matters, the Board is of the view that such matters are best reviewed and determined by the NRC as part of its focused scope, and have delegated the decision-making on such matters to the NRC. The NRC reports any decisions made on such matters to the Board. This is accordingly consistent with the intent of Principle 6 of the Code.

Guided by its terms of reference, the NRC oversees the development and succession planning for the CEO. This includes overseeing the process for selection of the CEO and conducting an annual review of career development and succession matters for the CEO.

For further information on the composition of the NRC, please refer to "Board Membership" under Principle 4 in this Report.

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

Business Alignment
- Focus on generating rental income and enhancing asset value over time so as to maximise returns from investments and ultimately the distributions and total returns to Unitholders
- Provide sound and structured funding to ensure affordability and cost-effectiveness in line with performance goals
- Enhance retention of key talents to build strong organisational capabilities
- Strengthen alignment to ESG practices

Motivate Right Behaviour
- Pay for performance - align, differentiate and balance rewards according to multiple dimensions of performance
- Strengthen line-of-sight linking rewards and performance

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

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

These remuneration policies are in line with the CICT Group's business strategy and the executive compensation framework is based on the key principle of linking pay to performance, which is emphasised by linking total remuneration to the achievement of business and individual goals and objectives. The NRC considers all aspects of remuneration, including termination terms, to ensure they are fair, and has access to remuneration consultants for advice on remuneration matters as required.

In reviewing policies on remuneration and determining the remuneration packages for key management personnel, the NRC, through an independent remuneration consultant, takes into consideration appropriate compensation benchmarks within the industry, so as to ensure that the remuneration packages payable to key management personnel are competitive and in line with the objectives of the remuneration policies. It also considers the compensation framework of CLI as a point of reference. The Manager is a subsidiary of CLI which also holds a significant stake in CICT. The association with the CLI Group puts the Manager in a better position to attract and retain better qualified management talent. Additionally, it provides an intangible benefit to the Manager in that it allows its employees to associate themselves with an established corporate group which can offer them the depth and breadth of experience and enhanced career development opportunities.

In FY 2023, Willis Towers Watson was appointed as independent remuneration consultant to provide professional advice on executive remuneration. Willis Towers Watson is a leading global advisory, broking and solutions company with over 46,000 employees serving more than 140 countries and markets. The consultant is not related to the Manager, its controlling shareholder, related corporations or any of its Directors.

Remuneration of Key Management Personnel
The remuneration of key management personnel comprises fixed components, a variable component, long-term component and employee benefits. A significant proportion of key management personnel's remuneration is in the form of variable compensation, awarded in a combination of short-term, deferred and long-term incentives, in keeping with the principle that the interests of the key management personnel should be aligned with those of Unitholders and that the remuneration framework should link rewards to business and individual performance and promote the long-term success of CICT.

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

B. Variable Component:
The variable component is derived by the Performance Bonus Plan (PBP). It is linked to the evaluation of the achievement of each key management personnel's annual performance targets as set in their Balanced Scorecard.

Under the Balanced Scorecard framework, the CICT Group's strategy and goals are translated to performance outcomes comprising both quantitative and qualitative targets in the dimensions of:

REIT Performance	This includes targets relating to profitability and distributions, investor outreach and communication, capital structure, as well as financial and risk management;
Preparing For Future	This includes targets relating to asset performance and occupancy, asset enhancements and capital recycling;
Sustainability	This includes targets relating to talent retention, succession planning and sustainable corporate practices (including workplace safety); and
Manager Financial Health	This includes targets relating to the Manager's financial viability and efficiency.

These Balanced Scorecard targets are approved by the Board and cascaded down throughout the organisation, thereby creating alignment across the CICT Group.

After the close of each financial year, the Board reviews the CICT Group's achievements against the targets set in the Balanced Scorecard and determines the overall performance taking into consideration qualitative factors such as the quality of earnings, operating environment, regulatory landscape and industry trends.

In determining the payout quantum for each key management personnel under the PBP, the NRC considers the overall business and individual performance as well as the affordability of the payout to the Manager. The PBP is delivered in a combination of cash and deferred Units with employees in senior management grades receiving a greater proportion of their PBP payout in deferred Units. These time-based Units are awarded pursuant to the CapitaLand Integrated Commercial Trust Management Limited restricted unit plan (RUP) and will vest in three equal annual tranches without further performance conditions. Recipients will receive fully paid Units, their equivalent cash value or combinations thereof, at no cost. The unit awards ensure ongoing alignment between remuneration and sustainable business performance.

C. Long-Term Component:
The long-term components comprise of CapitaLand Integrated Commercial Trust Management Limited performance unit plan (PUP) and the RUP (PUP, together with the RUP, being the Unit Plans). Unit awards were granted in FY 2023 pursuant to the PUP. The Manager believes that the Unit-based components of the remuneration for key management personnel serve to align the interests of such key management personnel with that of Unitholders and CICT's long-term growth and value. The obligation to deliver the Units is satisfied out of existing Units held by the Manager.

To promote the alignment of Management's interests with that of Unitholders in the longer term, senior members of Management are subject to Unit ownership guidelines to instil stronger identification with the longer-term performance and growth of the CICT Group. Under these guidelines, senior members of Management are required to retain a prescribed proportion of Units received under the Unit Plans worth up to at least one year of basic salary. Units vested pursuant to the Unit Plans may be clawed back in circumstances where the relevant participants are found to be involved in financial misstatement, misconduct, fraud or malfeasance to the detriment of the CICT Group.

CapitaLand Integrated Commercial Trust Management Limited Performance Unit Plan
In FY 2023, the NRC granted awards which are conditional on targets set for a three-year performance period. A specified number of Units will only be released to the recipients at the end of the qualifying performance period, provided that minimally the threshold target is achieved.

Under the PUP, an initial number of Units (PUP baseline award) is allocated conditional on the achievement of pre-determined targets for Unitholder returns and sustainability (with effect from the FY 2023 award). In respect of Unitholder returns, Management is measured by the Relative Total Unitholder Return (TUR) of the CICT Group based on the percentile ranking of the TUR of the CICT Group relative to the constituent REITs in the FTSE ST REIT Index. In respect of sustainability, Management is measured on outcomes such as green building certification.

The above performance measures have been selected as a key measurement of wealth creation for Unitholders and the commitment of the CICT Group towards sustainability. The final number of Units to be released will depend on the CICT Group's performance against the pre-determined targets over the three-year qualifying performance period. This serves to align Management's interests with that of Unitholders in the longer term and to deter short-term risk taking. No Units will be released if the threshold target is not met at the end of the qualifying performance period. On the other hand, if superior targets are met, more Units than the PUP baseline award can be delivered, up to a maximum of 200% of the PUP baseline award. The NRC has the discretion to adjust the number of Units released taking into consideration other relevant quantitative and qualitative factors. Recipients will receive fully paid Units, their equivalent cash value or combinations thereof, at no cost.

For FY 2023, the relevant award for assessment of the performance achieved by the CICT Group is the award granted in FY 2021 where the qualifying performance period was FY 2021 to FY 2023. Based on the NRC's assessment that the performance achieved by the CICT Group has exceeded the pre-determined performance targets for such performance period, the resulting number of Units for the finalised award has been adjusted accordingly to reflect the performance level. In respect of the Unit awards granted under the PUP in FY 2022 and FY 2023, the respective qualifying performance periods have not ended as at the date of this Report.

CapitaLand Integrated Commercial Trust Management Limited Restricted Unit Plan
Prior to FY 2023, the NRC granted awards which are conditional on targets set for a one-year performance period. A specified number of Units will only be released to recipients at the end of the qualifying performance period, provided that minimally the threshold targets are achieved. Under the RUP, an initial number of Units (RUP baseline award) is allocated conditional on the achievement of pre-determined targets in respect of the following performance conditions:

(a) NPI of the CICT Group; and
(b) DPU of the CICT Group.

The above performance measures have been selected as they are the key drivers of business performance and are aligned to Unitholder value. The final number of Units to be released will depend on the CICT Group's performance against the pre-determined targets at the end of the one-year qualifying performance period. The Units will be released in equal annual tranches over a vesting period of three years. No Units 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 Units than the RUP baseline award can be delivered, up to a maximum of 150% of the RUP baseline award. The NRC has the discretion to adjust the number of Units released taking into consideration other relevant quantitative and qualitative factors. Recipients will receive fully paid Units, their equivalent cash value or combinations thereof, at no cost.

There were no performance-based awards granted under the RUP in FY 2023.

D. Employee Benefits:
The benefits provided are comparable with local market practices.

Each year, the NRC evaluates the extent to which each of the key management personnel has delivered on the business and individual goals and objectives, and based on the outcome of the evaluation, approves the compensation for the key management personnel. In such evaluation, the NRC considers whether the level of remuneration is appropriate to attract, retain and motivate key management personnel to successfully manage CICT for the long term. The CEO does not attend discussions relating to his own performance and remuneration.

The Board, together with the NRC, seeks to ensure that the remuneration of the CEO and other key management personnel is strongly linked to the achievement of business and individual performance targets. The performance targets are set at realistic yet stretched levels each year to motivate a high degree of business performance with emphasis on both shorter-term and longer-term quantifiable objectives.

While the disclosure of, among others, the CEO's exact remuneration amount and the names, amounts and breakdown of remuneration of at least the top five key management personnel (who are not Directors or the CEO) in bands no wider than S$250,000 and the aggregate of the total remuneration paid to these key management personnel would be in 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 Manager or Unitholders due to:

(1) the intense competition for talents in the REIT management industry, the Manager is of the view that it is in the interests of Unitholders to not make such disclosures so as to minimise potential staff movement and undue disruption to its key management team;
(2) the need to balance the confidential and commercial sensitivities associated with remuneration matters, the Manager is of the view that such disclosures could be prejudicial to the interests of Unitholders;
(3) the importance of retaining competent and experienced staff to ensure CICT's stability and continuity of business operations, the Manager is of the view that such disclosures may subject the Manager to undue risks, including unnecessary key management turnover; and
(4) there being no misalignment between the remuneration of the CEO and key management personnel and the interest of Unitholders. Their remuneration are not borne by the REIT as they are paid out of the fees that the Manager receives (the basis of which has been disclosed to Unitholders in this AR).

The Manager is of the view that despite this partial deviation from Provision 8.1 of the Code, the disclosures in this AR are consistent with the intent of Principle 8 of the Code and would provide sufficient information and transparency to the Unitholders on the Manager's remuneration policies and the level and mix of remuneration accorded to the key management personnel, and enable the Unitholders to understand the relationship between CICT's performance, value creation and the remuneration of key management personnel. For the above reasons, the Manager is of the view that the interests of Unitholders are not prejudiced by this partial deviation.

Apart from the key management personnel and other employees of the Manager, the Manager outsources various other services to a wholly owned subsidiary of CLI (CLI Subsidiary). The CLI Subsidiary provides these services through its employees and employees of CLI Group (together, the Outsourced Personnel). This arrangement is put in place so as to provide flexibility and maximise efficiency in resource management to match the needs of CICT from time to time, as well as to leverage on economies of scale and tap on the management talent of an established corporate group which can offer enhanced depth and breadth of experience. Notwithstanding the outsourcing arrangement, the responsibility for due diligence, oversight and accountability continues to reside with the Board and Management. In this regard, the remuneration of such Outsourced Personnel, being employees of the CLI Subsidiary and CLI Group, is not included as part of the disclosure of remuneration of key management personnel of the Manager in this Report.

In FY 2021, a one-time Special CLI Founders Performance Share Plan (Special PSP Award) was granted by the CLI Group to selected senior executives within the group (including the Manager) to commemorate its listing, foster a "founders' mindset" in driving transformation, and retain talent. The grant has a five-year performance period with defined performance parameters which are linked to CLI. Subject to the performance achieved, the award may vest at the end of the third year and/or fifth year. In addition, such compensation is in the long-term interests of CICT as CICT is a key part of CLI's business and ecosystem (and it is also the largest Unitholder of CICT), and Management's actions to grow CICT and drive CICT's performance will also have a positive impact on CLI, thus reinforcing the complementary nature of the linked performance between CICT and CLI. The cost of this one-time award will be borne by the Manager and it will not form a significant part of the key management personnel's annual remuneration. In addition, a proportion of the Management's remuneration is paid in the form of Units, which further incentivises the Management to take actions which are beneficial to the Unitholders. Accordingly, the Special PSP Award will not result in the Management prioritising the interest of CLI over that of CICT given that the bulk of their remuneration is determined based on the evaluation of the performance of CICT and a proportion of their remuneration comprises Units. In addition, it should be further noted that under the SFA, the Manager and Directors of the Manager are required to act in the best interest of CICT and give priority to the interest of CICT over the interests of the shareholders of the Manager, and this would further mitigate any potential conflicts of interests. Save for the Special PSP Award, the NRC will continue to assess and reward the key management personnel based on the performance of CICT. Accordingly, the Manager is of the view that there would not be any conflicts of interest arising from the arrangement, nor would the arrangement result in any misalignment of interest with those of Unitholders. There was no new Special PSP Award in FY 2023. In respect of the Special PSP Award granted in FY 2021, the qualifying performance period has not ended as at the date of this Report.

In FY 2023, no termination, retirement or post-employment benefits were granted to Directors, the CEO and other key management personnel. There was also no special retirement plan, 'golden parachute' or special severance package for any of the key management personnel.

In FY 2023, there were no employees of the Manager who were substantial shareholders of the Manager, substantial Unitholders of CICT or immediate family members of a Director, the CEO, any substantial shareholder of the Manager or any substantial Unitholder and whose remuneration exceeds S$100,000. "Immediate family member" refers to the spouse, child, adopted child, step-child, sibling or parent of the individual.

Disclosures under AIFMR

The Manager is required under the AIFMR to make quantitative disclosures of remuneration. Disclosures are provided in relation to (a) the staff of the Manager; (b) staff who are senior management; and (c) staff who have the ability to materially affect the risk profile of CICT.

All individuals included in the aggregated figures disclosed are rewarded in line with the Manager's remuneration policies described in this Report.

The aggregate amount of remuneration awarded by the Manager to its staff (including CEO and non executive Directors) in respect of FY 2023 was approximately S$6.33 million. This figure comprised fixed pay of S$3.60 million, variable pay of S$2.44 million (including Units issued under the Unit Plans, where applicable) and allowances and benefits-in-kind of S$0.29 million. There was a total of 24 beneficiaries of the remuneration described above. In respect of FY 2023, the aggregate amount of remuneration awarded by the Manager to its senior management (which are also members of staff whose actions have a material impact on the risk profile of CICT) was approximately S$3.77 million, comprising 6 individuals identified having considered, among others, their roles and decision-making powers.

Remuneration for Non-Executive Directors
The non-executive Directors' fees are paid by the Manager and the FY 2023 fees, together with a breakdown of the components, are set out in the Non-Executive Directors' Remuneration Table on page 168 of this AR.

The compensation policy for non-executive Directors is based on a scale of fees divided into basic retainer fees for serving as Director and additional fees for serving on Board Committees. The non-executive Directors' fee structure and Directors' fees are reviewed and benchmarked against the REIT industry and are appropriate to the level of their respective contributions and taking into account the effort, time spent and demanding responsibilities on the part of the non-executive Directors in light of the scale, complexity and geographic scope of the CICT Group's business. The remuneration of non-executive Directors is reviewed from time to time to ensure that it is appropriate to attract, retain and motivate the non-executive Directors to provide good stewardship of the Manager and CICT.

The CEO, who is an executive director, is remunerated as part of the key management personnel of the Manager and does not receive any Director's fees for his role as an executive director. The non-executive Directors who are employees of the CLI Group also do not receive any Directors' fees.

The non-executive Directors' fees are paid in cash (about 80%) and in the form of Units (about 20%), save that (i) a non-executive Director (not being an employee of the CLI Group) who steps down from the Board during a financial year will be paid fees fully in cash, (ii) Mr Jonathan Yap Neng Tong's fees are paid fully in cash to his employing entity, CapitaLand Group Pte. Ltd, and (iii) Mr Tan Boon Khai's fees are paid fully in cash to a government agency, The Directorship & Consultancy Appointments Council. The Manager believes that the payment of a portion of the non- executive Directors' fees in Units will serve to align the interests of non-executive Directors with the interests of Unitholders and CICT's long-term growth and value. The payment of non-executive Directors' fees in Units is satisfied from the Units held by the Manager. No individual Director is involved in any decision of the NRC relating to his or her own remuneration.

In order to encourage the alignment of the interests of the non-executive Directors with the interests of Unitholders, a non-executive Director is required to hold a number of Units worth at least one year of the basic retainer fee or the total number of Units awarded, whichever is lower, at all times during his or her Board tenure.

As with previous years, an independent remuneration consultant, Willis Towers Watson, was appointed in FY 2023 to provide professional advice on Board remuneration, with a view to ensuring the fee structure is market competitive and consistent with industry practices. The consultant is not related to the Manager, its controlling shareholder, related corporations or any of its Directors.

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Manager maintains adequate and effective systems of risk management and internal controls (including financial, operational, compliance and information technology (IT) controls) to safeguard Unitholders' interests and the CICT Group's assets.

The Board has overall responsibility for the governance of risk and oversees the Manager in the design, implementation and monitoring of the risk management and internal controls systems. The ARC assists the Board in carrying out the Board's responsibility of overseeing CICT's risk management framework and policies for CICT Group.

Under its terms of reference, the scope of the ARC's duties and responsibilities includes:

(a) making recommendations to the Board on the Risk Appetite Statement (RAS) for CICT Group;
(b) assessing the adequacy and effectiveness of the risk management and internal controls systems established by the Manager to manage risks;
(c) overseeing the formulation, updating and maintenance of an adequate and effective risk management framework, policies and strategies for managing risks that are consistent with CICT Group's risk appetite and reports to the Board on its decisions on any material matters concerning the aforementioned;
(d) making the necessary recommendations to the Board such that an opinion regarding the adequacy and effectiveness of the risk management and internal controls systems can be made by the Board in the annual report for CICT in accordance with the Listing Manual and the Code; and
(e) considering and advising on risk matters referred to it by the Board or Management, including reviewing and reporting to the Board on any material breaches of the RAS, any material non-compliance with the approved framework and policies and the adequacy of any proposed action.

The Manager 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.

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

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

The CICT Group's RAS, which incorporates the CICT Group's risk limits, addresses the management of material risks faced by the CICT Group. Alignment of the CICT Group's risk profile to the RAS is achieved through various communication and monitoring mechanisms (including key risk indicators set for Management) put in place across the various functions within the Manager.

More information on the Manager's ERM Framework including the material risks identified can be found in the Risk Management section on pages 127 to 132 of this AR.

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

The Board has received assurance from the CEO and the Chief Financial Officer (CFO) of the Manager that the financial records of the CICT Group have been properly maintained and the financial statements for FY 2023 give a true and fair view of the CICT Group's operations and finances. It has also received assurance from the CEO, the CFO 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 CICT Group are adequate and effective to address the risks (including financial, operational, compliance and IT risks) which the Manager considers relevant and material to the current business environment.

The CEO, the CFO and the relevant key management personnel of the Manager have obtained similar assurances from the respective risk and control owners.

In addition, for FY 2023, the Board received half-yearly certification by Management on the integrity of financial reporting and the Board provided a negative assurance confirmation to Unitholders 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 CEO and the CFO, the Board is of the opinion that the systems of risk management and internal controls within CICT Group are adequate and effective to address the risks (including financial, operational, compliance and IT risks) which CICT Group considers relevant and material to the current business environment as at 31 December 2023. The ARC concurs with the Board in its opinion. No material weaknesses in the systems of risk management and internal controls were identified by the ARC and the Board in the review for FY 2023.

The Board notes that the systems of risk management and internal controls established by the Manager provide reasonable assurance that the CICT 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 and Risk Committee

With effect from 1 January 2024, the Audit Committee was renamed the Audit and Risk Committee. At present, the ARC comprises four members, all of whom (including the chairman of the ARC) are IDs. The ARC Chairman is a Director other than the Chairman of the Board. The members of the ARC are Mrs Quek Bin Hwee (ARC Chairman), Ms Jeann Low Ngiap Jong, Mr Leo Mun Wai and Mr Tan Boon Khai. The ARC Chairman and members bring with them invaluable recent and relevant managerial and professional expertise in accounting, auditing and related financial management domains. KPMG LLP (KPMG) is CICT's incumbent external auditor and will hold office until the conclusion of the upcoming AGM. It is proposed that Deloitte & Touche LLP (Deloitte) be appointed as CICT's external auditor commencing from FY 2024 at the upcoming AGM. The ARC does not comprise former partners of CICT's incumbent external auditor, KPMG, and its incoming external auditor, Deloitte, respectively, (a) within a period of two years commencing from the date of their ceasing to be partners of the respective firm; or (b) who have any financial interest in the respective firm.

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

Under its terms of reference, the ARC's scope of duties and responsibilities includes:

(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of CICT Group and any announcements relating to the CICT Group's financial performance;
(b) reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Manager's internal controls (including financial, operational, compliance and IT controls) and risk management systems;
(c) reviewing the scope and results of the external audit and the adequacy, effectiveness, independence and objectivity of the external auditors;
(d) reviewing the scope and results of the internal audit and the adequacy, effectiveness, independence and objectivity of the Manager's internal audit and compliance functions;
(e) making recommendations to the Board on the proposals to Unitholders on the appointment, re appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
(f) reviewing and approving processes to regulate transactions between an interested person (as defined in Chapter 9 of the Listing Manual) and/or interested party (as defined in the Property Funds Appendix) (each, an Interested Person) and CICT and/or its subsidiaries (Interested Person Transactions), to ensure compliance with the applicable regulations. The regulations include the requirements that Interested Person Transactions are on normal commercial terms and are not prejudicial to the interests of CICT and its minority Unitholders. In respect of any property management agreement which is an Interested Person

Transaction, the ARC also carries out reviews at appropriate intervals to satisfy itself that the Manager has reviewed the property manager's compliance with the terms of the property management agreement and has taken remedial actions where necessary; and

(g) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, and independently investigated, for appropriate follow up action to be taken.

In addition to the above, the ARC also reviews the assurance from the CEO and the CFO on the financial records and financial statements.

The ARC undertook a review of the independence of the external auditors, taking into consideration, among other factors, the non-audit services provided, CICT's relationships with the external auditors in FY 2023, as well as the processes and safeguards adopted by the Manager and the external auditors relating to audit independence. Based on the review, the ARC is satisfied that the independence of the external auditors is not affected by the provision of the non-audit services. The external auditors have also provided confirmation of their independence to the ARC. The fees paid or payable to the external auditors for FY 2023 amounted to S$961,289 of which audit (and audit-related fees) amounted to S$918,858 and non-audit fees amounted to S$42,431.

As part of CICT's ongoing good corporate governance initiatives, the Board has concurred with the ARC's recommendation for the proposed appointment of Deloitte as the independent external auditors of CICT which is being tabled for approval at the upcoming AGM. Further details on the proposed appointment of Deloitte as external auditors is set out in the Notice of AGM dated 28 March 2024 under Ordinary Resolution 2 and in the Letter to Unitholders regarding the proposed change of external auditors dated 28 March 2024. The incumbent external auditors, KPMG will be retiring and will not be seeking re-appointment as external auditors of CICT for FY 2024.

The ARC holds at least four scheduled meetings in a year and met six times in FY 2023. At all ARC meetings in FY 2023, the CEO and the CFO were in attendance. CICT 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 ARC meetings scheduled in January and July each year, among other things, the ARC reviews the half-yearly financial statements, including the relevance and consistency of the accounting principles adopted and any significant financial reporting issues, and recommends the half yearly financial statements and corresponding announcements to the Board for approval. During the ARC meetings scheduled in April and October each year, the ARC reviews, among other things, the quarterly business and financial updates presented by Management. Such business updates contain, among other things, information on the CICT Group's key operating and financial metrics.

In FY 2023, the ARC also reviewed and assessed the adequacy and effectiveness of the internal controls and risk management systems established by the Manager to address the material risks faced by the CICT Group, taking into consideration the outcome of reviews conducted by Management and both the internal and external auditors, as well as the assurances from the CEO and the CFO.

The ARC also meets with the external auditors and internal auditors, without the presence of Management, at least once a year. In FY 2023, the ARC met with the external auditors and internal auditors twice, separately and without Management's presence, to discuss the reasonableness of the financial reporting process, the internal controls and risk management systems, and the significant comments and recommendations by the auditors.

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

Key Audit Matter

In the review of the financial statements of CICT Group for FY 2023, the ARC has discussed with Management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements and also considered the clarity of key disclosures in the financial statements. The ARC reviewed, amongst other matters, the following key audit matter as reported by the external auditors for FY 2023.

Key Audit Matter	How this Issue was Addressed by the ARC
Valuation of investment properties	The ARC considered the valuation methodologies and key assumptions applied by the valuers for investment properties in arriving at the valuations and also evaluated the valuers' objectivity and competency. In order to provide fresh perspectives to the valuation process, the valuers do not value the same property for more than two consecutive years. This practice has been consistently adhered to over time. The ARC reviewed the outputs from the valuation process of the investment properties and held discussions with Management and the external auditors to review the valuation methodologies, focusing on significant changes in fair value measurement and key drivers of the changes including assessing the reasonableness of the capitalisation rates, discount rates and terminal yield rates adopted by the valuers. The valuation of investment properties was also an area of focus for the external auditors. The ARC considered the findings of the external auditors, including their assessment of the appropriateness of valuation methodologies and the key assumptions applied in the valuation of investment properties. The ARC was satisfied with the valuation process, the methodologies used and the valuation of the investment properties.

The Manager confirms, on behalf of CICT, that CICT complies with Rules 712 and 715 of the Listing Manual in relation to the appointment of its external auditors.

Internal Audit
The Manager has in place an internal audit function supported by CLI's Internal Audit Department (CLI IA). The head of CLI IA is Ms Jenny Tan. CLI IA is independent of the activities it audits and has unfettered access to the CICT Group's documents, records, properties and employees, including access to the ARC, and has appropriate standing with respect to the Manager. The primary reporting line of CLI IA in respect of CICT Group is to the ARC, however, the ARC does not decide on the appointment, termination and remuneration of the head of CLI IA as it operates at the CLI Group level. While this is a deviation from Provision 10.4 which requires the ARC to decide on the appointment, termination and remuneration of the head of the internal audit function, CLI IA is able to carry out its role effectively for the reasons below and is accordingly consistent with the intent of Principle 10 of the Code.

The ARC monitors and assesses the role and effectiveness of the internal audit function through reviewing the internal audit process from time to time and may make recommendations to the Board for any changes to the internal audit process. The ARC also reviews to ensure that the internal audit function is adequately resourced and skilled in line with the nature, size and complexity of the Manager and CICT's business, and that an adequate budget is allocated to the internal audit function to assure its proper functioning.

In respect of FY 2023, the ARC has carried out a review of the internal audit function and is satisfied that the internal audit function performed by CLI IA is adequately resourced, effective and independent. In addition, CLI IA has passed the quality assurance review conducted by an external independent auditor.

CLI IA formulates its internal audit plan in consultation with, but independently of, Management and its plan is submitted to the ARC for approval prior to the beginning of each year. CLI IA adopts a risk-based approach in formulating the audit plan that aligns its activities to the key strategies and risks across the CICT Group's business. The reviews performed by CLI 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 CICT Group. CLI IA also reviews compliance with the CICT Group's policies, procedures and regulatory responsibilities, performed in the context of financial and operational and information system reviews.

During FY 2023, the ARC reviewed the results of audits performed by CLI IA based on the approved audit plan. All findings are reported to Management and the ARC, with emphasis on any significant findings. CLI IA also reviews the status of implementation of the audit recommendations and whether there are any past due items, and reports the same to Management and the ARC. The ARC also reviewed reports on whistle blower complaints reviewed by CLI IA to ensure independent and thorough investigation and adequate follow up. The ARC also received reports on Interested Person Transactions reviewed by CLI IA that they were on normal commercial terms and are not prejudicial to the interests of CICT and its minority Unitholders.

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

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

UNITHOLDER RIGHTS AND ENGAGEMENT

Principles 11, 12 and 13: Shareholder Rights and Conduct of General Meetings, Engagement with Shareholders, Managing Stakeholder Relationships

The Manager is committed to treating all Unitholders fairly and equitably. All Unitholders enjoy specific rights under the Trust Deed and the relevant laws and regulations. These rights include, among other things, the right to participate in profit distributions.

General Meetings
CICT supports the principle of encouraging Unitholder participation and voting at general meetings. CICT's AR is provided to Unitholders within 120 days from the end of CICT's financial year. Unitholders may download the AR (printed copies are available upon request) and notice of the general meeting from the Website. These documents are also available on SGXNet. More than the legally required notice period for general meetings is generally provided. The rationale and explanation for each agenda item which requires Unitholders' approval at a general meeting are provided in the notice of the general meeting or in the accompanying circular (if any) issued to Unitholders in respect of the matter(s) for approval at the general meeting. This enables Unitholders to exercise their votes on an informed basis. To safeguard the Unitholders' interests and rights, a separate resolution is proposed for each substantially separate matter to be approved at a general meeting, unless the issues are interdependent and linked to form one significant proposal. Where the resolutions are bundled, the reasons and material implications are explained in the notice of general meeting to enable Unitholders to make an informed decision. Further, if the resolution is in respect of an interested person transaction, the interested person (as defined in the Listing Manual) will be required to abstain from such voting.

In FY 2023, CICT held an annual general meeting (AGM) and an extraordinary general meeting (EGM) on 19 April 2023 by way of a physical meeting (collectively, the 2023 General Meetings). Unitholders could also submit questions to the chairman of the meeting in advance of the 2023 General Meetings, and substantial and relevant questions received from Unitholders were addressed before the 2023 General Meetings via publication on the Website and on the SGXNet, or at the meeting. Unitholders could vote at the 2023 General Meetings themselves or through duly appointed proxy(ies). Unitholders, who did not wish to, or were unable to, attend the 2023 General Meetings in person but who wished to only watch the 2023 General Meetings proceedings were able to do so remotely by accessing CICT’s live webcast of the 2023 General Meetings if they registered to do so. Further information on the arrangements relating to the conduct of the 2023 General Meetings was provided in the Notice of AGM and Notice of EGM, each dated 22 March 2023.

CORPORATE GOVERNANCE

The upcoming AGM to be held on 29 April 2024 will be convened and held physically and by electronic means (AGM 2024). Unitholders may attend AGM 2024 in person at the physical venue or by electronic means by observing and/or listening to the AGM 2024 proceedings via live audio-visual webcast or live audio-only stream. Unitholders will also be allowed to submit questions to the chairman of the meeting in advance of, or live at, AGM 2024 and substantial and relevant questions related to the resolutions to be tabled for approval at the AGM 2024, received from Unitholders will be addressed before AGM 2024 via publication on the Website and on SGX-ST, or at AGM 2024. Unitholders may also vote at the AGM (a) live by the Unitholders or their duly appointed proxy(ies) (other than the chairman of the meeting) via electronic means; or (b) by appointing the chairman of the meeting as proxy to vote on their behalf at the AGM 2024. Further information on the arrangements relating to the conduct of AGM 2024 is provided in the notice of AGM 2024.

All Directors (including the CEO who is also a Director) attended the AGM 2023. A record of the Directors' attendance at the 2023 General Meetings can be found in the record of their attendance at general meeting(s) and Board and Board Committee meetings for FY 2023 set out on page 167 of this AR.

Unitholders 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 Unitholder, through its appointed representative). Unitholders 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 CICT.

At AGMs, Management makes a presentation to Unitholders to update them on CICT's performance, position and prospects. The presentation materials are made available to Unitholders on the Website and the SGXNet. At general meetings, Unitholders are given the opportunity to communicate their views, ask questions and discuss with the Board and Management on matters affecting CICT. Representatives of the Trustee, Directors (including the chairman of the respective Board Committees), key management personnel and the external auditors of CICT, attend and are present for the entire duration of the general meetings to address any queries that the Unitholders may have, including queries about the conduct of CICT's external audit and the preparation and contents of the external auditors' report. Directors and Management also interact with Unitholders after the general meetings.

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

Provision 11.4 of the Code requires an issuer's Constitution to allow for absentia voting at general meetings of shareholders. CICT's Trust Deed currently does not permit Unitholders to vote at general meetings in absentia (such as via mail or email). Further to legislative changes implemented in July 2023 to recognise real-time remote electronic voting, the Manager considered and has implemented relevant amendments to the Trust Deed to permit real-time electronic voting for CICT. The Manager is of the view that although these aforementioned changes may still be considered a partial deviation from Provision 11.4 of the Code as Unitholders or their duly appointed proxy(ies) are still required to attend the general meeting virtually in order to avail themselves of real-time remote electronic voting, Unitholders nevertheless now have greater opportunities (in addition to the proxy regime) to communicate their views on matters affecting CICT even when they are not physically in attendance at general meetings. The Manager will consider implementing the relevant amendments to CICT's

Trust Deed to permit absentia voting after it has carried out careful study and is satisfied that the integrity of information and the authentication of the identity of Unitholders through the internet will not be compromised, and after the implementation of legislative changes to recognise methods of voting without the need for Unitholders or their duly appointed proxy(ies) to be present in-person or virtually.

Minutes of the general meetings recording the substantial and relevant comments made, questions raised and answers provided, are prepared and are available to Unitholders for their inspection upon request. Minutes of general meetings are also made available on the Website. Accordingly, the rights of the Unitholders are consistent with the intent of Principle 11 of the Code.

Distribution Policy
CICT's distribution policy is to distribute at least 90.0% of its taxable income (other than gains from the sale of real estate properties by CICT which are determined to be trading gains), with the actual level of distribution to be determined at the Manager's discretion. Distributions are generally paid within 35 market days after the relevant record date.

Timely Disclosure of Information
The Manager is committed to keeping all Unitholders, other stakeholders, analysts and the media informed of CICT's performance and any changes in the CICT Group or its business which is likely to materially affect the price or value of the Units. 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 Website.

In FY 2023, the Manager provided Unitholders with half year and full year financial statements within the relevant periods prescribed by the Listing Manual. These half year and full year financial statements were reviewed and approved by the Board prior to release to Unitholders by announcement on SGXNet. The release of half year and full year financial statements were accompanied by news releases issued to the media and which were also made available on SGXNet. In presenting the half year and full year financial statements to Unitholders, the Board sought to provide Unitholders with a balanced, clear and comprehensible assessment of CICT and the CICT Group's performance, position and prospects.

In addition to the announcement of half year and full year financial statements in FY 2023, in keeping with the Manager's commitment to provide its Unitholders with information promptly, the Manager also provided Unitholders, on a voluntary basis, with quarterly business updates in between the announcement of half-yearly financial statements. Such business updates contain, among other things, information on the CICT Group's key operating and financial metrics. In addition to the release of financial statements, the Manager also keeps CICT's Unitholders, stakeholders and analysts informed of the performance and changes in the CICT Group or its business which would likely materially affect the price or value of the Units on a timely and consistent basis, so as to assist Unitholders and investors in their investment decisions. This is performed through the release on SGXNet of announcements in compliance with regulatory reporting requirements and news releases for the media, on a timely and consistent basis. These announcements and news releases are also posted on the Website. In addition, the Manager also conducts analysts' and media briefings, and the materials used for such briefings are uploaded on SGXNet.

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

The Manager believes in conducting the business of CICT in ways that seek to deliver sustainable value to Unitholders. Best practices are promoted as a means to build an excellent business for CICT and the Manager's accountability to Unitholders for CICT's performance. Prompt fulfilment of statutory reporting requirements is but one way to maintain Unitholders' confidence and trust in the capability and integrity of the Manager.

Investor Relations
The Manager has an Investor Relations department which facilitates effective communication with Unitholders and analysts. The Manager also maintains the Website which contains information on CICT including but not limited to its Prospectus, current and past announcements and news releases, financial statements, investor presentations and the annual reports for CICT.

The Manager actively engages with Unitholders with a view to solicit and understand their views, and has put in place a Unitholders' Communication and Investor Relations Policy which allows for an ongoing exchange of views so as to promote regular, effective and fair communications with Unitholders. The Unitholders' Communication and Investor Relations Policy, which sets out the mechanism through which Unitholders may contact the Manager with questions and through which the Manager may respond to such questions, is available on the Website. Unitholders are welcome to engage with the Manager beyond general meetings and they may do so by contacting the Investor Relations department whose details may be found on the Website under the IR Home page.

More information on the Manager's investor and media relations efforts can be found in the Investor Relations section on page 54 of this AR and Our Investors section on pages 70 to 71 of the SR 2023.

The Manager also has in place a corporate communications function supported by CLI's Group Communications department which works closely with the media and oversees CICT's media communications efforts.

Managing Stakeholder Relationships
The Board's role includes considering sustainability as part of its strategy formulation. The Manager adopts an inclusive approach for CICT by considering and balancing the needs and interests of material stakeholders, as part of the overall strategy to ensure that the best interests of CICT are served. The Manager is committed to sustainability and incorporates the key principles of environmental and social responsibility, and corporate governance in CICT's business strategies and operations. The Manager has arrangements in place to identify and engage with material stakeholder groups from time to time to gather feedback on the sustainability issues most important to them and to manage its relationships with such groups. Such arrangements include maintaining the Website, which is kept updated with current information on its sustainability approach and stakeholder engagements, to facilitate communication and engagement with CICT's stakeholders.

The rights of CICT's creditors, which comprises of lending banks, are protected with a well-spread debt maturity, healthy interest coverage ratio and gearing ratio below the regulated limited. Regular internal reviews are also conducted to ensure that various capital management metrics remain compliant with loan covenants.

For more details of CICT's sustainability approach, environmental policies and stakeholder engagements, please refer to the SR 2023.

ADDITIONAL INFORMATION

Executive Committee
In addition to the ARC and NRC, the Board has also established an EC. The members of the EC are Mr Jonathan Yap Neng Tong (EC Chairman), Mr Tony Tan Tee Hieong and Ms Janine Gui Siew Kheng.

The EC oversees the day-to-day activities of the Manager and that of CICT, on behalf of the Board. The EC is guided by its terms of reference, in particular, the EC:

(a) approves specific budgets for capital expenditure on development projects, acquisitions and enhancements/upgrading of properties within its approved financial limits;
(b) reviews management reports and operating budgets; and
(c) awards contracts for development projects.

The members of the EC also meet informally during the course of the year.

Dealings with Interested Persons

Review Procedures for Interested Person Transactions

The Manager has established internal control procedures to ensure that all Interested Person Transactions are undertaken on an arm's length basis and on normal commercial terms, which are generally no more favourable than those extended to unrelated third parties, and are not prejudicial to the interests of CICT and Unitholders. In respect of such transactions, the Manager would have to demonstrate to the ARC that such transactions are undertaken on normal commercial terms and are not prejudicial to the interests of CICT and Unitholders which may include obtaining (where practicable) third party quotations or obtaining valuations from independent valuers (in accordance with applicable provisions of the Listing Manual and the Property Funds Appendix). The internal control procedures also ensure compliance with Chapter 9 of the Listing Manual and the Property Funds Appendix. In particular, the procedures in place include the following:

Interested Person Transactions[i]	Approving Authority, Procedures and Disclosure
S$100,000 and above per transaction (which singly, or when aggregated with other transactions[ii] with the same Interested Person in the same financial year is less than 3.0% of CICT's latest audited net tangible assets/NAV)	• Management • Audit and Risk Committee
Transaction[ii] which: (a) is equal to or exceeds 3.0% of CICT's latest audited net tangible assets/NAV; or (b) when aggregated with other transactions[ii] with the same Interested Person in the same financial year is equal to or exceeds 3.0% of CICT's latest audited net tangible assets/NAV	• Management • Audit and Risk Committee • Immediate Announcement
Transaction[ii] which: (a) is equal to or exceeds 5.0% of CICT's latest audited net tangible assets/NAV; or (b) when aggregated with other transactions[ii,iii] with the same Interested Person in the same financial year is equal to or exceeds 5.0% of CICT's latest audited net tangible assets/NAV	• Management • Audit and Risk Committee • Immediate Announcement • Unitholders[iii]

i This table does not include the procedures applicable to Interested Person Transactions falling under the exceptions set out in Rules 915 and 916 of the Listing Manual.
ii Any transaction of less than S$100,000 in value is disregarded.
iii In relation to approval by Unitholders for transactions that are equal to or exceed 5.0% of CICT's latest audited net tangible assets/NAV (whether singly or aggregated), any transaction which has been approved by Unitholders, or is the subject of aggregation with another transaction that has been approved by Unitholders, need not be included in any subsequent aggregation.

A summary of Interested Person Transactions of S$100,000 and above entered into within each financial quarter will be reviewed by the Trustee on a quarterly basis, while the summary of all Interested Person Transactions within the financial year will be submitted by CLI IA to the ARC for review on an annual basis. Guidelines and procedures established to monitor Interested Person Transactions will be audited by CLI IA on a periodic basis.

Role of the Audit and Risk Committee for Interested Person Transactions

The Manager's internal control procedures are intended to ensure that Interested Person Transactions are conducted at arm's length, on normal commercial terms and are not prejudicial to CICT and Unitholders' interests.

The Manager maintains a register to record all Interested Person Transactions which are entered into by CICT (and the basis on which they are entered into, including the quotations obtained to support such basis). All Interested Person Transactions of S$100,000 and above are subject to regular periodic reviews by the ARC, which in turn obtains advice from CLI IA, to ascertain that the guidelines and procedures established to monitor Interested Person Transactions, including the relevant provisions of the Listing Manual and the Property Funds Appendix, as well as any other guidelines which may from time to time be prescribed by the SGX-ST, MAS or other relevant authorities, have been complied with. The review includes an examination of the nature of the transaction and its supporting documents or such other information deemed necessary by the ARC. If a member of the ARC has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction. Details of all Interested Person Transactions (equal to or exceeding S$100,000 each in value) entered into by CICT in FY 2023 are disclosed on pages 274 to 275 of this AR.

Dealing with Conflicts of Interest
The following principles and procedures have been established to deal with potential conflicts of interest which the Manager (including its Directors, key management personnel and employees) may encounter in managing CICT:

(a) the Manager is a dedicated manager to CICT and will not manage any other REIT or be involved in any other real property business;
(b) all resolutions at meetings of the Board in relation to matters concerning CICT must be decided by a majority vote of the Directors, including at least one ID;
(c) in respect of matters in which CLI and/or its subsidiaries have an interest, whether direct or indirect, any nominees appointed by CLI and/or its subsidiaries to the Board will abstain from voting. In such matters, the quorum must comprise a majority of IDs and shall exclude such nominee Directors of CLI and/or its subsidiaries;
(d) in respect of matters in which a Director or his or her associates have an interest, whether direct or indirect, such interested Director will abstain from voting. In such matters, the quorum must comprise a majority of the Directors and shall exclude such interested Director(s);
(e) if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of CICT with an affiliate of the Manager, the Manager is obliged to consult with a reputable law firm (acceptable to the Trustee) which shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee, on behalf of CICT, has a prima facie case against the party allegedly in breach under such agreement, the Manager is obliged to pursue the appropriate remedies under such agreement; and
(f) at least one-third of the Board shall comprise IDs.

In respect of voting rights where the Manager would face a conflict between its own interests and that of Unitholders, the Manager shall cause such voting rights to be exercised according to the discretion of the Trustee.

Dealings in Securities
The Manager has adopted a securities trading policy for the officers and employees which applies the best practice recommendations in the Listing Manual. Under this policy, Directors and employees of the Manager as well as certain relevant executives of the CLI Group (together, the Relevant Persons) are required to refrain from dealing in CICT's securities (i) while in possession of material unpublished price sensitive information, and (ii) during the one-month period immediately preceding, and up to the time of the announcement of CICT's half-year and full year financial statements. Prior to the commencement of each relevant black-out period, an email would be sent to all the Relevant Persons to inform them of the duration of the black-out period. The Manager also does not deal in CICT's securities during the same black-out period. In addition, Directors and certain employees identified as "Key Insiders" are prohibited from dealing in the securities of CICT, except during the open trading window (being one calendar month commencing from the relevant date of announcement of CICT's results), provided that they are not in possession of undisclosed material or price-sensitive information. In addition, Key Insiders are required to notify the CEO of any intended trade prior to any trade of CICT's securities during the open trading window.

This policy also provides for the Manager to maintain a list of persons who are privy to price-sensitive information relating to the CICT Group as and when circumstances require such a list to be maintained.

Directors and employees of the Manager are also required to refrain from dealing in CICT's securities if they are in possession of unpublished price-sensitive information of CICT 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 CICT's securities.

Under this policy, Directors and employees of the Manager 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 Manager of his or her interest in CICT's securities within two business days after (a) the date on which he or she becomes a Director or (b) the date on which he or she acquires or disposes an interest in CICT's securities. A Director is also required to notify the Manager of any change in his or her interests in CICT's securities within two business days after he or she becomes aware of such change.

Dealings by the Directors are disclosed in accordance with the requirements in the SFA and the Listing Manual. In FY 2023, based on the information available to the Manager, save as disclosed in accordance with such requirements and other than the awards of Units in part payment of Directors' fees and CEO's remuneration under the Unit Plans, there were no dealings by the Directors in CICT's securities.

Code of Business Conduct

The Manager adheres to an ethics and code of business conduct policy which deals with issues such as confidentiality, conflict of interest, conduct and work discipline, corporate gifts and concessionary offers. Clear policies and guidelines on how to handle workplace harassment and grievances are also in place.

The policies and guidelines are published on CLI Group's intranet, which is accessible by all employees of the Manager. As part of their onboarding, employees are provided with training on such policies. The policies that the Manager has implemented aim to help detect and prevent fraud in mainly three ways, as set out below.

First, the Manager offers fair compensation packages, based on practices of pay-for-performance and promotion based on merit to its employees. The Manager 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 efficacy of these internal controls.

Finally, the Manager seeks to build and maintain the right organisational culture through its core values, educating its employees on good business conduct and ethical values.

Fraud, Bribery and Corruption Risk Management Policy

In line with its core values, the Manager is committed to doing business with integrity. This is reflected in its longstanding zero tolerance stance against fraud, bribery and corruption. Consistent with this commitment, various policies and guidelines are in place to guide all employees of the Manager to maintain the highest standards of integrity in their work and business dealings. This includes clear guidelines and procedures for the giving and receipt of corporate gifts and concessionary offers, and an annual pledge by all employees of the Manager to uphold the Manager's core values and to not engage in any corrupt or unethical practices. The Manager's zero tolerance policy on bribery and corruption extends to its business dealings with third parties. Pursuant to this policy, the Manager requires that certain agreements incorporate anti bribery and anti-corruption provisions.

The Manager's employees adhere to CLI's Fraud, Bribery and Corruption Risk Management Policy (FBC Risk Management Policy). The FBC Risk Management Policy reiterates the 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 Manager's stance against bribery and corruption is also reiterated by Management during its regular staff communication sessions.

Whistle-Blowing Policy

A whistle-blowing policy has been put in place by the Manager which sets out the procedures for the Manager's employees and parties who have dealings with the Manager to make a report to the Manager on misconduct or wrongdoings relating to the Manager and its officers. Procedures are put in place to provide such employees and parties with well-defined, accessible and trusted channels to report suspected fraud, corruption, dishonest practices or other improprieties in the workplace, and for the independent investigation of any reported incidents and appropriate follow up action. The Manager ensures that the identity of the whistle-blower is kept confidential. The objective of this policy is to encourage the reporting of such matters so that employees or external parties making any reports in good faith will be able to do so with the confidence that they will be treated fairly and, to the extent possible, be protected from reprisal. The Manager is committed to ensuring protection of the whistle-blower against detrimental or unfair treatment. The ARC is responsible for oversight and monitoring of the investigation of whistle-blowing reports made in good faith at its scheduled meetings. Independent, thorough investigation and appropriate follow up actions are taken. The outcome of each investigation is reported to the ARC. All employees of the Manager are informed of this policy which is made available on CLI Group's intranet.

Business Continuity Management
The Manager has implemented a Business Continuity Management (BCM) programme that puts in place the prevention, detection, response and, business recovery and resumption measures to minimise the impact of adverse business interruptions or unforeseen events on the CICT Group'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 is able to tap on a pool of CLI Group's employees who are trained under a Business Psychological Resilience Programme to provide peer support to colleagues following the occurrence of adverse events. As part of the BCP, periodic desktop exercises and drills, simulating different scenarios, are carried out to stress-test the effectiveness of 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 to CICT, allow the Manager to continue to function as the manager of CICT and mitigate any negative effects that the disruptions could have on the Manager's reputation, operations and ability to remain in compliance with relevant laws and regulations. The Manager has also acquired insurance policies for the CICT Group on business interruption events.

Anti-Money Laundering and Countering the Financing of Terrorism Measures
As a holder of a Capital Markets Services Licence (CMSL) issued by MAS, the Manager abides by the MAS' guidelines on the prevention of money laundering and countering the financing of terrorism. Under these guidelines, the main obligations of the Manager are:

(a) evaluation of risk;
(b) customer due diligence;
(c) suspicious transaction reporting;
(d) record keeping;
(e) employee and CMSL Representative screening; and
(f) training.

The Manager has in place a policy on the prevention of money laundering and terrorism financing and remains alert at all times to suspicious transactions. Enhanced due diligence checks are performed on counterparties where there is a suspicion of money laundering or terrorism financing. Suspicious transactions will also be reported to the Suspicious Transaction Reporting Office of the Commercial Affairs Department.

Under this policy, all relevant records or documents relating to business relations with the CICT Group's customers or transactions entered into must be retained for a period of at least five years following the termination of such business relations or the completion of such transactions.

All prospective employees, officers and CMSL Representatives of the Manager are also screened against various money laundering and terrorism financing information sources and lists of designated entities and individuals provided by MAS. Periodic training is provided by the Manager to its Directors, employees and CMSL Representatives to ensure that they are updated and aware of applicable anti-money laundering and countering of terrorism financing regulations, the prevailing techniques and trends in money laundering and terrorism financing and the measures adopted by the Manager to combat money laundering and terrorism financing.

Global Sanctions Compliance
As an organisation, the Manager is committed to carrying on business in accordance with the highest ethical standards. This includes complying with the sanctions laws and regulations of Singapore and the United Nations. The international nature of the CICT Group’s business and because sanctions apply across borders means that the transactions the CICT Group engages in may be subject to unilateral sanctions imposed by relevant government authorities. To help ensure that the Manager and its directors, employees and officers and other third parties acting on its behalf or any entity within the CICT Group fully complies with all sanctions applicable to the CICT Group’s business activities, the Manager is subject to a policy to comply with sanctions. The policy sets out the sanctions risk appetite and the risk management framework to help directors, employees and third parties identify the areas where breaches of applicable sanctions laws might arise and to support them in making the right decisions in line with the corporate position as stated in the policy and in the process establish a consistent approach for the Manager’s response to sanctions laws and regulations.

COMPOSITION OF BOARD COMMITTEES IN FY 2023

Board Members	Audit Committee*	Executive Committee#	Nominating and Remuneration Committee
Teo Swee Lian, C	-	-	C
Tony Tan Tee Hieong, CEO	-	M	-
Quek Bin Hwee	C	-	-
Leo Mun Wai	M	-	-
Jeann Low Ngiap Jong	M	-	-
Stephen Lim Beng Lin	-	-	M
Tan Boon Khai	M	-	-
Jonathan Yap Neng Tong	-	C	M
Janine Gui Siew Kheng	-	M	-

Denotes: C - Chairman M - Member CEO - Chief Executive Officer

* Audit Committee is now known as Audit and Risk Committee.

\# Given the nature and scope of the work of the EC, their business was discussed/transacted primarily through conference call, correspondence and informal meetings.

ATTENDANCE RECORD OF MEETINGS OF UNITHOLDERS, BOARD AND BOARD COMMITTEES IN FY 2023[i]

	Board[ii]	Audit Committee[iii]	Nominating and Remuneration Committee	AGM
No. of Meetings Held	6	6	2	1
Board Members				
Teo Swee Lian	100%	-	100%	100%
Tony Tan Tee Hieong	100%	-	-	100%
Quek Bin Hwee	100%	100%	-	100%
Leo Mun Wai	100%	100%	-	100%
Jeann Low Ngiap Jong	100%	100%	-	100%
Stephen Lim Beng Lin	100%	-	100%	100%
Tan Boon Khai	100%	100%	-	100%
Jonathan Yap Neng Tong	83%	-	100%	100%
Janine Gui Siew Kheng	100%	-	-	100%

i All Directors are required to attend Board and/or Board Committee meetings called, in person or via audio or video conference, unless required to recuse. Attendance is marked against the Board and Board Committee meetings as well as AGM each Director is required to attend, and the percentage computed accordingly.

ii Included one ad hoc Board Meeting and one Board Strategy Meeting.

iii Included two ad hoc Audit Committee Meetings. The Audit Committee is now known as Audit and Risk Committee.

CEO'S REMUNERATION

CEO'S REMUNERATION TABLE FOR FY 2023

Remuneration	Components of remuneration			
	Salary and employer's CPF	Bonus and other benefits inclusive of employer's CPF[i]	Award of Units[ii]	Total
CEO				
Tony Tan Tee Hieong	35%	30%	35%	100%
Remuneration band for CEO: Above S$1,250,000 to S$1,500,000				

i The amounts disclosed include bonuses earned which have been accrued for in FY 2023.
ii Includes contingent performance unit awards made during the year pursuant to the PUP which are subject to the achievement of pre-determined performance conditions and vesting period. Also includes time-based deferred units awarded pursuant to the RUP as part of the FY2023 performance bonus.

NON-EXECUTIVE DIRECTORS' REMUNERATION TABLE FOR FY 2023

	Components of Directors' fees[i,ii] (S$)		
	Cash component	Unit component[ii]	Total
Non-Executive Directors			
Teo Swee Lian	128,000	32,000	160,000
Quek Bin Hwee	99,200	24,800	124,000
Leo Mun Wai	83,200	20,800	104,000
Jeann Low Ngiap Jong	83,200	20,800	104,000
Stephen Lim Beng Lin	72,000	18,000	90,000
Tan Boon Khai	104,000[iii]	N.A.[iii]	104,000[iii]
Jonathan Yap Neng Tong	66,741[iv]	N.A.[iv]	66,741[iv]
Janine Gui Siew Kheng	N.A.[v]	N.A.[v]	N.A.[v]
Aggregate of remuneration for Non-Executive Directors: S$752,741			

N.A.: Not Applicable.

i Inclusive of attendance fees for overseas meeting (if any) of (a) S$3,000 per trip for travel within the region; and S$10,000 per trip for travel outside the region.
ii Each non-executive Director (save for non-executive Directors who are employees of the CLI Group) shall receive up to 20% of his or her Director's fees in the form of Units (subject to truncation adjustments). The remainder of the Director's fees shall be paid in cash. No new Units will be issued for this purpose as these Units will be paid by the Manager from the existing Units it holds.
iii All Director's fees payable to Mr Tan Boon Khai, a public officer, will be paid in cash to a government agency, The Directorship & Consultancy Appointments Council.
iv Mr Jonathan Yap Neng Tong, a non-executive non-independent director, relinquished his position as CEO, Listed Fund, CLI and assumed the position as CEO, CapitaLand Development with effect from 5 June 2023. He is no longer a management appointee of CLI and the director's fees payable to him, will be paid in cash to his employer, CapitaLand Group Pte. Ltd..
v Non-executive Director who is employee of the CLI Group does not receive Directors' fees.

CONTENTS

Financial Statements

REPORT OF THE TRUSTEE

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of CapitaLand Integrated Commercial Trust (the "Trust") and its subsidiaries (the "Group") in trust for the Unitholders. In accordance with the Securities and Futures Act 2001, Chapter 289 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of CapitaLand Integrated Commercial Trust Management Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the deed of trust dated 29 October 2001 constituting the Trust (as amended)[1] between the Manager and the Trustee (the "Trust Deed") in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust during the period covered by these financial statements, set out on pages 176 to 273 in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
HSBC Institutional Trust Services (Singapore) Limited

Authorised Signatory

Singapore
6 March 2024

1 As amended by the First Supplemental Deed dated 26 December 2001, the Second Supplemental Deed dated 28 June 2002, the Amending and Restating Deed dated 29 April 2003, the Fourth Supplemental Deed dated 18 August 2003, the Second Amending and Restating Deed dated 9 July 2004, the Sixth Supplemental Deed dated 18 March 2005, the Seventh Supplemental Deed dated 21 July 2005, the Eighth Supplemental Deed dated 13 October 2005, the Ninth Supplemental Deed dated 20 April 2006, the Third Amending and Restating Deed dated 25 August 2006, the Eleventh Supplemental Deed dated 15 February 2007, the Twelfth Supplemental Deed dated 31 July 2007, the Thirteenth Supplemental Deed dated 20 May 2008, the Fourteenth Supplemental Deed dated 13 April 2010, the Fifteenth Supplemental Deed dated 25 March 2013, the Sixteenth Supplemental Deed dated 3 February 2014, the Seventeenth Supplemental Deed dated 6 May 2015, the Eighteenth Supplemental Deed dated 12 April 2016, the Fourth Amending and Restating Deed dated 27 July 2018, the Twentieth Supplemental Deed dated 8 April 2019, the Twenty-First Supplemental Deed dated 6 April 2020, the Twenty-Second Supplemental Deed dated 29 September 2020 and the Twenty-Third Supplemental Deed dated 21 October 2020.

STATEMENT BY THE MANAGER

In the opinion of the directors of CapitaLand Integrated Commercial Trust Management Limited, the accompanying financial statements set out on pages 176 to 273 comprising the Statements of Financial Position of the Group and the Trust and Portfolio Statement of the Group as at 31 December 2023, the Statement of Total Return, Distribution Statement and Statement of Cash Flows of the Group and the Statements of Movements in Unitholders' Funds of the Group and the Trust for the year then ended, and a summary of material accounting policy information and other explanatory information of the Group and of the Trust, are drawn up so as to present fairly, in all material respects, the financial positions of the Group and of the Trust and the portfolio holdings of the Group as at 31 December 2023, and the total return, distributable income, and cash flows of the Group and the movements in Unitholders' funds of the Group and of the Trust for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *"Reporting Framework for Investment Funds"* issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager,
CapitaLand Integrated Commercial Trust Management Limited

Tan Tee Hieong
Director

Singapore
6 March 2024

INDEPENDENT AUDITORS' REPORT

Unitholders of CapitaLand Integrated Commercial Trust
(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 29 October 2001 (as amended))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of CapitaLand Integrated Commercial Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position and the portfolio statement of the Group and the statement of financial position of the Trust as at 31 December 2023, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in unitholders' funds and consolidated statement of cash flows of the Group and the statement of movements in unitholders' funds of the Trust for the year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on pages 176 to 273.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of movements in unitholders' funds of the Trust present fairly, in all material respects, the consolidated financial position and the portfolio holdings of the Group and the financial position of the Trust as at 31 December 2023, the consolidated total return, consolidated distributable income, consolidated movements in unitholders' funds and consolidated cash flows of the Group and the movements in unitholders' funds of the Trust for the year ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Investment Funds* ("RAP 7") issued by the Institute of Singapore Chartered Accountants.

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 these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties
(Refer to Note 5 to the financial statements)

Risk:

The Group's investment portfolio comprises investment properties located in Singapore, Australia and Germany. Investment properties represent the largest category of assets on the statements of financial position.

In accordance with the accounting policy adopted by the Group, investment properties are stated at fair values based on independent external valuations.

The valuation of investment properties involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are sensitive to these key assumptions, including capitalisation rates, discount rates, terminal yield rates and future cash flows. A change in any of the key assumptions could have a significant impact on the valuation.

Our response:

We assessed the qualifications and objectivity of the external valuers. We also held discussions with the valuers to understand the valuation methods used and the assumptions applied.

We considered the valuation methodologies used by the valuers, comparing these to those applied by other valuers for similar property types. We also compared the projected cash flows used in the valuations to historical data, supporting leases and relevant information. We evaluated the reasonableness of capitalisation rates, discount rates and terminal yield rates used in the valuations by comparing these against industry data used for similar properties, taking into consideration comparability and market factors. Where the rates were outside the expected range, we undertook further procedures to understand the effect of any additional factors.

Our findings:

The external valuers are members of recognised professional bodies for valuers. The valuation methodologies used at the reporting date are in line with generally accepted market practices and the key assumptions applied are within the range of comparable market data.

Other information

CapitaLand Integrated Commercial Trust Management Limited, the Manager of the Trust ("the Manager") 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 the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of RAP 7 issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager 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 the Manager either intends to terminate the Group or to cease operations of the Group, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager'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 Manager 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 Manager with a statement that we have complied with relevant ethical requirements regarding independence, and 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 Manager, 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.

The engagement partner on the audit resulting in this independent auditors' report is Leong Kok Keong.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
6 March 2024

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

	Note	Group 2023 $'000	Group 2022 $'000	Trust 2023 $'000	Trust 2022 $'000
Non-current assets					
Plant and equipment	4	**4,948**	5,311	**1,247**	1,335
Investment properties	5	**24,024,909**	23,744,817	**8,165,542**	7,902,400
Subsidiaries	6	**–**	–	**12,046,795**	11,628,523
Joint ventures	7	**348,581**	361,198	**197,624**	211,633
Equity investments at fair value	9	**150,559**	180,989	**124,044**	149,385
Financial derivatives	10	**12,616**	40,286	**6,131**	21,547
Deferred tax asset	11	**1,931**	4,216	**–**	–
Other non-current assets		**1,044**	947	**406**	628
		24,544,588	24,337,764	**20,541,789**	19,915,451
Current assets					
Trade and other receivables	12	**50,485**	61,837	**232,006**	233,035
Cash and cash equivalents	13	**140,700**	248,396	**61,740**	72,486
Financial derivatives	10	**3,353**	18,626	**2,747**	5,214
		194,538	328,859	**296,493**	310,735
Total assets		**24,739,126**	24,666,623	**20,838,282**	20,226,186
Current liabilities					
Financial derivatives	10	**–**	25,199	**–**	–
Trade and other payables	14	**342,720**	323,881	**416,324**	426,744
Current portion of security deposits		**91,015**	86,594	**42,774**	40,473
Loans and borrowings	15	**1,001,356**	1,155,045	**449,871**	469,933
Lease liabilities	16	**1,471**	1,932	**1,192**	1,138
Provision for taxation		**17,189**	12,506	**–**	873
		1,453,751	1,605,157	**910,161**	939,161
Non-current liabilities					
Financial derivatives	10	**137,095**	87,541	**20,407**	–
Trade and other payables	14	**34,644**	34,896	**182,439**	285,000
Loans and borrowings	15	**8,476,374**	8,430,216	**6,325,722**	5,701,373
Lease liabilities	16	**24,057**	24,069	**3,009**	4,033
Non-current portion of security deposits		**207,851**	198,208	**89,073**	85,603
Deferred tax liability	11	**3,634**	7,143	**–**	–
		8,883,655	8,782,073	**6,620,650**	6,076,009
Total liabilities		**10,337,406**	10,387,230	**7,530,811**	7,015,170
Net assets		**14,401,720**	14,279,393	**13,307,471**	13,211,016
Represented by:					
Unitholders' funds	17	**14,199,813**	14,073,447	**13,307,471**	13,211,016
Non-controlling interests ("NCI")	18	**201,907**	205,946	**–**	–
		14,401,720	14,279,393	**13,307,471**	13,211,016
Units in issue ('000)	19	**6,657,723**	6,635,122	**6,657,723**	6,635,122
Net asset value per unit attributable to Unitholders[1] ($)		**2.13**	2.12	**1.99**	1.99

1 Excludes management fees to be issued in units.

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

STATEMENT OF TOTAL RETURN

Year ended 31 December 2023

	Note	Group 2023 $'000	Group 2022 $'000
Gross revenue	20	**1,559,934**	1,441,747
Property operating expenses	21	**(444,027)**	(398,464)
Net property income		**1,115,907**	1,043,283
Interest income	22	**11,285**	5,181
Other income	23	**34,467**	155
Investment income	24	**12,760**	10,594
Management fees			
– Base component		**(46,674)**	(45,280)
– Performance component		**(44,492)**	(42,654)
Professional fees[1]		**(2,026)**	(2,663)
Valuation fees		**(812)**	(585)
Trustee's fees		**(3,398)**	(3,274)
Audit fees[2]		**(955)**	(914)
Finance costs	25	**(322,075)**	(242,437)
Other expenses		**(3,798)**	(1,100)
Net income before share of results of joint ventures		**750,189**	720,306
Share of results (net of tax) of:			
– Joint ventures		**15,579**	42,467
Net income		**765,768**	762,773
Net change in fair value of investment properties		**113,561**	(90,438)
Net change in fair value of financial derivatives		**-**	402
Gain on divestment of investment property	33	**-**	57,257
Total return for the year before tax		**879,329**	729,994
Taxation	26	**(10,111)**	(4,105)
Total return for the year		**869,218**	725,889
Total return attributable to:			
Unitholders		**862,570**	723,369
Non-controlling interests	18	**6,648**	2,520
Total return for the year		**869,218**	725,889
Earnings per unit (cents)			
Basic	27	**12.97**	10.92
Diluted	27	**12.94**	10.89

1 Includes non-audit fees paid and payable to auditors of the Trust and other firms affiliated with KPMG International Limited of $42,431 (2022: $20,242).

2 Relates to audit fees paid and payable to auditors of the Trust and other firms affiliated with KPMG International Limited.

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

DISTRIBUTION STATEMENT

Year ended 31 December 2023

	Group 2023 $'000	Group 2022 $'000
Amount available for distribution to Unitholders at beginning of the year	**364,108**	346,581
Total return attributable to Unitholders	**862,570**	723,369
Net tax and other adjustments (Note A)	**(168,722)**	(71,130)
Tax-exempt income	**3,352**	51,376
Capital distributions	**22,518**	9,289
Distribution income (taxable) from joint ventures	**8,768**	64
	728,486	712,968
Amount available for distribution to Unitholders	**1,092,594**	1,059,549
Distributions to Unitholders during the year:		
Distribution of 4.85 cents per unit for period from 01/07/2021 to 15/12/2021	**–**	(314,332)
Distribution of 0.37 cents per unit for period from 16/12/2021 to 31/12/2021	**–**	(24,452)
Distribution of 5.22 cents per unit for period from 01/01/2022 to 30/06/2022	**–**	(346,063)
Distribution of 5.36 cents per unit for period from 01/07/2022 to 31/12/2022	**(355,643)**	–
Distribution of 5.30 cents per unit for period from 01/01/2023 to 30/06/2023	**(352,534)**	–
	(708,177)	(684,847)
Amount retained for general corporate and working capital purposes (Note B)	**(12,760)**	(10,594)
Amount available for distribution to Unitholders at end of the year	**371,657**	364,108
Distribution per unit (cents)[1]	**10.75**	10.58

1 The Distribution per unit relates to the distributions in respect of the relevant financial year. The distribution relating to the period 1 July to 31 December 2023 will be paid after 31 December 2023.

Note A – Net tax and other adjustments comprise:

	Group 2023 $'000	Group 2022 $'000
– Management fees paid and payable in Units	**44,866**	43,243
– Trustee's fees	**3,194**	3,096
– Amortisation of transaction costs	**5,921**	7,873
– Net change in fair value of investment properties[1]	**(118,830)**	84,699
– Profit of subsidiaries	**(59,033)**	(64,360)
– Share of results (net of tax) of joint ventures	**(15,579)**	(42,467)
– Taxation[1]	**10,535**	4,255
– Gain on divestment of investment property	**–**	(57,257)
– Temporary differences and other adjustments[2]	**(43,851)**	(13,619)
– Rollover adjustments[3]	**4,055**	(36,593)
Net tax and other adjustments	**(168,722)**	(71,130)

1 These exclude the non-controlling interests' share of Gallileo Property S.a.r.l. ("Gallileo Co."), MAC Property Company B.V. and MAC Car Park Company B.V. ("MAC entities") and 79RR LLP.

2 For FY 2023, these include the government grant income of $34.4 million in relation to the construction of underground pedestrian link at Funan and the accounting effect of the purchase price allocation adjustment of certain fixed rate borrowings. For FY 2022, these include mainly accounting effect of the purchase price allocation adjustment of certain fixed rate borrowings.

3 In FY 2022, taxable income distribution includes a rollover adjustment of $37.0 million arising from the COVID-19 cash grants received by the Group in FY 2020, which was previously included as part of the taxable income distribution in FY 2020. The COVID-19 cash grants received from the Government are exempted from tax. A corresponding adjustment of $37.0 million has been included in the tax-exempt income for FY 2022 with no resultant impact to the distributable income for FY 2022.

Note B

Amount retained for general corporate and working capital in financial year 2023 relates to distribution income received from CapitaLand China Trust ("CLCT") of $9.5 million (2022: $7.9 million) and Sentral REIT of $3.2 million (2022: $2.7 million).

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

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

Year ended 31 December 2023

	Group		Trust	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Net assets attributable to Unitholders at beginning of the year	**14,073,447**	13,667,754	**13,211,016**	12,752,268
Operations				
Total return attributable to Unitholders for the year	**862,570**	723,369	**822,662**	753,957
Hedging reserves				
Effective portion of changes in fair value of cash flow hedges	**(49,951)**	(23,324)	**(17,391)**	32,845
Net change in fair value of cash flow hedges reclassified to Statement of Total Return	**10,432**	28,969	**(20,900)**	(5,109)
Movement in foreign currency translation reserves ("FCTR")	**(3,680)**	2,465	**–**	–
Movement in fair value reserves	**(30,430)**	(12,179)	**(25,341)**	(9,338)
Unitholders' transactions				
Creation of units				
– Management fees paid	**17,424**	16,761	**17,424**	16,761
– Management fees payable	**28,178**	27,219	**28,178**	27,219
– Acquisition fee	**–**	11,228	**–**	11,228
– Divestment fee	**–**	1,700	**–**	1,700
Distributions to Unitholders	**(708,177)**	(370,515)	**(708,177)**	(370,515)
Net decrease in net assets resulting from Unitholders' transactions	**(662,575)**	(313,607)	**(662,575)**	(313,607)
Net assets attributable to Unitholders at end of the year	**14,199,813**	14,073,447	**13,307,471**	13,211,016

Non-controlling interests ("NCI")

	Group	
	2023	2022
	$'000	$'000
At beginning of the year	**205,946**	27,946
Total return attributable to NCI	**6,648**	2,520
Distributions to NCI	**(9,584)**	(6,460)
Return of capital to NCI	**(588)**	–
Hedging reserves attributable to NCI	**(1,177)**	2,144
Acquisition of subsidiary (Note 32)	**–**	181,806
Translation differences from financial statements of foreign operations	**662**	(2,010)
At end of the year	**201,907**	205,946

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

PORTFOLIO STATEMENT

As at 31 December 2023

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease
Group			
Investment properties in Singapore			
Retail			
Tampines Mall	Leasehold	99 years	68 years
Bugis Junction	Leasehold	99 years	66 years
Westgate[1]	Leasehold	99 years	87 years
Junction 8	Leasehold	99 years	67 years
Bedok Mall[2]	Leasehold	99 years	87 years
IMM Building	Leasehold	60 years	25 years
Lot One Shoppers' Mall	Leasehold	99 years	69 years
Clarke Quay	Leasehold	99 years	65 years
Bukit Panjang Plaza	Leasehold	99 years	70 years
Bugis+	Leasehold	60 years	42 years
Office			
Asia Square Tower 2[3]	Leasehold	99 years	83 years
CapitaGreen[4]	Leasehold	99 years	49 years
Six Battery Road[5]	Leasehold	999 years	801 years
Capital Tower[5]	Leasehold	99 years	71 years
CapitaSky[6]	Leasehold	99 years	43 years
21 Collyer Quay[5]	Leasehold	999 years	826 years
Integrated Developments			
Raffles City Singapore[7]	Leasehold	99 years	55 years
Plaza Singapura	Freehold	NA	NA
Funan[8]	Leasehold	99 years	55 years
The Atrium@Orchard	Leasehold	99 years	84 years
Investment properties in Australia			
Office			
100 Arthur Street[9]	Freehold	NA	NA
66 Goulburn Street[9]	Leasehold	111 – 125 years	93 years
Integrated Developments			
101 – 103 Miller Street and Greenwood Plaza[10]	Freehold	NA	NA
Investment properties in Germany			
Office			
Main Airport Center[11]	Freehold	NA	NA
Gallileo[12]	Freehold	NA	NA
Other assets and liabilities (net)			
Net assets of the Group			
Non-controlling interests			
Net assets attributable to Unitholders			

NA Not Applicable
* Net assets attributable to Unitholders

1 Westgate is held by Infinity Mall Trust ("IMT").
2 Bedok Mall is held by Brilliance Mall Trust ("BMT").
3 Asia Square Tower 2 is held by Asia Square Tower 2 Pte. Ltd. ("AST2 Co."), which is in turn held through MVKimi (BVI) Limited, (collectively referred to as "AST2 Group").
4 CapitaGreen is held by MSO Trust.
5 Six Battery Road, Capital Tower and 21 Collyer Quay are held by CapitaLand Commercial Trust ("CCT").
6 On 27 April 2022, the acquisition of 70.0% of the issued share capital of Southernwood Property Pte. Ltd. which holds the property located at 79 Robinson Road was completed. Southernwood Property Pte. Ltd. was converted to 79RR LLP and holds the property renamed as CapitaSky.
7 Raffles City Singapore is held by RCS Trust.
8 The retail component of Funan is held through the Trust and the office components are held through Victory Office 1 Trust ("VO1 Trust") and Victory Office 2 Trust ("VO2 Trust").
9 On 24 March 2022, the acquisitions of Acacia Arthur Trust and Acacia Goulburn Trust which holds 100 Arthur Street and 66 Goulburn Street respectively were completed. Following the completion of the acquisitions, Acacia Arthur Trust and Acacia Goulburn Trust were renamed as Gateway Arthur Trust ("GAT") and Gateway Goulburn Trust ("GGT") respectively.
10 On 21 June 2022, the acquisition of 50.0% interest in 101 – 103 Miller Street and Greenwood Plaza was completed. 101 – 103 Miller Street and Greenwood Plaza is held directly and jointly as tenants in common by Monopoly Trust.
11 Main Airport Center is held by MAC Property Company B.V..
12 Gallileo is held by Gallileo Co..

PORTFOLIO STATEMENT

As at 31 December 2023

Location	Existing Use	Carrying Value 2023 $'000	Carrying Value 2022 $'000	Percentage of Total Net Assets* 2023 %	Percentage of Total Net Assets* 2022 %
4 Tampines Central 5	Commercial	**1,133,000**	1,081,000	**8.0**	7.7
200 Victoria Street	Commercial	**1,130,000**	1,109,000	**8.0**	7.9
3 Gateway Drive	Commercial	**1,100,000**	1,095,000	**7.7**	7.8
9 Bishan Place	Commercial	**806,000**	801,000	**5.7**	5.7
311 New Upper Changi Road	Commercial	**805,241**	787,000	**5.7**	5.6
2 Jurong East Street 21	Commercial Warehouse	**745,002**	715,002	**5.2**	5.1
21 Choa Chu Kang Avenue 4	Commercial	**558,000**	551,000	**3.9**	3.9
3A/B/C/D/E River Valley Road	Commercial	**410,162**	359,760	**2.9**	2.5
1 Jelebu Road	Commercial	**363,876**	348,850	**2.6**	2.5
201 Victoria Street	Commercial	**358,346**	354,529	**2.5**	2.5
12 Marina View	Commercial	**2,243,000**	2,235,500	**15.8**	15.9
138 Market Street	Commercial	**1,681,000**	1,663,000	**11.8**	11.8
6 Battery Road	Commercial	**1,520,000**	1,509,000	**10.7**	10.7
168 Robinson Road	Commercial	**1,461,000**	1,450,000	**10.3**	10.3
79 Robinson Road	Commercial	**1,263,000**	1,260,000	**8.9**	9.0
21 Collyer Quay	Commercial	**649,000**	634,000	**4.6**	4.5
250 and 252 North Bridge Road, 2 Stamford Road and 80 Bras Basah Road	Commercial	**3,216,000**	3,120,000	**22.6**	22.2
68 Orchard Road	Commercial	**1,390,155**	1,349,259	**9.8**	9.6
107 & 109 North Bridge Road	Commercial	**814,000**	794,000	**5.7**	5.6
60A & 60B Orchard Road	Commercial	**783,000**	763,000	**5.5**	5.4
100 Arthur Street	Commercial	**304,927**	340,356	**2.2**	2.4
Civic Tower, 66 Goulburn Street	Commercial	**273,689**	297,893	**1.9**	2.1
101 – 103 Miller Street & 36 Blue Street	Commercial	**326,127**	359,314	**2.3**	2.6
Unterschweinstiege 2-14	Commercial	**351,564**	377,294	**2.5**	2.7
Gallusanlage 7	Commercial	**338,820**	390,060	**2.4**	2.8
		24,024,909	23,744,817	**169.2**	168.8
		(9,623,189)	(9,465,424)	**(67.8)**	(67.3)
		14,401,720	14,279,393	**101.4**	101.5
		(201,907)	(205,946)	**(1.4)**	(1.5)
		14,199,813	14,073,447	**100.0**	100.0

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

PORTFOLIO STATEMENT

As at 31 December 2023

Investment properties are stated at fair value at the reporting date. As at 31 December 2023, the fair values of the investment properties were based on independent valuations undertaken by the following property valuers:

Retail

Country:	**Property valuers**
Singapore	CBRE Pte. Ltd. ("CBRE"), Savills Valuation And Professional Services (S) Pte Ltd ("Savills"), Cushman & Wakefield VHS Pte. Ltd. ("C&W"), Knight Frank Pte Ltd ("Knight Frank") and Colliers International Consultancy & Valuation (Singapore) Pte Ltd ("Colliers") (2022: Savills, C&W, Knight Frank, Colliers and Jones Lang LaSalle Property Consultants Pte Ltd ("JLL"))

Office

Countries:	**Property valuers**
Singapore	CBRE, C&W, Knight Frank, Colliers and JLL (2022: CBRE, C&W, Colliers and JLL)
Australia	Jones Lang LaSalle Advisory Services Pty Ltd ("JLL Australia") (2022: JLL Australia)
Germany	CBRE GmbH (2022: Knight Frank Valuation & Advisory GmbH & Co. KG)

Integrated Developments

Countries:	**Property valuers**
Singapore	Savills and Knight Frank (2022: Savills and Knight Frank)
Australia	JLL Australia (2022: JLL Australia)

The valuations include the capitalisation method and/or discounted cash flow method. The Manager believes that the independent valuers have appropriate professional qualifications and experience in the location and category of the properties being valued. The net change in fair value of the properties has been recognised in the Statement of Total Return.

Investment properties comprise commercial properties that are leased to external customers. Generally, the leases contain an initial non-cancellable period of three years. Subsequent renewals are negotiated with the lessees. Contingent rents recognised in the Statement of Total Return of the Group is $81,859,000 (2022: $71,731,000).

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

STATEMENT OF CASH FLOWS

Year ended 31 December 2023

	Group	
	2023	2022
	$'000	$'000
Cash flows from operating activities		
Total return for the year	**869,218**	725,889
Adjustments for:		
Amortisation of lease incentives	**(1,922)**	(16,443)
Assets written off	**130**	399
Depreciation and amortisation	**4,729**	4,169
Doubtful debts written off	**38**	270
Finance costs	**322,075**	242,437
Gain on divestment of investment property	**–**	(57,257)
Gain on disposal of plant and equipment	**–**	(1)
Interest and other income	**(45,752)**	(5,336)
Investment income	**(12,760)**	(10,594)
Management fees paid/payable in units	**45,602**	43,980
Net change in fair value of financial derivatives	**–**	(402)
Net change in fair value of investment properties	**(113,561)**	90,438
Share of results of joint ventures	**(15,579)**	(42,467)
Taxation	**10,111**	4,105
Write back of doubtful debts	**(62)**	(28)
Operating income before working capital changes	**1,062,267**	979,159
Changes in working capital:		
Trade and other receivables	**(12,085)**	(19,175)
Trade and other payables	**22,546**	43,528
Security deposits	**14,064**	29,317
Cash generated from operations	**1,086,792**	1,032,829
Income tax paid	**(6,983)**	(9,290)
Net cash from operating activities	**1,079,809**	1,023,539
Cash flows from investing activities		
Capital expenditure on investment properties	**(118,132)**	(126,904)
Distributions received from joint ventures	**2,840**	6,785
Distribution received from equity investments at fair value	**11,811**	10,594
Government grant income in relation to investment property	**34,445**	–
Interest received	**27,615**	5,188
Net cash inflow on divestment of investment property (Note 33)	**–**	331,128
Net cash outflow on acquisitions of subsidiaries and joint operation (Note 32)	**–**	(1,153,885)
Purchase of plant and equipment	**(466)**	(484)
Proceeds from disposal of plant and equipment	**4**	1
Return of capital from joint ventures	**3,000**	1,553
Net cash used in investing activities	**(38,883)**	(926,024)

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

STATEMENT OF CASH FLOWS

Year ended 31 December 2023

	Group	
	2023	2022
	$'000	$'000
Cash flows from financing activities		
Distributions paid to Unitholders	**(708,177)**	(684,847)
Distributions paid to non-controlling interests	**(7,924)**	(3,989)
Interest paid	**(329,590)**	(237,409)
Payment of issue and financing expenses	**(7,833)**	(10,930)
Payment of lease liabilities	**(1,952)**	(2,635)
Proceeds from loans and borrowings	**2,602,487**	4,376,135
Proceeds from loans and borrowings from non-controlling interests	**–**	34,200
Repayment of loans and borrowings	**(2,695,045)**	(3,684,777)
Return of capital to non-controlling interest	**(588)**	–
Net cash used in financing activities	**(1,148,622)**	(214,252)
Net decrease in cash and cash equivalents	**(107,696)**	(116,737)
Cash and cash equivalents at beginning of the year	**248,396**	365,133
Cash and cash equivalents at end of the year (Note 13)	**140,700**	248,396

Note:

Significant Non-Cash Transactions

- In 2023, 22,601,089 (2022: 20,642,852) Units were issued to the Manager as payment for the management fees payable in units, amounting to $44,643,000 (2022: $42,125,000).

- In 2022, 804,962 Units were issued to the Manager as payment for the divestment fees payable in units in respect of the divestment of JCube, amounting to $1,700,000.

- In 2022, 5,056,101 Units were issued to the Manager as payment for the acquisition fees payable in units in respect of the acquisitions of 66 Goulburn Street and 100 Arthur Street as well as CapitaSky, amounting to $11,228,000.

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

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 6 March 2024.

1 GENERAL

CapitaLand Integrated Commercial Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 29 October 2001 (as amended) (the "Trust Deed") between CapitaLand Integrated Commercial Trust Management Limited (the "Manager"), and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries (the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units").

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 17 July 2002 ("Listing Date") and was included under the Central Provident Fund ("CPF") Investment Scheme on 13 September 2002.

The principal activity of the Trust is to invest, directly or indirectly, in real estate which is income producing and is used or primarily used for commercial purposes (including retail and/or office purposes), located predominantly in Singapore.

The principal activities of the material subsidiaries are to invest in income producing real estate and real estate related assets, which are used or substantially used for commercial purposes, with the primary objective of achieving an attractive level of return from rental income and for long-term capital growth.

The principal activity of the material joint venture is that relating to the investment of a mixed-development property comprising a serviced residences component, commercial and food centre.

The consolidated financial statements relate to the Trust and its subsidiaries (the "Group") and the Group's interests in its equity-accounted investees.

The Group has entered into several service agreements in relation to management of the Group and its property operations. The fee structures of these services are as follows:

On 31 May 2023, the Trustee in its capacity as trustee of the Trust entered into a new master property management agreement (the "New PMA"), to appoint CapitaLand Retail Management Pte Ltd ("Retail Property Manager") and CapitaLand Commercial Management Pte. Ltd. ("Office Property Manager") to provide property management and marketing services to the Trust and its wholly-owned subsidiaries, for the period of 10 years commencing 1 June 2023 in respect of the properties located in Singapore. The New PMA was approved by the Unitholders during the Extraordinary General Meeting on 19 April 2023. The previous property management agreements between the Trustee with the Retail Property Manager, the Office Property Manager and CapitaLand (RCS) Property Management Pte. Ltd. (collectively, the "Old PMA") were in turn terminated, as these agreements were superseded by the New PMA.

1 GENERAL (continued)

1.1 Property management fees

(i) Pursuant to the New PMA, property management fees to the Retail Property Manager are charged as follows:

(a) 2.00% per annum of property income; and

(b) 2.00% per annum of the net property income.

The property management fees are payable monthly in arrears.

(ii) Pursuant to the Old PMA, property management fees to the Retail Property Manager are charged as follows:

(a) 2.00% per annum of the gross revenue of the properties;

(b) 2.00% per annum of the net property income of the properties; and

(c) 0.50% per annum of the net property income of the properties, in lieu of leasing commissions.

The property management fees are payable monthly in arrears.

(iii) Pursuant to the New PMA and the Old PMA, property management fees to the Office Property Manager are charged at 3.00% per annum of net property income of the properties.

The property management fees are payable monthly in arrears.

1.2 Marketing fees

(i) Pursuant to the New PMA, in respect of marketing services provided by the Retail Property Manager for the leases pertaining to the retail premises in the retail buildings as well as the retail premises of the office buildings (which may include premises in the properties managed by the Office Property Manager pursuant to the New PMA), the marketing fees are charged as follows:-

(a) In respect of new tenancies:

- 0.5 month's gross rental for securing a tenancy up to 2 years:
- 1 month's gross rental for securing a tenancy of 2 years to less than 5 years;
- 2 months' gross rental for securing a tenancy of more than 5 years.

(b) In respect of renewal of existing tenancies:

- 0.25 month's gross rental for securing a tenancy up to 2 years:
- 0.5 month's gross rental for securing a tenancy of 2 years to less than 5 years;
- 0.5 month's gross rental for securing a tenancy of more than 5 years.

1 GENERAL (continued)

1.2 Marketing fees (continued)

(ii) Pursuant to the New PMA, in respect of marketing services provided by the Office Property Manager for the leases pertaining to the office premises in the office buildings as well as the office premises in the retail buildings (which may include premises in the properties managed by the Retail Property Manager pursuant to the New PMA), the marketing fees are charged as follows:-

(a) in respect of new tenancies:

- 0.5 month's gross rental for securing a tenancy up to 2 years:
- 1.2 month's gross rental for securing a tenancy of 2 years to less than 5 years;
- 2 months' gross rental for securing a tenancy of more than 5 years.

(b) in respect of renewal of existing tenancies:

- 0.25 month's gross rental for securing a tenancy up to 2 years:
- 0.5 month's gross rental for securing a tenancy of 2 years to less than 5 years;
- 1 month's gross rental for securing a tenancy of more than 5 years.

(iii) Under the Old PMA with the Office Property Manager, in respect of marketing services provided by the Office Property Manager for the leases pertaining to the office premises in the office buildings, the marketing fees are charged as follows:-

(a) in respect of new tenancies:

- 0.5 month's gross rental for securing a tenancy up to 2 years:
- 1.0 month's gross rental for securing a tenancy of 2 years to less than 5 years;
- 2 months' gross rental for securing a tenancy of more than 5 years.

(b) in respect of renewal of existing tenancies:

- 0.25 month's gross rental for securing a tenancy up to 3 years:
- 0.5 month's gross rental for securing a tenancy of more than 3 years.

1.3 Staff cost reimbursement

Similar to the existing arrangement in the various property management agreements for the Trust's properties in Singapore, the New PMA provides for the reimbursement of the agreed employment and remuneration costs of the personnel of the Retail Property Manager and Office Property Manager (the "Agreed Employee Expenditure"). An additional measure was introduced in the New PMA to provide that the Agreed Employee Expenditure shall not exceed the Reimbursement Cap[1]. Subsequent to the first fiscal year, the Reimbursement Cap for each fiscal year shall be the same as the preceding fiscal year, and any increase in the Reimbursement Cap shall be subject to the approval of the Independent Directors.

With the changes made to marketing fees under Note 1.2, the lease marketing staff costs in relation to the hiring of personnel to handle the work relating to sourcing and negotiation of new and renewed tenancies, but excluding the work relating to lease management and lease administration (such as work relating to the issuance and processing of tenancies) has been removed from the reimbursable staff costs payable to the Retail Property Manager and Office Property Manager.

[1] The "Reimbursement Cap" is computed based on a percentage of the net property income ("NPI") in the relevant fiscal year, and such percentage takes into account the average staff cost reimbursements paid to the Retail Property Manager and Office Property Manager over the past fiscal years over the NPI in the relevant past fiscal years.

1 GENERAL (continued)

1.4 Management fees

Pursuant to the Trust Deed, the management fees shall not exceed 0.70% per annum of the Deposited Property or such higher percentage as may be fixed by an Extraordinary Resolution at a meeting of Unitholders. Deposited Property refers to all the assets of the Trust, including all its Authorised Investments (as defined in the Trust Deed) for the time being held or deemed to be held upon the trusts of the Trust Deed. The management fees comprise:

(a) in respect of Authorised Investments which are in the form of real estate, a base component of 0.25% per annum of Deposited Property and a performance component of 4.25% per annum of net property income of the Trust for each financial year; and

(b) in respect of all other Authorised Investments which are not in the form of real estate, 0.5% per annum of the investment value of the Authorised Investment, unless such Authorised Investment is an interest in a property fund (either a real estate investment trust or private property fund) wholly managed by a wholly-owned subsidiary of CapitaLand Limited (now known as CapitaLand Group Pte. Ltd.), in which case no management fee shall be payable in relation to such Authorised Investment.

In respect of all Authorised Investments which are in the form of real estate acquired by the Trust:

(a) the base component shall be paid to the Manager in the form of cash and/or Units (as the Manager may elect); and

(b) the performance component shall be paid to the Manager in the form of cash, in the form of Units or a combination of both (as the Manager may elect).

When paid in the form of Units, the Manager shall be entitled to receive such number of Units as may be purchased for the relevant amount of the management fee at the market price (as defined in the Trust Deed). The base and performance components of the management fees are payable quarterly and yearly in arrears respectively.

For all acquisitions or disposals of properties or investments, the Manager is entitled to receive acquisition fee of 1.0% of the purchase price and a divestment fee of 0.5% of the sale price.

1.5 Trustee's fees

Pursuant to the Trust Deed, the Trustee's fees shall not exceed 0.10% per annum of the Deposited Property (subject to a minimum sum of $15,000 per month) payable out of the Deposited Property of the Trust. The Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the Trust Deed.

The Trustee's fees are payable quarterly in arrears.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Statement of Recommended Accounting Practice 7 *"Reporting Framework for Investment Funds"* ("RAP 7") issued by the Institute of Singapore Chartered Accountants ("ISCA"), the applicable requirements of the Code on Collective Investment Schemes ("CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted generally comply with the principles relating to recognition and measurement of the Singapore Financial Reporting Standards ("FRS").

2 BASIS OF PREPARATION (continued)

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except as otherwise disclosed in the notes below.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars, which is the Trust's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with RAP 7 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and 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 prospectively.

Information about assumptions and estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year is included in the following note:

- Note 5 – Valuation of investment properties

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included in 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).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 5 – Valuation of investment properties
- Note 30 – Valuation of financial instruments

2 BASIS OF PREPARATION (continued)

2.5 Changes in material accounting policies

New accounting standards and amendments

The Group has applied the recognition and measurement principles of the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 January 2023:

- FRS 117: *Insurance Contracts*
- Amendments to FRS 12: *Deferred tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to FRS 12: *International Tax Reform - Pillar Two Model Rules*
- Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to FRS 8: *Definition of Accounting Estimate*

Other than as shown below, the application of the recognition and measurement principles of these amendments to accounting standards and interpretations did not have a material effect on the financial statements.

Global minimum top-up tax

The Group has adopted *International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)* upon their release on 23 May 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure.

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions the Group operates. The legislation will be effective for the Group's financial year beginning 1 January 2024. The Group is in the process of assessing the potential exposure arising from Pillar Two legislation. The assessment that is being carried out is based on the latest available tax filings and the latest financial information for 2023. In certain jurisdictions, information required for the assessment is still being gathered and, therefore, the assessment is not complete. Based on the assessment, most of the entities within the Group should qualify as an excluded entity. However, there are a limited number of jurisdictions where the Group may have Pillar Two exposures.

The Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions. Management continues to progress on the assessment and expects to complete the assessment in the financial year 2024.

Material accounting policy information

The Group adopted Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies* for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

3 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Group, except as explained in Note 2.5, which addresses changes in material accounting policies.

3.1 Basis of consolidation

Business combinations

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 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.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in Statement of Total Return immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the Statement of Total Return.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in the Statement of Total Return.

NCI are measured at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

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 those 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 NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in the Statement of Total Return. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

Investments in joint ventures (equity-accounted investees)

A joint venture is an arrangement in which 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.

Investments in joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

When the Group's share of losses exceeds its investment in an equity-accounted investee, the carrying amount of that 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 operations or has made payments on behalf of the investee.

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.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses (except for foreign currency transaction gains or losses) 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.

Subsidiaries and joint ventures in the separate financial statements

Investments in subsidiaries and joint ventures are stated in the Trust's Statement of Financial Position at cost less accumulated impairment losses.

3.2 Plant and equipment

Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

If significant parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Any gain or loss on disposal of an item of plant and equipment is recognised in the Statement of Total Return.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.2 Plant and equipment (continued)

Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in the Statement of Total Return as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognised as an expense in the Statement of Total Return on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment.

The estimated useful lives for the current and comparative years are as follows:

Furniture, fittings and equipment – 2 to 5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.3 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in the Statement of Total Return.

Fair value is determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers in the following events:

- in such manner and frequency required under the CIS Code issued by MAS; and
- at least once in each period of 12 months following the acquisition of each parcel of real estate property.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the Statement of Total Return.

Any increase or decrease on revaluation is credited or charged to the Statement of Total Return as a net change in fair value of the investment properties.

Investment properties are not depreciated. The properties are subject to continued maintenance and regularly revalued on the basis set out above. For income tax purposes, the Group and the Trust may claim capital allowances on assets that qualify as plant and machinery under the Income Tax Act 1947.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.4 Foreign currency

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 Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate 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 that 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 on translation are generally recognised in Statement of Total Return. However, foreign currency differences arising from the translation of the following items are recognised in the Statement of Movements in Unitholders' Funds:

- an equity investment designated as at fair value through Unitholders' Funds ("FVOCI");
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent the hedge is effective.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in the Statement of Movements in Unitholders' Funds. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. 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 reclassified to the Statement of Total Return 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 NCI. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the Statement of Total Return.

Hedge of net investment in 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 that are considered to form part of a net investment in a foreign operation are recognised in the Statement of Movements in Unitholders' Funds and are presented in the foreign currency translation reserve within Unitholders' Funds.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.5 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at:

- amortised cost; or
- fair value through Unitholders' fund ("FVOCI").

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at fair value through profit or loss ("FVTPL"):

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in the Statement of Movement in Unitholders' Funds. This election is made on investment-by-investment basis.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Total Return. Any gain or loss on derecognition is recognised in Statement of Total Return.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.5 Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in Statement of Total Return unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in Statement of Unitholders' Funds and are never reclassified to Statement of Total Return.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Total Return.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its Statement of Financial Position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the Statement of Total Return.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.5 Financial instruments (continued)

(iii) Derecognition (continued)

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform, the Group updated 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 was 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 for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

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 updated 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 applied the policies on accounting for modifications to the additional changes.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

(vi) 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 certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in the Statement of Total Return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the Statement of Total Return, unless it is designated in a hedge relationship that qualifies for hedge accounting.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.5 Financial instruments (continued)

(vi) Derivative financial instruments and hedge accounting (continued)

Hedges directly affected by interest rate benchmark reform

Phase 2 amendments: Replacement of benchmark interest rate – 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 changed as a result of interest rate benchmark reform and therefore there is no longer uncertainty arising about the cash flows of the hedged item or the hedging instrument, the Group amended 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 was 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 hedging instrument.

The Group amended the description of the hedging instrument only if the following conditions were met:

- it makes a change required by interest rate benchmark reform by changing the basis for determining the contractual cash flow 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 also amended the formal hedging documentation by the end of the reporting period during which a change required by interest rate benchmark reform is made to the hedged risk, hedging item or hedging instrument. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

If changes were made in addition to those changes required by interest rate benchmark reform described above, then the Group first considered whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes did not result in the discontinuation of hedge accounting relationship, then the Group amended the formal hedged documentation for changes required by interest rate benchmark reform as mentioned above.

When the interest rate benchmark on which the hedged future cash flows had been based was 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 deemed that the hedging reserve recognised in the Statement of Movements in Unitholders' Funds for that hedging relationship is based on the alternative benchmark rate on which the hedged future cash flows will be based.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.5 Financial instruments (continued)

(vi) Derivative financial instruments and hedge accounting (continued)

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in the Statement of Movements in Unitholders' Funds and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in the Statement of Movements in Unitholders' Funds is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Total Return.

For all hedged transactions, the amount accumulated in the hedging reserve is reclassified to the Statement of Total Return in the same period or periods during which the hedged expected future cash flows affect the Statement of Total Return.

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 unitholders' funds until it is reclassified to the Statement of Total Return in the same period or periods as the hedged expected future cash flows affect the Statement of Total Return.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve are immediately reclassified to the Statement of Total Return.

Net investment hedges

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 changes in the fair value of the derivative or foreign exchange gains and losses for a non-derivative is recognised in the Statement of Movements in Unitholders' Funds and presented in the foreign currency translation reserve within Unitholders' Funds. 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 the Statement of Total Return. The amount recognised in Unitholders' Funds is reclassified to the Statement of Total Return as a reclassification adjustment on disposal of the foreign operation.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.6 Impairment

Non-derivative financial assets

The Group recognises loss allowances for expected credit loss ("ECLs") on financial assets measured at amortised cost.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for shorter period if the expected life of the instrument is less than 12 months); or

- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improve such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.6 Impairment (continued)

Non-derivative financial assets *(continued)*

Credit-impaired financial assets

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 debtor;
- 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 debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the Statement of Financial Position

Loss allowances 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.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. 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 of disposal. 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 generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognised in the Statement of Total Return. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows from continuing use that are largely independent from other assets or CGUs. Impairment losses are recognised in the Statement of Total Return unless it reverses a previous revaluation, credited to Unitholders' funds, in which case it is charged to Unitholders' Funds.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.6 Impairment (continued)

Non-financial assets *(continued)*

Impairment losses recognised in prior periods are assessed at each reporting date for any indications 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.

Subsidiaries and joint ventures

An impairment loss in respect of a subsidiary or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in the Statement of Total Return. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increase.

3.7 Loans and borrowings

Loans and borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Statement of Total Return over the period of the borrowings on an effective interest basis.

3.8 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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 asset (classified as plant and equipment or investment properties) and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset (classified as plant and equipment) 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 asset (classified as plant and equipment) reflects that the Group will exercise a purchase option. In that case the right-of-use asset (classified as plant and equipment) will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset (classified as plant and equipment) is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset (classified as plant and equipment) is subsequently stated at cost less accumulated depreciation and impairment losses, except for right-of-use assets (classified as investment properties) that meet the definition of investment property are carried at fair value in accordance with Note 3.3.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.8 Leases (continued)

As a lessee *(continued)*

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. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments; and
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

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.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in Statement of Total Return if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'plant and equipment' in the Statement of Financial Position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

At inception 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 their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

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.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.8 Leases (continued)

***As a lessor** (continued)*

If an arrangement contains lease and non-lease components, then the Group applies the principles of FRS 115 to allocate the consideration in the contract.

The Group recognises lease payments received from investment properties under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

3.9 Unitholders' funds

Unitholders' funds represent the Unitholders' residual interest in the Group's net assets upon termination and is classified as equity.

Incremental costs directly attributable to the issue of units are recognised as a deduction from Unitholders' funds.

3.10 Revenue recognition

Rental income

Rental income from investment properties is recognised in the Statement of Total Return 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 assets. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period in which they are earned. No contingent rentals are recognised if there are uncertainties due to the possible return of amounts received.

Car park income

Car park income consists of season and hourly parking income. Car park income is recognised over time upon the utilisation of car parking facilities.

3.11 Expenses

Property operating expenses

Property operating expenses consist of property taxes, utilities, property management fees, property management reimbursements, marketing, maintenance and other property outgoings in relation to investment properties where such expenses are the responsibility of the Group.

Property management fees are recognised on an accrual basis based on the applicable formula, stipulated in Note 1.1.

Management fees

Management fees are recognised on an accrual basis using the applicable formula, stipulated in Note 1.4.

Trustee's fees

The Trustee's fees are recognised on an accrual basis using the applicable formula, stipulated in Note 1.5.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.12 Interest income, investment income and finance costs

Interest income is recognised as it accrues, using the effective interest method.

Investment income is recognised in the Statement of Total Return when the Group's right to receive distribution income is established.

Finance costs comprise interest expense on borrowings, interest expense from lease liabilities and amortisation of borrowings related transaction costs, and are recognised in the Statement of Total Return using the effective interest method over the period of borrowings.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset, or the amortised cost of the financial liability.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the Statement of Total Return using the effective interest method.

3.13 Government grant

An unconditional government grant related to assets measured at fair value is recognised in Statement of Total Return as 'other income' when the grant becomes receivable.

Other 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 Statement of Total Return on a systematic basis over the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognised in Statement of Total Return 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.

3.14 Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the Statement of Total Return except to the extent that it relates to a business combination, or items directly in Unitholders' Funds.

Current tax is the expected tax payable on the taxable income for the year, measured 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.

Current tax assets and liabilities are offset only if certain criteria are met.

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
  - at the time of the transaction (i) affects neither accounting nor taxable profit or loss; and (ii) does not give rise to equal taxable and deductible temporary differences; and

3 MATERIAL ACCOUNTING POLICIES (continued)

3.14 Income tax (continued)

- temporary differences related to investments in subsidiaries and joint ventures to the extent the Group is able to control the timing of the reversal of the temporary difference and that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at 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 tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any. For investment property that is measured at fair value, the carrying amount of the investment property is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. 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; such reductions are reversed when the probability of future taxable profits improves.

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.

The Inland Revenue Authority of Singapore (the "IRAS") has issued a tax ruling on the tax treatment of the Trust. Subject to meeting the terms and conditions of the tax ruling which includes a distribution of at least 90.0% of the taxable income of the Trust, the Trustee is not subject to tax on the taxable income of the Trust to the extent of the amount distributed. Instead, the distributions made by the Trust out of such taxable income are subject to tax in the hands of Unitholders, unless they are exempt from tax on the Trust's distributions. This treatment is known as the tax transparency treatment.

Individuals and qualifying Unitholders, i.e. companies incorporated and tax resident in Singapore, Singapore branches of companies incorporated outside Singapore, bodies of persons registered or constituted in Singapore, certain international organisations that are exempt from tax on distributions from the Trust and real estate investment trust exchange-traded funds which have been accorded the tax transparency treatment, are entitled to gross distributions from the Trust. For distributions made to foreign non-individual Unitholders and qualifying foreign funds managed by Singapore fund managers, the Trustee is required to withhold tax at the reduced rate of 10.0%. For other types of Unitholders, the Trustee is required to withhold tax at the prevailing corporate tax rate on the distributions made by the Trust. Such other types of Unitholders are subject to tax on the re-grossed amounts of the distributions received but may claim a credit for the tax deducted at source at the prevailing corporate tax rate by the Trustee.

The Trust has a distribution policy to distribute at least 90.0% of its taxable income (other than gains from the sale of real estate properties which are determined to be trading gains). For the taxable income that is not distributed, referred to as retained taxable income, tax will be assessed on the Trustee. Where such retained taxable income is subsequently distributed, the Trustee need not deduct tax at source.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.15 Earnings per unit

The Group presents basic and diluted earnings per unit data for its units. Basic earnings per unit is calculated by dividing the total return by the weighted-average number of units outstanding during the year. Diluted earnings per unit is determined by adjusting the total return and the weighted-average number of ordinary units outstanding, for the effects of all dilutive potential units.

3.16 Segment reporting

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. All operating segments' operating results are reviewed regularly by the Chief Executive Officer of the Manager (the Group's "Chief Operating Decision Maker" or "CODM") to make decisions about the resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3.17 New accounting standards and amendments not adopted

A number of new accounting standards and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Group has not early adopted the recognition and measurement principles under the new or amended accounting standards in preparing these financial statements.

The Group does not expect the application of these standards to have a significant impact on the financial statements.

4 PLANT AND EQUIPMENT

	Group		Trust	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Furniture, fittings and equipment				
Cost				
At 1 January	**13,218**	13,629	**7,929**	8,559
Acquisition of subsidiaries (Note 32)	**–**	75	**–**	–
Additions	**453**	478	**298**	146
Disposals	**(41)**	(45)	**(32)**	(4)
Assets written off	**(647)**	(789)	**(536)**	(772)
Translation difference	**52**	(130)	**–**	–
At 31 December	**13,035**	13,218	**7,659**	7,929
Accumulated depreciation				
At 1 January	**7,907**	7,508	**6,594**	6,467
Charge for the year	**706**	891	**283**	503
Disposals	**(37)**	(44)	**(31)**	(4)
Assets written off	**(517)**	(390)	**(434)**	(372)
Translation difference	**28**	(58)	**–**	–
At 31 December	**8,087**	7,907	**6,412**	6,594
Carrying amounts				
At 1 January	**5,311**	6,121	**1,335**	2,092
At 31 December	**4,948**	5,311	**1,247**	1,335

5 INVESTMENT PROPERTIES

	Group		Trust	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
At 1 January	**23,744,817**	21,431,071	**7,902,400**	7,814,943
Acquisitions [1] (Note 32)	**–**	2,419,446	**–**	–
Capital expenditure	**117,290**	138,012	**67,732**	29,299
Net change in fair value of investment properties	**113,561**	(90,438)	**195,410**	58,158
Straight-lining of rental adjustments	**26,505**	21,430	**–**	–
Translation difference	**22,736**	(174,704)	**–**	–
At 31 December	**24,024,909**	23,744,817	**8,165,542**	7,902,400

1 Includes acquisition fees and acquisition related expenses of $84,351,000

Security

As at 31 December 2023, the Group's investment properties with a total carrying amount of $1,953.4 million (2022: $2,027.4 million) were pledged as security to banks to secure bank facilities (refer to Note 15).

As at 31 December 2023 and 2022, all investment properties held by the Trust are unencumbered.

Fair value hierarchy

The fair value of investment properties was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. External valuation of the investment properties is conducted at least once a year.

The fair value measurement for investment properties for the Group and Trust have been categorised as Level 3 fair values based on the inputs to the valuation techniques used.

	Group		Trust	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Fair value of investment properties (based on valuation reports)	**23,999,040**	23,718,287	**8,161,000**	7,896,700
Add: Right-of-use asset classified within investment properties	**346**	529	**346**	529
Add: Carrying amount of lease liabilities	**25,523**	26,001	**4,196**	5,171
Carrying amount of investment properties	**24,024,909**	23,744,817	**8,165,542**	7,902,400

5 INVESTMENT PROPERTIES (continued)

Valuation technique

Investment properties are stated at fair value based on valuation performed by independent professional valuers. In determining the fair value, the methodologies adopted by the valuers include capitalisation method and/or discounted cash flow method.

The capitalisation method is an investment approach whereby the estimated gross passing income (on both a passing and market rent basis) is adjusted to reflect anticipated operating costs and a natural vacancy to produce the net income on a fully leased basis. The adopted fully leased net income is capitalised over the remaining term of the lease from the valuation date at an appropriate investment yield.

The discounted cash flow method involves the estimation and projection of a net income stream over a period and discounting the net income stream with an internal rate of return to arrive at the market value. The discounted cash flow method requires the valuer to assume a rental growth rate indicative of market and the selection of a target internal rate of return consistent with current market requirements.

The above valuation methods involve certain estimates. The Manager reviews the key valuation parameters and underlying data including market-corroborated capitalisation rates, discount rates and terminal yield rates adopted by the valuers and is of view that they are reflective of the market conditions as at the reporting dates.

Significant unobservable inputs

The following table shows the valuation techniques and significant unobservable inputs used in measuring level 3 fair values of investment properties:

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Capitalisation method	**Capitalisation rate** Group *Singapore* Retail 2023: 4.50% to 7.00% (2022: 4.50% to 7.00%) Integrated Developments 2023: 3.55% to 4.85% (2022: 3.55% to 4.85%) Office 2023: 3.40% to 3.75% (2022: 3.40% to 3.75%) *Australia* Integrated Developments 2023: 5.50% to 6.50% (2022: 5.13% to 5.75%) Office 2023: 6.00% to 6.25% (2022: 5.38% to 5.50%)	The estimated fair value would increase/(decrease) if the capitalisation rates were lower/(higher).

5 INVESTMENT PROPERTIES (continued)

Significant unobservable inputs (continued)

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flow method	**Discount rate** <u>Group</u> *Singapore* Retail 2023: 7.00% to 7.75% (2022: 7.00% to 8.00%) Integrated Developments 2023: 6.75% to 7.25% (2022: 6.75% to 7.25%) Office 2023: 6.50% to 6.75% (2022: 6.50% to 6.75%) *Germany* Office 2023: 5.10% to 7.25% (2022: 6.25% to 6.50%) *Australia* Integrated Developments 2023: 6.50% to 7.25% (2022: 6.00% to 6.50%) Office 2023: 6.75% to 6.88% (2022: 6.13% to 6.25%)	The estimated fair value would increase/(decrease) if the discount rates were lower/(higher).
	Terminal yield rate <u>Group</u> *Singapore* Retail 2023: 4.60% to 7.25% (2022: 4.60% to 7.25%) Integrated Developments 2023: 3.80% to 5.10% (2022: 3.80% to 5.10%) Office 2023: 3.45% to 4.00% (2022: 3.45% to 4.00%) *Germany* Office 2023: 4.60% to 5.75% (2022: 3.15% to 3.85%) *Australia* Integrated Developments 2023: 5.75% to 6.75% (2022: 5.38% to 6.00%) Office 2023: 6.25% to 6.50% (2022: 5.63% to 5.75%)	The estimated fair value would increase/(decrease) if the terminal yield rates were lower/(higher).

6 SUBSIDIARIES

	Trust 2023 $'000	Trust 2022 $'000
Unquoted equity investments, at cost	**8,023,140**	8,006,374
Less: Allowance for impairment loss	**(257,392)**	(155,361)
	7,765,748	7,851,013
Loans to subsidiaries		
– Interest-bearing	**3,810,182**	3,310,827
– Non-interest-bearing	**471,903**	471,903
	4,282,085	3,782,730
Less: Allowance for impairment loss	**(1,038)**	(5,220)
	4,281,047	3,777,510
	12,046,795	11,628,523

During the financial year ended 31 December 2022, the Trust invested approximately $603 million and $434 million into CICT AU Trust and 79RR Office Trust respectively.

Loans to subsidiaries are unsecured and are not expected to be repaid in the next twelve months from the reporting date. The interest-bearing loans bear interest rates of 1.59% to 5.00% (2022: 0.99% to 5.00%) per annum. Interest rates are determined by the Trust from time to time.

In 2023, allowance for impairment loss amounting to $113,292,000 (2022: $113,518,000) and a reversal of impairment loss amounting to $11,261,000 (2022: $1,662,000) were recognised in respect of the Trust's investment in subsidiaries, taking into consideration the fair value of the underlying properties held by the subsidiaries. The recoverable amounts were assessed based on fair value less costs to sell estimated using the revalued net assets of the subsidiaries and categorised as level 3 on the fair value hierarchy.

The movements in the allowance for impairment loss in unquoted equity investments, at cost, are as follows:

	Trust 2023 $'000	Trust 2022 $'000
At the beginning of the year	**155,361**	43,505
Impairment loss recognised	**113,292**	113,518
Reversal of impairment loss	**(11,261)**	(1,662)
At the end of the year	**257,392**	155,361

The movements in the allowance for impairment loss in loans to subsidiaries are as follows:

	Trust 2023 $'000	Trust 2022 $'000
At the beginning of the year	**5,220**	8,957
Reversal of impairment loss	**(4,182)**	(3,737)
At the end of the year	**1,038**	5,220

6 SUBSIDIARIES (continued)

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal place of business/ Country of incorporation	Ownership interest 2023 %	2022 %
CMT MTN Pte. Ltd.[1]	Singapore	**100.0**	100.0
Brilliance Mall Trust[1]	Singapore	**100.0**	100.0
Infinity Mall Trust[1]	Singapore	**100.0**	100.0
Victory Office 1 Trust[1]	Singapore	**100.0**	100.0
Victory Office 2 Trust[1]	Singapore	**100.0**	100.0
RCS Trust[1]	Singapore	**100.0**	100.0
MSO Trust[1]	Singapore	**100.0**	100.0
CapitaLand Commercial Trust[1]	Singapore	**100.0**	100.0
CCT MTN Pte. Ltd.[1, 2]	Singapore	**100.0**	100.0
MVKimi (BVI) Limited[2,3]	Singapore/British Virgin Islands	**100.0**	100.0
Asia Square Tower 2 Pte. Ltd.[1, 2]	Singapore	**100.0**	100.0
CCT Galaxy One Pte. Ltd.[1,2]	Singapore	**100.0**	100.0
CCT Galaxy Two Pte. Ltd.[1,2]	Singapore	**100.0**	100.0
CCT Mercury One Pte. Ltd.[1,2]	Singapore	**100.0**	100.0
Gallileo Property S.a.r.l.[2,4]	Germany/Luxembourg	**94.9**	94.9
MAC Property Company B.V.[2,5]	Germany/Netherlands	**94.9**	94.9
MAC Car Park Company B.V.[2,3]	Germany/Netherlands	**94.9**	94.9
CICT AU Investments Pte. Ltd.[1]	Singapore	**100.0**	100.0
CICT AU Trust[3,6,8]	Australia	**100.0**	100.0
CICT AU 1 Trust[3,7]	Australia	**100.0**	100.0
Monopoly Trust[3,7,9]	Australia	**100.0**	100.0
Gateway Goulburn Trust[3,7,9]	Australia	**100.0**	100.0
Gateway Arthur Trust[3,7,9]	Australia	**100.0**	100.0
79RR Office Trust[1]	Singapore	**100.0**	100.0
79RR LLP[1,10]	Singapore	**70.0**	70.0

1 Audited by KPMG LLP Singapore
2 Indirectly held through CCT
3 These are not subject to audit by laws of countries of incorporation
4 Audited by KPMG Luxembourg, Société cooperative
5 Audited by KPMG Accountants N.V.
6 99.0% directly held by the Trust and 1.0% indirectly held through CICT AU Investments Pte. Ltd.
7 Indirectly held through CICT AU Trust and CICT AU Investments Pte. Ltd.
8 Audited by KPMG LLP Singapore for group consolidation purpose
9 Audited by KPMG LLP Australia for group consolidation purpose
10 Indirectly held through 79RR Office Trust

For material subsidiaries, the property management fees, management fees payable and trustee fees are as follows:

RCS Trust

RCS Trust has entered into several service agreements in relation to the management of RCS Trust and its property operations. The fee structures of these services are as follows:

(a) Property management fees

With effect from 1 June 2023, the property management agreement with CapitaLand (RCS) Property Management Pte. Ltd was terminated and replaced by the New PMA.

Pursuant to the New PMA, the property management fees payable to the Retail Property Manager are as stipulated in Note 1.1.

6 SUBSIDIARIES (continued)

RCS Trust *(continued)*

(a) Property management fees (continued)

Under the agreement with CapitaLand (RCS) Property Management Pte. Ltd., property management fees are as follows:

(i) 2.00% per annum of the property income of the property; and

(ii) 2.50% per annum of the net property income of the property.

The property management fees are payable monthly in arrears.

(b) Management fees

Pursuant to the RCS Trust Trust Deed, the Manager is entitled to receive the amount of management fees which comprise a base component of 0.25% per annum of the value of deposited property of RCS Trust and a performance component of 4.00% per annum of the net property income of RCS Trust, including all its authorised investments for the time being held or deemed to be held upon the trusts of the RCS Trust Trust Deed.

The management fees may, at the option of the Manager, be paid wholly in the form of cash, wholly in the form of Units or a combination of both. When paid in the form of Units, the Manager shall be entitled to receive such number of Units as may be purchased for the relevant amount of the management fees at the market price (as defined in the RCS Trust Trust Deed).

The base and performance components of the management fees are payable quarterly and yearly in arrears respectively.

(c) RCS Trust Trustee-Manager's fees

Pursuant to the RCS Trust Trust Deed, the fees of HSBC Institutional Trust Services (Singapore) Limited as trustee-manager of the RCS Trust ("RCS Trust Trustee-Manager") shall not exceed 0.10% per annum of the value of deposited property of RCS Trust, as defined in the RCS Trust Trust Deed (subject to a minimum sum of $15,000 per month), payable out of the deposited property of RCS Trust. The RCS Trust Trustee-Manager is also entitled to reimbursement of expenses incurred in the performance of its duties under the RCS Trust Trust Deed.

RCS Trust Trustee-Manager's fees are payable quarterly in arrears.

MSO Trust

MSO Trust has entered into several service agreements in relation to the management of MSO Trust and its property operations. The fee structures of these services are as follows:

(a) Property management fees

The property management fees payable to the Office Property Manager are as stipulated in Note 1.1.

The property management fees are payable monthly in arrears.

(b) Management fees

Pursuant to the MSO Trust Trust Deed, the Manager is entitled to receive the amount of management fees which comprise a base component of 0.10% per annum of the value of deposited property of MSO Trust and a performance component of 5.25% per annum of the net investment income of the MSO Trust for each financial year.

6 SUBSIDIARIES (continued)

MSO Trust *(continued)*

(b) Management fees (continued)

The management fees may, at the option of the Manager, be paid wholly in the form of cash, wholly in the form of Units or a combination of both. When paid in the form of Units, the Manager shall be entitled to receive such number of Units as may be purchased for the relevant amount of the management fees at the market price (as defined in the MSO Trust Trust Deed).

The base and performance components of the management fees are payable quarterly and yearly in arrears respectively.

(c) Trustee's fees

Pursuant to the MSO Trust Trust Deed, the fees of HSBC Institutional Trust Services (Singapore) Limited as trustee of MSO Trust ("MSOT Trustee") shall not exceed 0.10% per annum of the value of deposited property of MSO Trust (subject to a minimum sum of $8,000 per month), payable out of the deposited property of MSO Trust. MSOT Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the MSO Trust Trust Deed.

The MSOT Trustee's fees are payable quarterly in arrears.

CapitaLand Commercial Trust

CCT has entered into several service agreements in relation to the management of CCT and its property operations. The fee structures of these services are as follows:

(a) Property management fees

The property management fees payable to the Office Property Manager are as stipulated in Note 1.1.

The property management fees are payable monthly in arrears.

(b) Management fees

Pursuant to the CCT Trust Deed, the Manager is entitled to receive the amount of management fees which comprise a base component of 0.10% per annum of deposited property of CCT and its subsidiaries and a performance component of 5.25% per annum of net investment income of CCT and its subsidiaries for each financial year.

The base and performance components of the management fees are payable quarterly and yearly in arrears respectively.

The management fees may, at the option of the Manager, be paid wholly in the form of cash, wholly in the form of Units or a combination of both. When paid in the form of Units, the Manager shall be entitled to receive such number of Units as may be purchased for the relevant amount of the management fees at the market price (as defined in the CCT Trust Deed).

(c) Trustee's fees

Pursuant to the CCT Trust Deed, the fees of HSBC Institutional Trust Services (Singapore) Limited as trustee of CCT ("CCT Trustee") shall not exceed 0.10% per annum of the value of deposited property of CCT and its subsidiaries (subject to a minimum sum of $8,000 per month), payable out of the deposited property of CCT and its subsidiaries. The CCT Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the CCT Trust Deed.

The CCT Trustee's fees are payable quarterly in arrears.

6 SUBSIDIARIES (continued)

CICT AU Trust

CICT AU Trust has entered into several service agreements in relation to the management of CICT AU Trust. The fee structures of these services are as follows:

(a) Management fees

Pursuant to the Trust Deed, the Manager is entitled to the management fees in respect of the assets held by CICT AU Trust and its subsidiaries, of which it has elected for such management fees to be paid by both the Trust and CICT AU Trust. In accordance with the investment management agreement entered between CICT AU Trust and CapitaLand Australia Pty Ltd ("CAPL"), CAPL is entitled to receive the amount of management fees which comprise a base component of 0.175% per annum of deposited property of CICT AU Trust and a performance component of 2.975% per annum of net property income (as defined in the investment management agreement) of CICT AU Trust for each financial year. Deposited property refers to the trust assets (as defined in CICT AU Trust Trust Deed), including the investments of CICT AU Trust. The payment of the management fees to CAPL will reduce the management fees payable to the Manager as described in Note 1.4 correspondingly, such that there is no duplication in respect of the management fees due to the Manager pursuant to Note 1.4.

The base and performance components of the management fees shall be paid to CAPL in the form of cash and are payable quarterly and yearly in arrears respectively.

(b) Trustee's fees

Pursuant to the CICT AU Trust Trust Deed, the fees of the Trust Company (Australia) Limited as trustee of CICT AU Trust ("CICT AU Trust Trustee") are presently charged at 0.02% of the gross asset value of CICT AU Trust and its investments (subject to a minimum sum of AUD2,500 per month). The CICT AU Trust Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the CICT AU Trust Trust Deed.

The CICT AU Trust Trustee's fees are payable quarterly in arrears.

79RR Office Trust

79RR Office Trust has entered into several service agreements in relation to the management of 79RR Office Trust and the property operations of CapitaSky, held through 79RR LLP. The fee structures of these services are as follows:

(a) Property management fees

Under the property management agreement between 79RR LLP (directly held through 79RR Office Trust) and CapitaLand Commercial Management Pte. Ltd., property management fees are charged at 3.00% per annum of the net property income of the property.

The property management fees are payable monthly in arrears.

(b) Management fees

The management fees payable are as stipulated in Note 1.4.

(c) Trustee's fees

The Trustee's fees of 79RR Office Trust are presently charged at a scaled basis of up to 0.03% per annum of the deposited property of 79RR Office Trust (subject to a minimum sum of $10,000 per month). HSBC Institutional Trust Services (Singapore) Limited as trustee of 79RR Office Trust ("79RR Office Trust Trustee") is also entitled to reimbursement of expenses incurred in the performance of its duties under the 79RR Office Trust Trust Deed.

The 79RR Office Trust Trustee's fees are payable quarterly in arrears.

7 JOINT VENTURES

	Group		Trust	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Investment in joint ventures	**187,931**	184,218	**61,274**	61,274
Loans to joint ventures[1]	**160,650**	176,980	**136,350**	150,359
	348,581	361,198	**197,624**	211,633

1 Include interest receivable from joint ventures

Loans to joint ventures are unsecured and are not expected to be repaid in the next twelve months from the reporting date. The loans bear interest rate of 4.5% (2022: 2.5%) per annum. Interest rates are determined by the Group and the Trust from time to time.

Details of the joint ventures are as follows:

Name of joint ventures	Principal place of business/ Country of incorporation	Ownership interest	
		2023	2022
		%	%
Glory Office Trust[1]	Singapore	**45.0**	45.0
Glory SR Trust[1,2]	Singapore	**45.0**	45.0
One George Street LLP[1,2]	Singapore	**50.0**	50.0

1 Audited by KPMG LLP Singapore
2 Indirectly held through CCT

Glory Office Trust and Glory SR Trust

Glory Office Trust ("GOT") and Glory SR Trust ("GSRT") holds CapitaSpring.

As at 31 December 2023, the Group has provided $136.4 million (2022: $136.4 million) and $24.3 million (2022: $24.3 million) as unitholder's loans to GOT and GSRT respectively.

The following table summarises the financial information of each of the Group's material joint ventures based on the financial statements prepared in accordance with RAP 7/FRS, modified for differences in the Group's accounting policies. The table also analyses, in aggregate, the carrying amount and share of profit of the remaining individually immaterial joint ventures.

7 JOINT VENTURES (continued)

	GOT $'000	Immaterial joint ventures $'000	Total $'000
2023			
Gross revenue	**104,023**		
Expenses[1]	**(87,455)**		
Net change in fair value of investment property	**12,531**		
Total return for the year	**29,099**		
[1] Include:			
– depreciation and amortisation	**(2,992)**		
– interest income	**441**		
– interest expense	**(60,073)**		
– income tax expense	**(282)**		
Non-current assets[2]	**1,770,061**		
Current assets[3]	**36,482**		
Non-current liabilities[4]	**(1,336,190)**		
Current liabilities[5]	**(93,656)**		
Net assets	**376,697**		
[2] Include investment properties	**1,770,000**		
[3] Include cash and cash equivalents	**32,990**		
[4] Include non-current financial liabilities (excluding trade and other payables and provisions)	**(1,316,300)**		
[5] Include current financial liabilities (excluding trade and other payables and provisions)	**-**		
Group's interest in net assets of joint ventures at 1 January 2023	**164,654**	**19,564**	**184,218**
Group's share of total return for the year	**13,221**	**2,358**	**15,579**
Return of capital from joint ventures	**-**	**(3,000)**	**(3,000)**
Distributions received and receivable during the year	**(8,360)**	**(506)**	**(8,866)**
Carrying amount of interest in joint ventures at 31 December 2023	**169,515**	**18,416**	**187,931**
Group's share of joint ventures' capital commitment	**-**	**-**	**-**

7 JOINT VENTURES (continued)

	GOT $'000	Immaterial joint ventures $'000	Total $'000
2022			
Gross revenue	90,272		
Expenses[1]	(62,728)		
Net change in fair value of investment property	67,153		
Total return for the year	94,697		
[1] Include:			
– depreciation and amortisation	(2,637)		
– interest expense	(34,916)		
– income tax expense	–		
Non-current assets[2]	1,769,577		
Current assets[3]	33,056		
Non-current liabilities[4]	(1,339,816)		
Current liabilities[5]	(96,920)		
Net assets	365,897		
[2] Include investment properties	1,769,000		
[3] Include cash and cash equivalents	13,837		
[4] Include non-current financial liabilities (excluding trade and other payables and provisions)	(1,321,371)		
[5] Include current financial liabilities (excluding trade and other payables and provisions)	–		
Group's interest in net assets of joint ventures at 1 January 2022	122,040	21,327	143,367
Group's share of total return for the year	42,614	(147)	42,467
Return of capital from joint ventures	–	(1,553)	(1,553)
Distributions received and receivable during the year	–	(63)	(63)
Carrying amount of interest in joint ventures at 31 December 2022	164,654	19,564	184,218
Group's share of joint ventures' capital commitment	–	–	–

8 JOINT OPERATION

The Group through its indirect wholly-owned subsidiary, Monopoly Trust, holds a 50.0% interest in 101 – 103 Miller Street and Greenwood Plaza, Australia. The Group classified its 50.0% interest in 101 – 103 Miller Street and Greenwood Plaza, Australia as a joint operation as the property is held jointly as tenants in common.

9 EQUITY INVESTMENTS AT FAIR VALUE

	Group		Trust	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Quoted equity investments at FVOCI	**150,559**	180,989	**124,044**	149,385

The Group and the Trust designated the investments shown below as equity investments at FVOCI because these equity investments represent investments that the Group and the Trust intend to hold for the long-term for strategic purposes.

	Fair value			
	Group		Trust	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Investment in CLCT	**124,044**	149,385	**124,044**	149,385
Investment in Sentral REIT	**26,515**	31,604	**–**	–
	150,559	180,989	**124,044**	149,385

Quoted equity investments represent the Group's and the Trust's 7.9% (2022: 8.0%) interest in CLCT and the Group's 9.8% (2022: 10.9%) interest in Sentral REIT.

The principal activities of CLCT are those relating to investment on a long-term basis in a diversified portfolio of income-producing real estate and real estate-related assets in China, Hong Kong and Macau that are used primarily for retail, office and industrial purposes (including business parks, logistics facilities, data centres and integrated developments). The principal activities of Sentral REIT are to own and invest in commercial properties, primarily in Malaysia.

The fair value of the investments in CLCT and Sentral REIT represent 0.5% (2022: 0.6%) and 0.1% (2022: 0.1%) respectively of the Group's total assets as at 31 December 2023.

10 FINANCIAL DERIVATIVES

	Group		Trust	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Non-current assets				
Cross currency swaps	**112**	1,614	**–**	–
Interest rate swaps	**12,504**	38,672	**6,131**	21,547
	12,616	40,286	**6,131**	21,547
Current assets				
Cross currency swaps	**–**	12,632	**–**	–
Interest rate swaps	**3,353**	5,776	**2,747**	5,214
Forward exchange contracts	**–**	218	**–**	–
	3,353	18,626	**2,747**	5,214
Current liabilities				
Cross currency swaps	**–**	25,190	**–**	–
Forward exchange contracts	**–**	9	**–**	–
	–	25,199	**–**	–
Non-current liabilities				
Cross currency swaps	**116,221**	87,541	**–**	–
Interest rate swaps	**20,874**	–	**20,407**	–
	137,095	87,541	**20,407**	–
Total financial derivative assets	**15,969**	58,912	**8,878**	26,761
Total financial derivative liabilities	**137,095**	112,740	**20,407**	–

At the reporting date, the notional principal amounts of the financial derivatives were as follows:

	Group		Trust	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Cross currency swaps	**1,518,781**	1,726,052	**–**	–
Interest rate swaps	**2,246,144**	1,970,489	**1,582,840**	1,307,034
Forward exchange contracts	**–**	6,669	**–**	–
	3,764,925	3,703,210	**1,582,840**	1,307,034

Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the Statement of Financial Position.

The Group entered into International Swaps and Derivatives Association ("ISDA") Master Agreements with various bank counterparties ("ISDA Master Agreement"). In certain circumstances following the occurrence of a termination event as set out in an ISDA Master Agreement, all outstanding transactions under such ISDA Master Agreement may be terminated and the early termination amount payable to one party under such agreements may be offset against amounts payable to the other party such that only a single net amount is due or payable in settlement of all transactions.

In accordance with accounting standards, the swaps presented below are not offset in the Statement of Financial Position as the right of set-off of recognised amounts is enforceable only following the occurrence of a termination event as set out in such ISDA Master Agreement. 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.

10 FINANCIAL DERIVATIVES (continued)

Financial instruments that are subject to enforceable master netting arrangements

	Gross amounts of recognised financial instruments $'000	Gross amounts of recognised financial instruments offset in the Statement of Financial Position $'000	Net amounts of financial instruments presented in the Statement of Financial Position $'000	Related amounts not offset in the Statement of Financial Position – Financial instruments $'000	Net amount $'000
Group					
31 December 2023					
Financial assets					
Cross currency swaps	**112**	**–**	**112**	**(112)**	**–**
Interest rate swaps	**15,857**	**–**	**15,857**	**(5,875)**	**9,982**
Financial liabilities					
Cross currency swaps	**116,221**	**–**	**116,221**	**(112)**	**116,109**
Interest rate swaps	**20,874**	**–**	**20,874**	**(5,875)**	**14,999**
31 December 2022					
Financial assets					
Cross currency swaps	14,246	–	14,246	(14,246)	–
Interest rate swaps	44,448	–	44,448	–	44,448
Forward exchange contracts	218	–	218	(9)	209
Financial liabilities					
Cross currency swaps	112,731	–	112,731	(14,246)	98,485
Forward exchange contracts	9	–	9	(9)	–
Trust					
31 December 2023					
Financial asset					
Interest rate swaps	**8,878**	**–**	**8,878**	**(5,408)**	**3,470**
Financial liability					
Interest rate swaps	**20,407**	**–**	**20,407**	**(5,408)**	**14,999**
31 December 2022					
Financial asset					
Interest rate swaps	26,761	–	26,761	–	26,761

11 DEFERRED TAX

	At 1 January 2023 $'000	Recognised in Statement of Total Return (Note 26) $'000	Translation differences $'000	At 31 December 2023 $'000
Group				
Deferred tax asset				
Fair value adjustments arising from a business combination	**4,216**	**(2,250)**	**(35)**	**1,931**
Deferred tax liability				
Fair value changes of investment properties	**(7,143)**	**3,713**	**(204)**	**(3,634)**
Net deferred tax (liability)/asset	**(2,927)**	**1,463**	**(239)**	**(1,703)**

	At 1 January 2022 $'000	Recognised in Statement of Total Return (Note 26) $'000	Translation differences $'000	At 31 December 2022 $'000
Group				
Deferred tax asset				
Fair value adjustments arising from a business combination	6,855	(2,576)	(63)	4,216
Deferred tax liability				
Fair value changes of investment properties	(11,664)	3,712	809	(7,143)
Net deferred tax (liability)/asset	(4,809)	1,136	746	(2,927)

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts determined after appropriate offsetting are included in the Statement of Financial Position as follows:

	Group	
	2023 $'000	2022 $'000
Deferred tax asset	**1,931**	4,216
Deferred tax liability	**(3,634)**	(7,143)

Deferred tax liability relates to the taxable temporary differences in respect of the fair value changes of overseas investment properties held by the Group, with the fair value change only becoming taxable upon an eventual disposal of the investment properties.

12 TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Trade receivables	**20,505**	31,850	**5,420**	3,891
Less: Allowance for impairment loss	**(282)**	(525)	**(18)**	(43)
Net trade receivables	**20,223**	31,325	**5,402**	3,848
Amounts due from related parties (non-trade)	**518**	3,365	**727**	6,254
Distribution receivable from subsidiaries	**–**	–	**213,186**	212,988
Amounts due from joint ventures (non-trade)	**6,054**	29	**5,660**	–
Deposits	**774**	1,115	**523**	540
Interest receivables	**2,629**	3,410	**1,940**	4,791
Other receivables	**7,786**	8,968	**3,236**	3,918
	37,984	48,212	**230,674**	232,339
Prepayments	**12,501**	13,625	**1,332**	696
	50,485	61,837	**232,006**	233,035

The non-trade amounts due from related parties and joint ventures are unsecured, interest-free and repayable on demand.

13 CASH AND CASH EQUIVALENTS

	Group		Trust	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Cash at bank and in hand	**128,660**	248,355	**61,740**	72,486
Fixed deposits with financial institutions	**12,040**	41	**–**	–
Cash and cash equivalents in the statement of cash flows	**140,700**	248,396	**61,740**	72,486

The weighted average effective interest rate relating to cash and cash equivalents at the reporting date for the Group and Trust are 2.96% (2022: 2.92%) and 3.32% (2022: 3.21%) per annum respectively.

14 TRADE AND OTHER PAYABLES

	Group		Trust	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Current				
Trade payables and accrued operating expenses	**213,966**	196,555	**73,518**	61,145
Amounts due to related parties (trade)	**43,982**	49,244	**14,964**	21,416
Amounts due to subsidiaries (non-trade)	**–**	–	**280,252**	297,570
Deposits and advances	**29,288**	22,240	**9,500**	8,578
Distribution payable to NCI	**4,130**	2,471	**–**	–
Interest payable	**51,354**	53,371	**38,090**	38,035
	342,720	323,881	**416,324**	426,744
Non-current				
Amount due to a subsidiary (non-trade)	**–**	–	**182,439**	285,000
Amounts due to NCI (non-trade)	**34,603**	34,590	**–**	–
Deferred income	**41**	306	**–**	–
	34,644	34,896	**182,439**	285,000

Included in the trade payables and accrued operating expenses of the Group and the Trust was an amount due to the Trustee of $1,540,000 (2022: $1,295,000) and $754,000 (2022: $711,000) respectively.

The amounts due to related parties (trade) of the Group mainly relate to amounts due to the Manager of $28,507,000 (2022: $27,924,000) and CapitaLand Retail Management Pte Ltd, CapitaLand Commercial Management Pte. Ltd. and CapitaLand (RCS) Property Management Pte. Ltd. of $11,312,000 (2022: $16,947,000). The amounts due to related parties (trade) of the Trust mainly relate to amounts due to the Manager of $11,250,000 (2022: $11,233,000) and CapitaLand Retail Management Pte Ltd of $2,610,000 (2022: $7,229,000).

The non-trade amounts due to subsidiaries are unsecured. Included in current amounts due to subsidiaries (non-trade) is an amount of $177,556,000 (2022: Nil) placed by the Group's wholly-owned subsidiaries under a cash pooling arrangement where the bank balances are transferred to/from a bank account of the Trust on a daily basis. This amount bears interest at a rate of 0.9% per annum on the daily outstanding balance. The remaining current amounts due to wholly-owned subsidiaries (non-trade), $135,000 (2022: $87,570,000) is repayable on demand and an amount of $102,561,000 (2022: $210,000,000) is interest-free and repayable within the next twelve months. The non-current amount due to a wholly-owned subsidiary of $182,439,000 (2022: $285,000,000) is interest-free and repayable from 2026 to 2027 (2022: 2024 to 2027).

The non-trade amounts due to non-controlling interests are unsecured, bear fixed interest rates from 2.7% to 5.0% (2022: 2.7% to 5.0%) per annum and are not repayable within the next twelve months.

15 LOANS AND BORROWINGS

	Group 2023 $'000	Group 2022 $'000	Trust 2023 $'000	Trust 2022 $'000
Current				
Medium term notes ("MTN")	**751,043**	405,118	**-**	-
Euro-Medium term notes ("EMTN")	**150,927**	453,503	**-**	-
Bank loans	**99,597**	296,640	**-**	-
Term loans	**-**	-	**450,000**	470,000
Unamortised transaction costs	**(211)**	(216)	**(129)**	(67)
	1,001,356	1,155,045	**449,871**	469,933
Non-current				
MTN	**3,078,322**	3,466,250	**-**	-
EMTN	**557,065**	587,425	**-**	-
Bank loans	**4,858,772**	4,392,711	**3,234,857**	2,690,158
Term loans	**-**	-	**3,104,116**	3,021,387
Unamortised transaction costs	**(17,785)**	(16,170)	**(13,251)**	(10,172)
	8,476,374	8,430,216	**6,325,722**	5,701,373
Total loans and borrowings	**9,477,730**	9,585,261	**6,775,593**	6,171,306

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Nominal interest rate %	Year of maturity	2023 Face value $'000	2023 Carrying amount $'000	2022 Face value $'000	2022 Carrying amount $'000
Group						
Unsecured						
USD fixed rate MTN	3.61	2029	**395,373**	**394,778**	402,849	402,146
JPY fixed rate MTN	0.73	2027	**93,190**	**93,085**	102,064	101,934
JPY floating rate MTN	3 months JPY TONA + Margin	2023	**-**	**-**	175,118	175,115
HKD fixed rate MTN and EMTN	2.50 – 4.85	2025 to 2033	**955,597**	**954,113**	997,960	996,564
SGD fixed rate MTN and EMTN	2.10 – 3.94	2024 to 2032	**3,093,197**	**3,090,347**	3,234,305	3,231,285
SGD bank loans	SORA + Margin	2025 to 2030	**2,565,026**	**2,558,224**	2,325,726	2,320,403
EUR fixed bank loans	0.48 – 0.88	2024 to 2026	**174,815**	**174,588**	465,897	465,427
EUR floating bank loans	EURIBOR + Margin	2029	**305,788**	**305,041**	-	-
AUD bank loans	BBSW + Margin, BBSY + Margin	2025 to 2028	**1,029,812**	**1,026,505**	1,025,138	1,022,120
			8,612,798	**8,596,681**	8,729,057	8,714,994
Secured						
SGD bank loans	SORA + Margin	2029	**496,000**	**494,610**	496,000	494,359
EUR bank loans	0.75 – 1.33	2025 to 2026	**386,928**	**386,439**	376,590	375,908
			882,928	**881,049**	872,590	870,267
Total loans and borrowings			**9,495,726**	**9,477,730**	9,601,647	9,585,261

15 LOANS AND BORROWINGS (continued)

Terms and debt repayment schedule (continued)

	Nominal interest rate %	Year of maturity	2023 Face value $'000	2023 Carrying amount $'000	2022 Face value $'000	2022 Carrying amount $'000
Trust						
Unsecured						
SGD fixed rate term loans from CMT MTN	2.10 – 4.03	2024 to 2033	**3,554,116**	**3,549,478**	3,491,387	3,486,887
SGD bank loans	SORA + Margin	2025 to 2030	**2,390,026**	**2,383,285**	2,150,726	2,145,452
EUR bank loans	EURIBOR + Margin	2029	**305,788**	**305,041**	–	–
AUD bank loans	BBSW + Margin	2027	**539,043**	**537,789**	539,432	538,967
Total loans and borrowings			**6,788,973**	**6,775,593**	6,181,545	6,171,306

TONA – Tokyo Overnight Average Rate
SORA – Singapore Overnight Average Rate
EURIBOR – Euro InterBank Offered Rate
BBSW – Bank Bill Swap Rate
BBSY – Bank Bill Swap Bid Rate

The loans and borrowings comprise the following:

(1) *Unsecured MTN and EMTN*

(a) The Group has a $7.0 billion Multicurrency Medium Term Note Programme ("MTN Programme") and a USD3.0 billion Euro-Medium Term Note Programme ("EMTN Programme") under CMT MTN Pte. Ltd. ("CMT MTN").

As at 31 December 2023, notes issued by CMT MTN were as follows:

– under the MTN Programme:

(i) $1,760.0 million (2022: $1,990.0 million) of fixed rate notes maturing from 2024 to 2032 (2022: 2023 to 2032);

(ii) HKD4.0 billion (2022: HKD4.0 billion) of fixed rate notes maturing from 2025 to 2033 (2022: 2025 to 2033); and

(iii) USD300.0 million (2022: USD300.0 million) of fixed rate notes maturing in 2029 (2022: 2029).

– under the EMTN Programme:

(i) $400.0 million (2022: Nil) of fixed rate notes maturing in 2030 (2022: Nil); and

(ii) HKD1.7 billion (2022: HKD1.8 billion) of fixed rate notes maturing from 2031 to 2033 (2022: 2023 to 2031).

CMT MTN has entered into cross currency swaps to swap the abovementioned foreign currency notes to Singapore dollars proceeds.

CMT MTN has granted the Trustee (in its capacity as trustee of the Trust) term loans of $3,554.1 million (2022: $3,491.4 million) under a facility agreement between the Trust and CMT MTN. These term loans will mature from 2024 to 2033 (2022: 2023 to 2033).

15 LOANS AND BORROWINGS (continued)

(1) Unsecured MTN and EMTN (continued)

(b) The Group has a $2.0 billion Multicurrency Medium Term Note Programme ("CCT MTN Programme") under CCT MTN Pte. Ltd. ("CCT MTN").

As at 31 December 2023, notes issued by CCT MTN were as follows:

(i) $500.0 million (2022: $500.0 million) of fixed rate notes maturing from 2024 to 2025 (2022: 2024 to 2025); and

(ii) JPY10.0 billion (2022: JPY10.0 billion) of fixed rate notes maturing in 2027 (2022: 2027).

CCT has entered into cross currency swaps to swap the abovementioned foreign currency notes to Singapore dollars proceeds.

(c) The Group has a USD2.0 billion Euro-Medium Term Note Programme ("RCS EMTN Programme") under RCS Trust.

As at 31 December 2023, notes issued under RCS EMTN Programme comprised $425.0 million (2022: $725.0 million) of fixed rate notes maturing from 2024 to 2025 (2022: 2023 to 2025).

(2) Unsecured bank loans

As at 31 December 2023, the Group has drawn on $4,075.4 million (2022: $3,816.2 million) of unsecured bank loans with maturities up to 7 years (2022: up to 7 years) from various banks.

As at 31 December 2023, the Trust has drawn on $3,234.9 million (2022: $2,690.2 million) of unsecured bank loans with maturities up to 7 years (2022: up to 7 years) from various banks.

(3) Secured bank loans

(a) Loan facilities for Gallileo Co.

Under the loan agreement between the bank and Gallileo Co., the bank has granted Gallileo Co. secured loan facilities of EUR140.0 million.

As at 31 December 2023, Gallileo Co. has drawn down EUR140.0 million (2022: EUR140.0 million), at a fixed interest rate of 1.33% (2022: 1.33%) per annum.

As security for the facilities granted to Gallileo Co., Gallileo Co. has granted in favour of the banks the following:

(i) Land charges over Gallileo;

(ii) Assignment of claims for restitution; and

(iii) Assignment of rights and claims arising from rental and lease agreements.

15 LOANS AND BORROWINGS (continued)

(3) Secured bank loans (continued)

(b) Loan facilities for MAC entities

Under the loan agreement between the bank and the MAC entities, the bank has granted the MAC entities secured loan facilities of EUR121.9 million.

As at 31 December 2023, MAC entities has drawn down EUR121.9 million (2022: EUR121.9 million), at a fixed interest rate of 0.75% (2022: 0.75%) per annum.

As security for the facilities granted to MAC entities, the MAC entities have granted in favour of the banks the following:

(i) Land charges over Main Airport Center;

(ii) Assignment of claims for return of security;

(iii) Assignment of rights and claims arising under lease agreements; and

(iv) Pledge of account balances.

(c) Loan facilities for 79RR LLP

Under the loan agreement between the bank and 79RR LLP, the bank has granted 79RR LLP secured loan facilities of $539.0 million.

As at 31 December 2023, the loan outstanding is $496.0 million (2022: $496.0 million).

As security for the facilities granted to 79RR LLP, 79RR LLP has granted in favour of the banks the following:

(i) A first mortgage over the investment property;

(ii) Assignment and charge of the rental proceeds, tenancy agreements and sales agreements relating to CapitaSky;

(iii) Assignment of the insurance policies relating to CapitaSky; and

(iv) A fixed and floating charge over the present and future assets of 79RR LLP relating to CapitaSky.

(4) Guarantee contracts

(a) The Trustee in its capacity as trustee of the Trust has provided unconditional and irrevocable corporate guarantee on all sums payable in respect of the notes issued by CMT MTN. CMT MTN has entered into cross currency swaps to swap the foreign currency notes into Singapore dollars. All sums payable in respect of the cross currency swaps are also guaranteed by the Trustee in its capacity as trustee of the Trust.

(b) The Trustee in its capacity as trustee of the Trust has provided unconditional and irrevocable corporate guarantee on all sums payable in respect of the loans and borrowings of a subsidiary, in respect of facility agreements of up to AUD558.0 million. As at 31 December 2023, the total amount of utilised borrowing facilities is AUD544.0 million (approximately $490.8 million) (2022: AUD538.0 million (approximately $485.7 million)). The subsidiary has entered into interest rate swaps to swap floating interest rate to fixed interest rate. All sums payable in respect of the interest rate swaps are also guaranteed by the Trustee in its capacity as trustee of the Trust.

15 LOANS AND BORROWINGS (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	1 January 2023	Financing cashflows[1]	Non-cash changes: Interest expense	Non-cash changes: Foreign exchange movement	Non-cash changes: Change in fair value	Non-cash changes: Other changes	31 December 2023
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
Loans and borrowings[2]	**9,638,632**	**(459,692)**	**321,275**	**(110)**	**–**	**28,979**	**9,529,084**
Lease liabilities	**26,001**	**(2,752)**	**800**	**(10)**	**–**	**1,489**	**25,528**
Financial derivatives	**53,828**	**30,511**	**–**	**(13,164)**	**49,951**	**–**	**121,126**
Amounts due to NCI (non-trade)	**34,590**	**–**	**–**	**13**	**–**	**–**	**34,603**
	9,753,051	**(431,933)**	**322,075**	**(13,271)**	**49,951**	**30,468**	**9,710,341**

	1 January 2022	Financing cashflows[1]	Non-cash changes: Interest expense	Non-cash changes: Foreign exchange movement	Non-cash changes: Change in fair value	Non-cash changes: Acquisition of subsidiaries (Note 32)	Non-cash changes: Other changes	31 December 2022
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
Loans and borrowings[2]	8,219,212	442,151	241,718	(218,212)	–	952,013	1,750	9,638,632
Lease liabilities	8,224	(3,354)	719	(2,336)	–	21,192	1,556	26,001
Financial derivatives	1,549	1,587	–	28,088	23,324	(720)	–	53,828
Amounts due to NCI (non-trade)	423	34,200	–	(33)	–	–	–	34,590
	8,229,408	474,584	242,437	(192,493)	23,324	972,485	3,306	9,753,051

1 Net of proceeds from loans and borrowings, repayment of loans and borrowings, settlement of financial derivatives, payment of lease liabilities, interest paid and payment of issue and financing expenses.
2 Includes interest payable.

16 LEASE LIABILITIES

	Group 2023	Group 2022	Trust 2023	Trust 2022
	$'000	$'000	**$'000**	$'000
Current				
Lease liabilities	**1,471**	1,932	**1,192**	1,138
Non-current				
Lease liabilities	**24,057**	24,069	**3,009**	4,033
Total lease liabilities	**25,528**	26,001	**4,201**	5,171

16 LEASE LIABILITIES (continued)

Amounts recognised in Statement of Total Return

	2023 $'000	2022 $'000
Group		
Expenses relating to short-term leases	**1,327**	1,283
Expense relating to variable lease payments not included in the measurement of lease liabilities	**567**	435
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	**1**	1

Amounts recognised in Statement of Cash Flows

	2023 $'000	2022 $'000
Group		
Total cash outflow for leases	**4,647**	5,073

17 UNITHOLDERS' FUNDS

Hedging reserves

Hedging reserves comprise the effective portion of the cumulative net change in the fair value of cash flow hedging instruments.

Foreign currency translation reserves

Foreign currency translation reserves comprise the 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 that are considered to form part of the Group's net investments in foreign subsidiaries.

Fair value reserves

Fair value reserves comprise the cumulative net change in the fair value of equity investments at FVOCI until the asset is derecognised.

Overview Leadership Performance Framework Other Information

18 NON-CONTROLLING INTERESTS ("NCI")

Non-controlling interests relate to 30.0% ownership interest in 79RR LLP and 5.1% ownership interest in MAC entities and Gallileo Co. respectively.

The following subsidiary has non-controlling interest ("NCI") that is material to the Group.

Name	Principal place of business/Country of incorporation	NCI percentage of ownership interests 2023 %	2022 %
79RR LLP	Singapore	**30.0**	30.0

The following summarised financial information for the above subsidiary is prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	79RR LLP $'000	Other individually immaterial subsidiaries $'000	Total $'000
2023			
Gross revenue	**69,568**		
Total return for the year	**32,052**		
Attributable to NCI:			
– Total return for the year	**9,616**	**(2,968)**	**6,648**
Non-current assets	**1,266,270**		
Current assets	**16,851**		
Non-current liabilities	**(622,149)**		
Current liabilities	**(45,798)**		
Net assets	**615,174**		
Net assets attributable to NCI	**184,552**	**17,355**	**201,907**
Cash flows from operating activities	**47,290**		
Cash flows from investing activities	**1,127**		
Cash flows used in financing activities (dividends to NCI: $8,923,000)	**(42,353)**		
Net increase in cash and cash equivalents	**6,064**		
2022			
Gross revenue	41,674		
Total return for the year	18,264		
Attributable to NCI:			
– Total return for the year	5,480	(2,960)	2,520
Non-current assets	1,264,925		
Current assets	12,451		
Non-current liabilities	(621,612)		
Current liabilities	(41,261)		
Net assets	614,503		
Net assets attributable to NCI	184,351	21,595	205,946
Cash flows from operating activities	33,387		
Cash flows used in investing activities	(3,753)		
Cash flows used in financing activities (dividends to NCI: $5,079,000)	(31,971)		
Net decrease in cash and cash equivalents	(2,337)		

19 UNITS IN ISSUE

	Group and Trust 2023 '000	Group and Trust 2022 '000
Units in issue:		
At 1 January	**6,635,122**	6,608,618
Units created:		
– management fees paid[(a)]	**22,601**	20,643
– acquisition fees paid[(b)]	**–**	5,056
– divestment fees paid[(c)]	**–**	805
Total issued units at 31 December	**6,657,723**	6,635,122
Units to be issued:		
– payment of management fees	**14,019**	13,495
Total issued and issuable units at 31 December	**6,671,742**	6,648,617

Units issued during the year were as follows:

(a) 22,601,089 (2022: 20,642,852) Units were issued at issue price of $1.8662 to $2.0170 (2022: $1.9771 to $2.2257) per Unit, amounting to $44,642,942 (2022: $42,124,707) issued as payment of the 50.0% base component of the management fee for the period from 1 October 2022 to 30 September 2023 (2022: 1 October 2021 to 30 September 2022) and 50.0% of the performance component of the management fee for the period from 1 January 2022 to 31 December 2022 (2022: 1 January 2021 to 31 December 2021). The remaining 50.0% base component, and 50.0% performance component, of the management fee will be paid in cash.

In addition, the following units were issued in 2022:

(b) 3,133,611 Units were issued at issue price of $2.1758 on 8 April 2022 and 1,922,490 Units were issued at issue price of $2.2939 on 18 May 2022 as payments of the acquisition fee of $6.8 million and $4.4 million in respect of the acquisitions of 66 Goulburn Street and 100 Arthur Street as well as CapitaSky respectively.

(c) 804,962 Units were issued at issue price of $2.1119 on 22 March 2022 as payment of the divestment fee of $1.7 million in connection with the divestment of JCube.

Each unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- Receive income and other distributions attributable to the units held;
- Participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer to it of any assets (or part thereof) or of any estate or interest in any asset (or part thereof) of the Trust;
- Attend all Unitholders meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or one-tenth in number of the Unitholders, whichever is lesser) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed; and
- One vote per unit.

19 UNITS IN ISSUE (continued)

The restrictions of a Unitholder include the following:

- A Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- A Unitholder has no right to request the Manager to redeem his units while the units are listed on SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any units in the Trust. The provisions of the Trust Deed provide that no Unitholders will be personally liable for indemnifying the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

20 GROSS REVENUE

	Group	
	2023	2022
	$'000	$'000
Gross rental income	**1,459,575**	1,352,275
Car park income	**40,919**	35,407
Other income	**59,440**	54,065
	1,559,934	1,441,747

21 PROPERTY OPERATING EXPENSES

	Group	
	2023	2022
	$'000	$'000
Property tax	**125,497**	123,993
Utilities	**82,398**	51,690
Property management fees	**50,194**	48,243
Property management reimbursements[1]	**56,439**	63,171
Marketing	**30,404**	19,080
Maintenance	**88,816**	75,903
Depreciation and amortisation	**4,729**	4,169
Write back of doubtful debts	**(62)**	(28)
Doubtful debts written off	**38**	270
Others	**5,574**	11,973
	444,027	398,464

1 Relates to reimbursement of staff costs paid/payable under the property management agreements.

22 INTEREST INCOME

	Group	
	2023	2022
	$'000	$'000
Interest income:		
– financial institutions	**4,136**	1,164
– joint ventures	**7,149**	4,017
	11,285	5,181

23 OTHER INCOME

In 2023, other income includes government grant income of $34.4 million in relation to the construction of underground pedestrian link at Funan. The government grant was received to defray the construction costs that were incurred.

24 INVESTMENT INCOME

	Group	
	2023	2022
	$'000	$'000
Distribution income from equity investments at fair value	**12,760**	10,594

25 FINANCE COSTS

	Group	
	2023	2022
	$'000	$'000
Interest expense	**344,832**	233,196
Cash flow hedges, reclassified from hedging reserve	**(30,511)**	(1,587)
Transaction costs	**6,954**	10,109
Interest from lease liabilities	**800**	719
	322,075	242,437

26 TAXATION

	Group	
	2023	2022
	$'000	$'000
Current tax expense		
Current year	**6,937**	5,109
Under provision in prior years	**4,637**	132
	11,574	5,241
Deferred tax expense		
Origination and reversal of temporary difference	**(1,463)**	(1,136)
Total taxation	**10,111**	4,105

Reconciliation of effective tax rate

Total return for the year before tax	**879,329**	729,994
Tax calculated using Singapore tax rate of 17% (2022: 17%)	**149,486**	124,099
Effects of results of equity-accounted investees presented net of tax	**(2,563)**	(7,208)
Effect of tax rates in foreign jurisdictions	**(257)**	(45)
Non-deductible items	**41,652**	19,046
Non-taxable income	**(66,779)**	(22,828)
Tax transparency	**(116,065)**	(109,091)
Under provision in prior years	**4,637**	132
	10,111	4,105

27 EARNINGS PER UNIT

Basic earnings per unit

The calculation of basic earnings per unit is based on the total return attributable to Unitholders for the year and weighted average number of units during the year.

	Group	
	2023	2022
	$'000	$'000
Total return attributable to Unitholders	**862,570**	723,369
Number of units	**'000**	**'000**
Weighted average number of units in issue during the year	**6,649,430**	6,626,119
	cents	**cents**
Basic earnings per unit	**12.97**	10.92

Diluted earnings per unit

In calculating diluted earnings per unit, the weighted average number of units during the year are adjusted for the effects of all dilutive potential units, calculated as follows:

	Group	
	2023	2022
	'000	'000
Weighted average number of units		
Weighted average number of units used in calculation of basic earnings per unit	**6,649,430**	6,626,119
– effect of payment of management fees	**13,980**	13,458
Weighted average number of units used in calculation of diluted earnings per unit	**6,663,410**	6,639,577

	Group	
	2023	2022
	cents	cents
Diluted earnings per unit	**12.94**	10.89

28 RELATED PARTIES

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the parties or exercise significant influence over the parties in making financial and operating decisions, or vice versa, or where the Group and the parties are subject to common significant influence. Related parties may be individuals or other entities. The Manager, CapitaLand Retail Management Pte Ltd, CapitaLand Commercial Management Pte. Ltd., CapitaLand (RCS) Property Management Pte. Ltd. and CapitaLand Development Pte. Ltd. are related companies of a substantial Unitholder of the Trust. In the normal course of the operations, management fees and trustee's fees have been paid or are payable to the Manager and respective trustee. The property management fees and property management reimbursements are payable to CapitaLand Retail Management Pte Ltd, CapitaLand Commercial Management Pte. Ltd. and CapitaLand (RCS) Property Management Pte. Ltd.

During the financial year, other than those disclosed elsewhere in the financial statements, the following were significant related party transactions carried out in the normal course of business:

	Group	
	2023	2022
	$'000	$'000
Asset enhancement works and consultancy fees paid/payable to related companies of the Manager	**400**	2,188
Other expenses paid/payable to related companies of the Manager	**26,614**	18,893
Rental and other income received/receivable from related companies of the Manager	**38,890**	29,119

29 FINANCIAL RISK MANAGEMENT

Capital management

The board of directors of the Manager ("the Board") proactively reviews the Group's and the Trust's capital and debt management and financing policy regularly so as to optimise the Group's and the Trust's funding structure. Capital consists of Unitholders' funds of the Group. The Board also monitors the Group's and the Trust's exposure to various risk elements and externally imposed requirements by closely adhering to clearly established management policies and procedures.

The Trust is subject to the aggregate leverage limit as defined in the Property Funds Appendix of the CIS code. The CIS code stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 45.0% (2022: 45.0%) of the fund's Deposited Property. The Trust has complied with the Aggregate Leverage limit of 45.0% (2022: 45.0%) during the financial year. There were no changes in the Group's and the Trust's approach to capital management during the financial year.

Overview of risk management

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Manager continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee of the Manager (the "Audit Committee") oversees how the Manager monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

29 FINANCIAL RISK MANAGEMENT (continued)

Credit risk

Credit risk is the potential financial loss resulting from the failure of a tenant or a counterparty to settle its financial and contractual obligations to the Group, as and when they fall due.

Exposure to credit risk

Trade receivables

The Manager has established credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed by the Manager before lease agreements are entered into with tenants.

At 31 December 2023 and 31 December 2022, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset on the Statement of Financial Position.

Concentration of credit risk relating to trade receivables is limited due to the Group's many varied tenants. These tenants comprise retailers engaged in a wide variety of consumer trades or engaged in diversified business who are of good quality and strong credit standing. The Group's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, the Manager believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group		Trust	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
At 1 January	**525**	656	**43**	209
Acquisition of subsidiary	**–**	35	**–**	–
Impairment loss recognised	**42**	448	**33**	43
Amount written off	**(185)**	(89)	**(2)**	(88)
Reversal of impairment loss	**(104)**	(476)	**(56)**	(121)
Translation difference	**4**	(49)	**–**	–
At 31 December	**282**	525	**18**	43

The Manager believes that, apart from the above, no impairment allowance is necessary in respect of the remaining trade receivables as these receivables arose mainly from tenants that have a good record with the Group and have sufficient security deposits as collateral.

29 FINANCIAL RISK MANAGEMENT (continued)

Credit risk *(continued)*

Trade receivables (continued)

Expected credit loss assessment for tenants

The credit quality of trade receivables is assessed based on credit policies established by the Group. Trade receivables with high credit risk will be identified and monitored by the respective property management team. The Group's risk exposure in relation to trade receivables are set out in the provision matrix as follows:

	Not past due		Past due			
	Not under deferment scheme $'000	**Under deferment scheme $'000**	**Within 30 days $'000**	**31 to 90 days $'000**	**More than 90 days $'000**	**Total $'000**
2023						
Group						
Trade receivables	**16,675**	**1,587**	**874**	**441**	**928**	**20,505**
Loss allowance	**5**	**–**	**–**	**6**	**271**	**282**
Expected loss rate	**0.0%**	**–**	**–**	**1.4%**	**29.2%**	
Trust						
Trade receivables	**4,236**	**167**	**753**	**195**	**69**	**5,420**
Loss allowance	**–**	**–**	**–**	**6**	**12**	**18**
Expected loss rate	**–**	**–**	**–**	**3.1%**	**17.4%**	
2022						
Group						
Trade receivables	17,810	7,046	2,087	1,804	3,103	31,850
Loss allowance	11	–	12	21	481	525
Expected loss rate	0.1%	–	0.6%	1.2%	15.5%	
Trust						
Trade receivables	2,826	–	468	193	404	3,891
Loss allowance	1	–	12	14	16	43
Expected loss rate	0.0%	–	2.6%	7.3%	4.0%	

No ageing analysis of other receivables are presented as the majority of outstanding balances as at 31 December 2023 and 31 December 2022 are current.

29 FINANCIAL RISK MANAGEMENT (continued)

Credit risk *(continued)*

Loans to subsidiaries and joint ventures and non-trade amounts due from subsidiaries, joint ventures and related parties

The Group and the Trust held loans to and non-trade receivables due from its related parties, subsidiaries and joint ventures to meet their funding requirements. Impairment on these balances has been measured on a 12-month and lifetime expected loss basis. The amount of the allowance for impairment loss on loans to subsidiaries is set out in Note 6. There is no allowance for impairment loss arising from the remaining outstanding balances as the ECL is not assessed to be material.

Financial derivatives

The financial derivatives are entered into with bank and financial institution counterparties, which are regulated.

Cash and cash equivalents

Cash and fixed deposits are placed with financial institutions which are regulated. The Group limits its credit risk exposure in respect of investments by only investing in liquid securities and only with counterparties that have sound credit ratings, thus the Manager does not expect any counterparty to fail to meet its obligations.

The Group and the Trust held cash and cash equivalents of $140,700,000 and $61,740,000 respectively at 31 December 2023 (2022: $248,396,000 and $72,486,000 respectively). The cash and cash equivalents are held with banks and financial institution counterparties which are rated A to AA-, based on Standard & Poor's and Fitch's ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is not assessed to be material.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Manager monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations. In addition, the Manager also monitors and observes the CIS Code issued by MAS concerning limits on total borrowings.

29 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk *(continued)*

Exposure to liquidity risk

The following are the expected contractual undiscounted cash outflows of financial liabilities and derivative financial instruments including interest payments and excluding the impact of netting agreements:

	Carrying amount $'000	Contractual cash flows $'000	Cash flows Within 1 year $'000	Within 2 to 5 years $'000	More than 5 years $'000
Group					
31 December 2023					
Non-derivative financial liabilities					
Secured					
SGD bank loans	494,610	(615,115)	(17,039)	(94,093)	(503,983)
EUR bank loans	386,439	(392,134)	(4,067)	(388,067)	-
	881,049	(1,007,249)	(21,106)	(482,160)	(503,983)
Unsecured					
USD fixed rate MTN	394,778	(473,911)	(14,308)	(57,115)	(402,488)
JPY fixed rate MTN	93,085	(109,120)	(708)	(108,412)	-
HKD fixed rate MTN and EMTN	954,113	(1,126,523)	(30,474)	(568,288)	(527,761)
SGD fixed rate MTN and EMTN	3,090,347	(3,396,941)	(986,632)	(1,550,113)	(860,196)
SGD bank loans	2,558,224	(3,076,013)	(124,882)	(2,001,513)	(949,618)
EUR bank loans	479,629	(569,348)	(115,806)	(136,673)	(316,869)
AUD bank loans	1,026,505	(1,170,856)	(57,282)	(1,113,574)	-
Trade and other payables[1]	377,323	(379,191)	(344,441)	(34,244)	(506)
Security deposits	298,866	(298,866)	(91,015)	(193,932)	(13,919)
Lease liabilities	25,528	(25,528)	(1,471)	(3,174)	(20,883)
	9,298,398	(10,626,297)	(1,767,019)	(5,767,038)	(3,092,240)
	10,179,447	(11,633,546)	(1,788,125)	(6,249,198)	(3,596,223)
Derivative financial assets					
Cross currency swaps (gross-settled)	(112)				
- Inflow		113,844	3,545	110,299	-
- Outflow		(113,565)	(3,520)	(110,045)	-
	(112)	279	25	254	-
Interest rate swaps (net-settled)	(15,857)	18,451	14,819	3,632	-
Derivative financial liabilities					
Cross currency swaps (gross-settled)	116,221				
- Inflow		1,513,563	41,575	609,276	862,712
- Outflow		(1,651,299)	(43,026)	(656,553)	(951,720)
	116,221	(137,736)	(1,451)	(47,277)	(89,008)
Interest rate swaps (net-settled)	20,874	(22,461)	1,640	(20,654)	(3,447)

1 Excluding deferred income

29 FINANCIAL RISK MANAGEMENT (continued)

***Liquidity risk** (continued)*

Exposure to liquidity risk (continued)

	Carrying amount $'000	Contractual cash flows $'000	Cash flows Within 1 year $'000	Within 2 to 5 years $'000	More than 5 years $'000
Group					
31 December 2022					
Non-derivative financial liabilities					
Secured					
SGD bank loans	494,359	(603,894)	(14,325)	(67,057)	(522,512)
EUR bank loans	375,908	(383,638)	(3,938)	(379,700)	–
	870,267	(987,532)	(18,263)	(446,757)	(522,512)
Unsecured					
USD fixed rate MTN	402,146	(497,411)	(14,539)	(58,195)	(424,677)
JPY fixed rate MTN	101,934	(124,861)	(764)	(124,097)	–
JPY floating rate MTN	175,115	(174,238)	(174,238)	–	–
HKD fixed rate MTN and EMTN	996,564	(1,138,418)	(178,505)	(569,920)	(389,993)
SGD fixed rate MTN and EMTN	3,231,285	(3,513,404)	(618,891)	(1,982,678)	(911,835)
SGD bank loans	2,320,403	(2,793,931)	(120,658)	(2,074,061)	(599,212)
EUR bank loans	465,427	(469,834)	(298,504)	(171,330)	–
AUD bank loans	1,022,120	(1,092,754)	(42,245)	(637,252)	(413,257)
Trade and other payables[1]	358,471	(360,345)	(325,602)	(34,242)	(501)
Security deposits	284,802	(284,802)	(86,594)	(181,752)	(16,456)
Lease liabilities	26,001	(26,001)	(1,932)	(4,424)	(19,645)
	9,384,268	(10,475,999)	(1,862,472)	(5,837,951)	(2,775,576)
	10,254,535	(11,463,531)	(1,880,735)	(6,284,708)	(3,298,088)
Derivative financial assets					
Cross currency swaps (gross-settled)	(14,246)				
– Inflow		271,975	156,904	115,071	–
– Outflow		(258,234)	(144,669)	(113,565)	–
	(14,246)	13,741	12,235	1,506	–
Forward exchange contracts (gross-settled)	(218)				
– Inflow		4,525	4,525	–	–
– Outflow		(4,307)	(4,307)	–	–
	(218)	218	218	–	–
Interest rate swaps (net-settled)	(44,448)	57,535	33,043	24,492	–
Derivative financial liabilities					
Cross currency swaps (gross-settled)	112,731				
– Inflow		1,580,651	213,104	618,501	749,046
– Outflow		(1,706,430)	(238,648)	(651,144)	(816,638)
	112,731	(125,779)	(25,544)	(32,643)	(67,592)
Forward exchange contracts (gross-settled)	9				
– Inflow		(2,153)	(2,153)	–	–
– Outflow		2,144	2,144	–	–
	9	(9)	(9)	–	–

1 Excluding deferred income

29 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk *(continued)*

Exposure to liquidity risk (continued)

	Carrying amount $'000	Contractual cash flows $'000	Cash flows Within 1 year $'000	Within 2 to 5 years $'000	More than 5 years $'000
Trust					
31 December 2023					
Non-derivative financial liabilities					
Unsecured					
SGD fixed rate term loans	**3,549,478**	**(4,074,976)**	**(559,393)**	**(1,703,667)**	**(1,811,916)**
SGD bank loans	**2,383,285**	**(2,890,000)**	**(117,031)**	**(1,823,351)**	**(949,618)**
EUR bank loans	**305,041**	**(392,407)**	**(15,203)**	**(60,335)**	**(316,869)**
AUD bank loans	**537,789**	**(602,807)**	**(30,088)**	**(572,719)**	**–**
Amount due to a subsidiary (unsecured)	**182,439**	**(182,439)**	**–**	**(182,439)**	**–**
Trade and other payables	**416,324**	**(416,324)**	**(416,324)**	**–**	**–**
Security deposits	**131,847**	**(131,847)**	**(42,774)**	**(87,133)**	**(1,940)**
Lease liabilities	**4,201**	**(4,201)**	**(1,192)**	**(3,007)**	**(2)**
	7,510,404	**(8,695,001)**	**(1,182,005)**	**(4,432,651)**	**(3,080,345)**
Derivative financial assets					
Interest rate swaps (net-settled)	**(8,878)**	**10,298**	**8,391**	**1,907**	**–**
Derivative financial liabilities					
Interest rate swaps (net-settled)	**20,407**	**(21,859)**	**1,597**	**(20,009)**	**(3,447)**
31 December 2022					
Non-derivative financial liabilities					
Unsecured					
SGD fixed rate term loans	3,486,887	(3,954,400)	(565,392)	(1,660,535)	(1,728,473)
SGD bank loans	2,145,452	(2,600,981)	(105,696)	(1,896,073)	(599,212)
AUD bank loans	538,967	(543,337)	(21,132)	(402,171)	(120,034)
Amount due to a subsidiary (unsecured)	285,000	(285,000)	–	(285,000)	–
Trade and other payables	426,744	(426,744)	(426,744)	–	–
Security deposits	126,076	(126,076)	(40,473)	(83,139)	(2,464)
Lease liabilities	5,171	(5,171)	(1,138)	(4,031)	(2)
	7,014,297	(7,941,709)	(1,160,575)	(4,330,949)	(2,450,185)
Derivative financial assets					
Interest rate swaps (net-settled)	(26,761)	30,653	19,037	11,616	–

The Trustee in its capacity as trustee of the Trust has provided corporate guarantees to its subsidiaries (Note 15). At the reporting date, the Trust does not consider that it is probable that a claim will be made against the Trust under the financial guarantee contracts. Accordingly, the Trust does not expect any net cash outflows resulting from the financial guarantee contracts.

29 FINANCIAL RISK MANAGEMENT (continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices will affect 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.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign currency risk on loans and borrowings and its operations in foreign countries that were denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are United States Dollars ("USD"), Hong Kong Dollars ("HKD"), Euro ("EUR"), Australian Dollars ("AUD") and Japanese Yen ("JPY"). The Group hedges this risk by entering into cross currency swaps with notional contracts amounting to USD0.3 billion, HKD5.7 billion and JPY10.0 billion (2022: USD0.3 billion, HKD5.8 billion and JPY27.2 billion).

Foreign exchange risks related to the borrowings of the Group's USD, HKD and JPY notes, issued by Singapore Dollars ("SGD") functional currency Group entities, have been fully hedged (2022: fully hedged) using cross currency swaps that mature on the same dates that the borrowings are due for repayment. These cross currency swaps are designated as cash flow hedges. The Group also used its EUR and AUD loans to hedge against the foreign currency risk arising from the Group's net investments in the foreign subsidiaries.

The Group applies a hedge ratio of 1:1 to its cross currency swaps to hedge its currency risk. The Group's policy is for the critical terms of the cross currency swaps to align with the hedged item.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group assesses whether the derivative designated in each hedging relationship is expected to be and has been 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% match.

In these hedge relationships, the main potential sources of ineffectiveness are:

- the effect of the counterparty and the Group's own credit risk on the fair value of the cross currency swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates; and
- changes in timing of the hedged transactions.

29 FINANCIAL RISK MANAGEMENT (continued)

Foreign currency risk (continued)

Net investment hedge

The Group designates foreign currency loan to hedge the changes in the value of its net investments that are attributable to changes in the EUR/SGD and AUD/SGD spot rates (2022: EUR/SGD and AUD/SGD spot rates). The Group's policy is to hedge the net investment only to the extent of the debt principal.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency and amount. The Group assesses the effectiveness of each hedging relationship by comparing changes in the carrying amount of the debt that is due to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate (the offset method).

Exposure to foreign currency risk

The Group's exposure to foreign currency risk is as follows:

	USD $'000	**HKD $'000**	**EUR $'000**	**AUD $'000**	**JPY $'000**	**SGD $'000**
Group						
31 December 2023						
Cash and cash equivalents	**–**	**–**	**83**	**–**	**–**	**21**
Loans and borrowings	**(395,373)**	**(955,597)**	**(480,603)**	**(539,043)**	**(93,190)**	**–**
Net Statement of Financial Position exposure	**(395,373)**	**(955,597)**	**(480,520)**	**(539,043)**	**(93,190)**	**21**
Add: Effect of cross currency swaps	**395,373**	**955,597**	**–**	**–**	**93,190**	**–**
Add: Loans designated as net investment hedge	**–**	**–**	**473,108**	**539,043**	**–**	**–**
Net exposure	**–**	**–**	**(7,412)**	**–**	**–**	**21**

	USD $'000	HKD $'000	EUR $'000	AUD $'000	JPY $'000
31 December 2022					
Cash and cash equivalents	2	–	13	71	–
Loans and borrowings	(402,849)	(997,960)	(465,897)	(539,432)	(277,182)
Net Statement of Financial Position exposure	(402,847)	(997,960)	(465,884)	(539,361)	(277,182)
Add: Effect of cross currency swaps	402,849	997,960	–	–	277,182
Add: Loans designated as net investment hedge	–	–	458,642	539,432	–
Net exposure	2	–	(7,242)	71	–

29 FINANCIAL RISK MANAGEMENT (continued)

Foreign currency risk (continued)

Sensitivity analysis

A 10.0% weakening of the Singapore dollar, as indicated below, against the following foreign currencies at 31 December would have (decreased)/increased the Statement of Total Return and Unitholders' Funds by the amounts shown below. This analysis assumes that all other variables, in particular, interest rates, remain constant.

	Statement of Total Return $'000	Unitholders' Funds $'000
Group		
2023		
USD	**–**	**(33)**
HKD	**–**	**1,512**
EUR	**(741)**	**–**
AUD	**–**	**–**
JPY	**–**	**3,843**
SGD	**2**	**–**
	(739)	**5,322**
2022		
USD	–	(382)
HKD	–	(3,371)
EUR	(724)	–
AUD	7	–
JPY	–	6,109
	(717)	2,356

A 10.0% strengthening of the Singapore dollar against the above currencies would have had an opposite effect of similar quantum on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

29 FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk

The Group adopts a policy of ensuring that at least 70.0% (2022: 70.0%) of its interest rate risk exposure is at a fixed-rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a float rate and using interest rate swaps and cross currency swaps as hedges of the variability in cash flows attributable to interest rate risk. The Group applies a hedge ratio of 1:1.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts.

The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the critical terms method. When all critical terms match, the economic relationship is considered 100% match.

In these hedge relationships, the main potential sources of ineffectiveness are:

- the effect of the counterparty and the Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and
- differences in repricing dates between the swaps and the borrowings.

Managing interest rate benchmark reform and associated risks

Overview

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 have been replaced or reformed as part of these market-wide initiatives.

In 2022 and 2023, the Group has undertaken amendments to financial instruments indexed to IBORs as follows:

- financial instruments with contractual terms indexed to JPY LIBOR were replaced with TONA;
- financial instruments with contractual terms indexed to SOR were replaced with SORA.

Non-derivative financial liabilities

The Group does not have IBOR exposures to non-derivative financial liabilities as at 31 December 2023. The Group has modified its non-derivative financial liabilities indexed to SOR of $555,000,000 to reference to SORA during the year ended 31 December 2023.

In 2022, the Group has modified its non-derivative financial liabilities indexed to SOR of $1,005,225,900 and JPY LIBOR of $200,000,000 to reference SORA and TONA respectively.

Derivatives

The Group holds interest rate swaps for risk management purposes that are designated in cash flow hedging relationship. The interest rate swaps have floating legs that are indexed to SORA.

29 FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk (continued

Hedge accounting

The Group's hedged items and hedging instruments as at the reporting date are indexed to SORA and TONA. The IBOR cash flows are exchanged with counterparties as usual.

The Group replaced its JPY LIBOR and certain SOR interest rate derivatives used in cash flow hedging relationships with economically equivalent interest rate derivatives referencing TONA and SORA in 2022 and 2023 respectively. Therefore, there is no longer uncertainty about when and how replacement may occur with respect to the relevant hedged items and hedging instruments. As a result, the Group no longer applies the Phase 1 Amendments to FRS 109 on Interest Rate Benchmark Reform to those hedging relationships.

Exposure to interest rate risk

The Group's exposure to changes in interest rates relates primarily to interest-bearing financial liabilities. Interest rate risk is managed on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates. The Group manages its interest rate exposure through the use of interest rate swaps, cross currency swaps and fixed rate borrowings.

At the reporting date, the interest rate profile of the interest-bearing financial instruments, as reported to the management, was as follows:

	Group Nominal amount		Trust Nominal amount	
	2023 $'000	2022 $'000	**2023 $'000**	2022 $'000
Fixed rate instruments				
Loans to joint ventures	**160,650**	176,980	**136,350**	150,359
Loans and borrowings	**(5,099,100)**	(5,579,665)	**(3,554,116)**	(3,491,387)
Loans from non-controlling interests	**(34,603)**	(34,590)	**–**	–
Effect of interest rate swaps and cross currency swaps	**(2,246,144)**	(2,145,607)	**(1,582,840)**	(1,307,034)
	(7,219,197)	(7,582,882)	**(5,000,606)**	(4,648,062)
Variable rate instruments				
Loans to subsidiaries	**–**	–	**3,810,182**	3,310,827
Loans and borrowings	**(4,396,626)**	(4,021,982)	**(3,234,857)**	(2,690,158)
Effect of interest rate swaps and cross currency swaps	**2,246,144**	2,145,607	**1,582,840**	1,307,034
	(2,150,482)	(1,876,375)	**2,158,165**	1,927,703

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate instruments at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, in respect of the fixed rate instruments, a change in interest rates at the reporting date would not affect the Statement of Total Return.

29 FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk (continued

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rate at the reporting date would have increased/(decreased) the Statement of Total Return and Unitholders' Funds by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Statement of Total Return		Unitholders' Funds	
	100 bp increase $'000	100 bp decrease $'000	100 bp increase $'000	100 bp decrease $'000
Group				
31 December 2023				
Variable rate instruments	**(43,966)**	**43,966**	**–**	**–**
Interest rate swaps and cross currency swaps	**22,461**	**(22,461)**	**53,125**	**(53,125)**
Cash flow sensitivity (net)	**(21,505)**	**21,505**	**53,125**	**(53,125)**
31 December 2022				
Variable rate instruments	(40,220)	40,220	–	–
Interest rate swaps and cross currency swaps	21,456	(21,456)	26,762	(26,762)
Cash flow sensitivity (net)	(18,764)	18,764	26,762	(26,762)
Trust				
31 December 2023				
Variable rate instruments	**5,753**	**(5,753)**	**–**	**–**
Interest rate swaps	**15,828**	**(15,828)**	**45,499**	**(45,499)**
Cash flow sensitivity (net)	**21,581**	**(21,581)**	**45,499**	**(45,499)**
31 December 2022				
Variable rate instruments	6,207	(6,207)	–	–
Interest rate swaps	13,070	(13,070)	15,385	(15,385)
Cash flow sensitivity (net)	19,277	(19,277)	15,385	(15,385)

Equity price risk

The Group's and Trust's exposure to change in equity price relates to equity investments at FVOCI in quoted equity securities listed in Singapore and/or Malaysia.

Sensitivity analysis

As at 31 December 2023, if the price for the quoted equity securities increased by 5.0% with all other variables being held constant, the increase in Unitholders' Funds of the Group and the Trust would be $7.5 million (2022: $9.0 million) and $6.2 million (2022: $7.5 million) respectively. A similar 5.0% decrease in the price would have an equal but opposite effect.

29 FINANCIAL RISK MANAGEMENT (continued)

Hedge accounting

Cash flow hedges

The Group and the Trust held the following instruments to hedge exposures to changes in foreign currency and interest rates.

	Maturity	
	Within 1 year $'000	More than 1 year $'000
Group		
2023		
Foreign currency risk		
Cross currency swaps		
Net exposure ($'000)	**-**	**1,518,781**
Average SGD:HKD forward contract rate	**-**	**0.1743**
Average SGD:JPY forward contract rate	**-**	**0.0125**
Average SGD:USD forward contract rate	**-**	**1.3570**
Interest rate risk		
Interest rate swaps		
Net exposure ($'000)	**652,222**	**1,593,922**
Average fixed interest rate (%)	**2.93**	**3.88**
2022		
Foreign currency risk		
Cross currency swaps		
Net exposure ($'000)	340,000	1,386,052
Average SGD:HKD forward contract rate	0.1582	0.1741
Average SGD:JPY forward contract rate	0.0116	0.0125
Average SGD:USD forward contract rate	-	1.3570
Interest rate risk		
Interest rate swaps		
Net exposure ($'000)	618,196	1,352,293
Average fixed interest rate (%)	1.53	3.19
Trust		
2023		
Interest rate risk		
Interest rate swaps		
Net exposure ($'000)	**414,071**	**1,168,769**
Average fixed interest rate (%)	**3.21**	**3.90**
2022		
Interest rate risk		
Interest rate swaps		
Net exposure ($'000)	555,000	752,034
Average fixed interest rate (%)	1.54	3.23

29 FINANCIAL RISK MANAGEMENT (continued)

Hedge accounting (continued)

The following table provides a reconciliation by risk category of components of Unitholders' Funds resulting from cash flow hedge accounting.

	Group	Trust
	Hedging reserve	
	$'000	$'000
Cash flow hedges		
Balance at 1 January 2023	**16,223**	**26,761**
Changes in fair value:		
Foreign currency risk		
– Cross currency swaps	**(29,789)**	**–**
– Forward exchange contracts	**(209)**	**–**
Interest rate risk	**(19,953)**	**(17,391)**
	(49,951)	**(17,391)**
Amounts reclassified to Statement of Total Return:		
Foreign currency risk	**40,943**	**–**
Interest rate risk	**(30,511)**	**(20,900)**
	10,432	**(20,900)**
Balance at 31 December 2023	**(23,296)**	**(11,530)**
Balance at 1 January 2022	10,578	(975)
Changes in fair value:		
Foreign currency risk		
– Cross currency swaps	(70,128)	–
– Forward exchange contracts	(335)	(45)
Interest rate risk	47,139	32,890
	(23,324)	32,845
Amounts reclassified to Statement of Total Return:		
Foreign currency risk	30,556	–
Interest rate risk	(1,587)	(5,109)
	28,969	(5,109)
Balance at 31 December 2022	16,223	26,761

29 FINANCIAL RISK MANAGEMENT (continued)

Hedge accounting (continued)

The amounts relating to items designated as hedged items and hedging instruments (excluding share of hedging reserves of joint ventures) were as follows:

	Nominal amount	Carrying amount		Line item in the Statement of Financial Position where	
		Assets	Liabilities	the hedging instrument is included	the hedged item is included
	$'000	$'000	$'000		
Group					
2023					
Foreign currency risk					
Cross currency swaps	**1,518,781**	**112**	**(116,221)**	**Financial derivatives**	**Loans and borrowings**
Forward exchange contracts	**–**	**–**	**–**	**Financial derivatives**	**–**
Interest rate risk					
Interest rate swaps	**2,246,144**	**15,857**	**(20,874)**	**Financial derivatives**	**Loans and borrowings**
2022					
Foreign currency risk					
Cross currency swaps	1,726,052	14,246	(112,731)	Financial derivatives	Loans and borrowings
Forward exchange contracts	6,669	218	(9)	Financial derivatives	–
Interest rate risk					
Interest rate swaps	1,970,489	44,448	–	Financial derivatives	Loans and borrowings
Trust					
2023					
Interest rate risk					
Interest rate swaps	**1,582,840**	**8,878**	**(20,407)**	**Financial derivatives**	**Loans and borrowings**
2022					
Foreign currency risk					
Forward exchange contracts	–	–	–	Financial derivatives	–
Interest rate risk					
Interest rate swaps	1,307,034	26,761	–	Financial derivatives	Loans and borrowings

Cash flow hedge reserve	Changes in the fair value of the hedging instrument recognised in Unitholders Funds	Amounts reclassified from Hedging Reserve to Statement of Total Return	Line item in Statement of Total Return affected by the reclassification
$'000	$'000	$'000	
(23,536)	**(29,789)**	**40,943**	**Finance costs**
328	**(209)**	**–**	**–**
(3,014)	**(19,953)**	**(30,511)**	**Finance costs**
(34,690)	(70,128)	30,556	Finance costs
537	(335)	–	–
47,450	47,139	(1,587)	Finance costs
(11,530)	**(17,391)**	**(20,900)**	**Finance costs**
–	(45)	–	–
26,761	32,890	(5,109)	Finance costs

29 FINANCIAL RISK MANAGEMENT (continued)

Hedge accounting (continued)

Net investment hedges

The Group has foreign currency exposures from the net investment in its foreign subsidiaries in Luxembourg and Netherlands that has EUR functional currency, and in Australia that has AUD functional currency.

The risk arises from fluctuation in spot exchange rates between EUR and AUD against SGD that will result in a fluctuation in the carrying amount of the Group's net investment in its foreign subsidiaries in Luxembourg, Netherlands and Australia.

As at reporting date, the Group's net investment in its foreign subsidiaries is hedged by a number of EUR-denominated unsecured bank loans of carrying amount of $472,247,000 (2022: $458,172,000) and AUD-denominated unsecured bank loans of carrying amount of $538,618,000 (2022: $538,967,000), which mitigates the foreign currency risk arising from the subsidiaries' net assets. The fair value of these borrowings at 31 December 2023 is $1,004,152,000 (2022: $981,768,000). These loans are designated as a hedging instrument for the changes in the value of the net investment that is due to changes in the EUR/SGD and AUD/SGD spot rate.

The amounts related to items designated as hedging instruments were as follows:

	Nominal amount $'000	Carrying amount – assets $'000	Carrying amount – liabilities $'000
Group			
2023			
Foreign exchange denominated debt (EUR)	**(473,108)**	**–**	**(472,427)**
Foreign exchange denominated debt (AUD)	**(539,043)**	**–**	**(538,618)**

The amounts related to items designated as hedged items were as follows:

Group	
2023	
EUR net investment	
AUD net investment	

Line item in the Statements of Financial Position where the hedging instrument is included	Changes in the fair value of the hedging instrument recognised in Unitholders Funds $'000	Amounts reclassified from Hedging Reserve to Statement of Total Return $'000	Line item in Statement of Total Return affected by the reclassification
Loans and borrowings	15,002	-	NA
Loans and borrowings	(388)	-	NA

Change in value used for calculating hedge ineffectiveness $'000	FCTR $'000	Balances remaining in the FCTR from hedging relationships for which hedge accounting is no longer applied $'000
(11,038)	28,433	-
1,050	51,938	-

29 FINANCIAL RISK MANAGEMENT (continued)

Hedge accounting (continued)

Net investment hedges *(continued)*

	Nominal amount $'000	Carrying amount – assets $'000	Carrying amount – liabilities $'000
Group			
2022			
Foreign exchange denominated debt (EUR)	(458,642)	–	(458,172)
Foreign exchange denominated debt (AUD)	(539,432)	–	(538,967)

The amounts related to items designated as hedged items were as follows:

Group	
2022	
EUR net investment	
AUD net investment	

Line item in the Statements of Financial Position where the hedging instrument is included	Changes in the fair value of the hedging instrument recognised in Unitholders Funds $'000	Amounts reclassified from Hedging Reserve to Statement of Total Return $'000	Line item in Statement of Total Return affected by the reclassification
Loans and borrowings	(38,750)	–	NA
Loans and borrowings	(51,671)	–	NA

Change in value used for calculating hedge ineffectiveness $'000	FCTR $'000	Balances remaining in the FCTR from hedging relationships for which hedge accounting is no longer applied $'000
33,907	40,064	–
50,888	50,888	–

30 CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount				
	Note	Fair value – hedging instruments $'000	Amortised cost $'000	FVOCI – equity investments $'000	Other financial liabilities $'000	Total $'000
Group						
31 December 2023						
Financial assets not measured at fair value						
Loans to joint ventures	7	–	160,650	–	–	160,650
Trade and other receivables[1]	12	–	37,984	–	–	37,984
Cash and cash equivalents	13	–	140,700	–	–	140,700
		–	339,334	–	–	339,334
Financial assets measured at fair value						
Financial derivatives	10	15,969	–	–	–	15,969
Equity investments at FVOCI	9	–	–	150,559	–	150,559
		15,969	–	150,559	–	166,528
Financial liabilities not measured at fair value						
Trade and other payables[2]	14	–	–	–	(377,323)	(377,323)
Security deposits		–	–	–	(298,866)	(298,866)
Loans and borrowings	15	–	–	–	(9,477,730)	(9,477,730)
		–	–	–	(10,153,919)	(10,153,919)
Financial liability measured at fair value						
Financial derivatives	10	(137,095)	–	–	–	(137,095)

1 Excluding prepayments
2 Excluding deferred income

Fair value			
Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
-	-	161,049	161,049
-	15,969	-	15,969
150,559	-	-	150,559
-	(9,336,250)	-	(9,336,250)
-	(137,095)	-	(137,095)

30 CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

		Carrying amount				
	Note	Fair value – hedging instruments $'000	Amortised cost $'000	FVOCI – equity investments $'000	Other financial liabilities $'000	Total $'000
Group						
31 December 2022						
Financial assets not measured at fair value						
Loans to joint ventures	7	–	176,980	–	–	176,980
Trade and other receivables[1]	12	–	48,212	–	–	48,212
Cash and cash equivalents	13	–	248,396	–	–	248,396
		–	473,588	–	–	473,588
Financial assets measured at fair value						
Financial derivatives	10	58,912	–	–	–	58,912
Equity investments at FVOCI	9	–	–	180,989	–	180,989
		58,912	–	180,989	–	239,901
Financial liabilities not measured at fair value						
Trade and other payables[2]	14	–	–	–	(358,471)	(358,471)
Security deposits		–	–	–	(284,802)	(284,802)
Loans and borrowings	15	–	–	–	(9,585,261)	(9,585,261)
		–	–	–	(10,228,534)	(10,228,534)
Financial liability measured at fair value						
Financial derivatives	10	(112,740)	–	–	–	(112,740)

1 Excluding prepayments
2 Excluding deferred income

Fair value			
Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
–	–	157,424	157,424
–	58,912	–	58,912
180,989	–	–	180,989
–	(9,257,618)	–	(9,257,618)
–	(112,740)	–	(112,740)

30 CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

		Carrying amount				
	Note	Fair value – hedging instruments $'000	Amortised cost $'000	FVOCI – equity investments $'000	Other financial liabilities $'000	Total $'000
Trust						
31 December 2023						
Financial assets not measured at fair value						
Loans to subsidiaries	6	–	4,281,047	–	–	4,281,047
Loans to joint ventures	7	–	136,350	–	–	136,350
Trade and other receivables[1]	12	–	230,674	–	–	230,674
Cash and cash equivalents	13	–	61,740	–	–	61,740
		–	4,709,811	–	–	4,709,811
Financial assets measured at fair value						
Financial derivatives	10	8,878	–	–	–	8,878
Equity investments at FVOCI	9	–	–	124,044	–	124,044
		8,878	–	124,044	–	132,922
Financial liabilities not measured at fair value						
Trade and other payables	14	–	–	–	(416,324)	(416,324)
Amount due to a subsidiary (non-trade)	14	–	–	–	(182,439)	(182,439)
Security deposits		–	–	–	(131,847)	(131,847)
Loans and borrowings	15	–	–	–	(6,775,593)	(6,775,593)
		–	–	–	(7,506,203)	(7,506,203)
Financial liability measured at fair value						
Financial derivatives	10	(20,407)	–	–	–	(20,407)

1 Excluding prepayments

Fair value			
Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
–	–	4,261,591	4,261,591
–	–	136,689	136,689
–	8,878	–	8,878
124,044	–	–	124,044
–	–	(175,497)	(175,497)
–	(6,331,330)	–	(6,331,330)
–	(20,407)	–	(20,407)

30 CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

		Carrying amount				
	Note	Fair value – hedging instruments $'000	Amortised cost $'000	FVOCI – equity investments $'000	Other financial liabilities $'000	Total $'000
Trust						
31 December 2022						
Financial assets not measured at fair value						
Loans to subsidiaries	6	–	3,777,510	–	–	3,777,510
Loans to joint ventures	7	–	150,359	–	–	150,359
Trade and other receivables[1]	12	–	232,339	–	–	232,339
Cash and cash equivalents	13	–	72,486	–	–	72,486
		–	4,232,694	–	–	4,232,694
Financial assets measured at fair value						
Financial derivatives	10	26,761	–	–	–	26,761
Equity investments at FVOCI	9	–	–	149,385	–	149,385
		26,761	–	149,385	–	176,146
Financial liabilities not measured at fair value						
Trade and other payables	14	–	–	–	(426,744)	(426,744)
Amount due to a subsidiary (non-trade)	14	–	–	–	(285,000)	(285,000)
Security deposits		–	–	–	(126,076)	(126,076)
Loans and borrowings	15	–	–	–	(6,171,306)	(6,171,306)
		–	–	–	(7,009,126)	(7,009,126)

1 Excluding prepayments

Fair value			
Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
–	–	3,756,499	3,756,499
–	–	133,612	133,612
–	26,761	–	26,761
149,385	–	–	149,385
–	–	(272,302)	(272,302)
–	(5,627,836)	–	(5,627,836)

30 CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Determination of fair values

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group and Trust.

Financial derivatives

The fair values of cross currency swaps and interest rate swaps (Level 2 fair values) are based on banks' quotes. These quotes are assessed for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market rates for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take into account the credit risk of the Group and counterparties when appropriate.

The fair values of forward exchange contracts are determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curve in the respective currencies.

Loans and borrowings

The fair value of quoted loans and borrowings is their quoted ask price at the reporting date. Fair value for unquoted loans and borrowings is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date. Fair value is determined for disclosure purposes.

Other financial assets and liabilities

At 31 December 2023, fair value of loans to subsidiaries and joint ventures and non-trade amounts due to a subsidiary are estimated based on the present value of future principal and interest cash flows (if relevant), discounted at the market rate of interest at the measurement date.

The carrying amounts of trade and other receivables, cash and cash equivalents, trade and other payables and security deposits (2022: trade and other receivables, cash and cash equivalents, trade and other payables and security deposits) are an approximation of their fair values because they are either short term in nature or effect of discounting is immaterial.

Interest rates used in determining fair values

The interest rates used to discount estimated cash flows, where applicable, are based on forward rates as at 31 December plus a credit spread, and are as follows:

	2023 %	2022 %
Group		
Loans to joint ventures	**4.30**	4.66
Loans and borrowings	**3.53 – 4.49**	3.16 – 4.14
Trust		
Loans to subsidiaries	**4.30**	4.66
Loans to joint ventures	**4.30**	4.66
Amount due to a subsidiary (non-trade)	**3.93 – 3.98**	4.65 – 4.69
Loans and borrowings	**3.94 – 4.25**	4.30 – 5.10

31 OPERATING SEGMENTS

The Group organised its reporting structure into strategic divisions to more accurately reflect the way the Group manage its business. For the purpose of making resource allocation decisions and the assessment of segment performance, the Group's Chief Operating Decision Maker ("CODM") reviews internal/management reports of its strategic divisions. This forms the basis of identifying the operating segments of the Group consistent with the principles of FRS 108 *Operating Segments*.

The Group's reportable operating segments are as follows:

- Retail: management of retail properties in Singapore
- Office: management of office properties in Singapore, Germany and Australia
- Integrated Developments: management of retail and office properties in Singapore and Australia

Segment revenue comprises mainly income generated from its tenants. Segment net property income represents the income earned by each segment after allocating property operating expenses. This is the measure reported to the CODM for the purpose of assessment of segment performance. In addition, the CODM monitors the non-financial assets as well as financial assets attributable to each segment when assessing segment performance.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated income and expenses mainly include interest and other income, investment income, management fees and finance costs. Unallocated assets and liabilities mainly comprise of the investment in joint ventures, equity investments and loans and borrowings. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

31 OPERATING SEGMENTS (continued)

Operating segments

Geographical segments

The investment properties are located primarily in Singapore, Australia and Germany. The basis of presenting geographical information is based on the geographical location of the assets.

	Retail $'000	Office $'000	Integrated Developments $'000	Group $'000
2023				
Gross revenue	**570,531**	**521,889**	**467,514**	**1,559,934**
Segment net property income	**396,303**	**390,988**	**328,616**	**1,115,907**
Interest and other income				**45,752**
Investment income				**12,760**
Finance costs				**(322,075)**
Management fees				**(91,166)**
Other unallocated expenses				**(10,989)**
Share of results (net of tax) of				
– Joint ventures				**15,579**
Net income				**765,768**
Net change in fair value of investment properties	**140,251**	**(159,128)**	**132,438**	**113,561**
Total return for the year before tax				**879,329**
Taxation				**(10,111)**
Total return for the year				**869,218**
Assets and liabilities				
Segment assets	**7,432,271**	**10,176,496**	**6,544,757**	**24,153,524**
Unallocated assets:				
– Joint ventures				**348,581**
– Equity investments at fair value				**150,559**
– Financial derivatives				**15,969**
– Others				**70,493**
				585,602
Total assets				**24,739,126**
Segment liabilities	**215,933**	**295,022**	**157,109**	**668,064**
Unallocated liabilities				
– Loans and borrowings				**9,477,730**
– Financial derivatives				**137,095**
– Others				**54,517**
				9,669,342
Total liabilities				**10,337,406**
Other segmental information				
Depreciation and amortisation	**232**	**3,322**	**1,175**	**4,729**
Plant and equipment				
– capital expenditure	**275**	**72**	**106**	**453**
Investment properties				
– capital expenditure	**67,235**	**40,121**	**9,934**	**117,290**
(Write back)/allowance of doubtful debts	**(39)**	**(28)**	**5**	**(62)**
Doubtful debts (write back)/written off	**(1)**	**5**	**34**	**38**

31 OPERATING SEGMENTS (continued)

Operating segments *(continued)*

	Retail $'000	Office $'000	Integrated Developments $'000	Group $'000
2022				
Gross revenue	556,511	463,610	421,626	1,441,747
Segment net property income	394,086	346,452	302,745	1,043,283
Interest and other income				5,336
Investment income				10,594
Finance costs				(242,437)
Management fees				(87,934)
Other unallocated expenses				(8,536)
Share of results (net of tax) of				
– Joint ventures				42,467
Net income				762,773
Net change in fair value of investment properties	43,687	(113,211)	(20,914)	(90,438)
Gain on divestment of investment property	57,257	–	–	57,257
Net change in fair value of financial derivatives	–	(680)	1,082	402
Total return for the year before tax				729,994
Taxation				(4,105)
Total return for the year				725,889
Assets and liabilities				
Segment assets	7,231,245	10,507,117	6,242,726	23,981,088
Unallocated assets:				
– Joint ventures				361,198
– Equity investments at fair value				180,989
– Financial derivatives				58,912
– Others				84,436
				685,535
Total assets				24,666,623
Segment liabilities	200,059	271,141	154,274	625,474
Unallocated liabilities				
– Loans and borrowings				9,585,261
– Financial derivatives				112,740
– Others				63,755
				9,761,756
Total liabilities				10,387,230
Other segmental information				
Depreciation and amortisation	229	2,486	1,454	4,169
Plant and equipment – capital expenditure	283	111	84	478
Investment properties – capital expenditure	26,973	62,733	48,306	138,012
(Write back)/allowance of doubtful debts	(77)	60	(11)	(28)
Doubtful debts (write back)/written off	(11)	130	151	270

31 OPERATING SEGMENTS (continued)

Geographical information

	Group	
	2023	2022
	$'000	$'000
Gross Revenue		
Singapore	**1,447,584**	1,350,420
Australia	**56,592**	37,168
Germany	**55,758**	54,159
	1,559,934	1,441,747
Non-current assets[1]		
Singapore	**22,783,693**	22,346,559
Australia	**904,743**	997,563
Germany	**691,046**	768,151
	24,379,482	24,112,273

1 Non-current assets exclude financial instruments (other than equity-accounted investees) and deferred tax asset.

32 ACQUISITION OF SUBSIDIARIES AND INTEREST IN A JOINT OPERATION

The Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property.

(a) Acquisition of subsidiaries

Name of subsidiaries	Date acquired	Effective interest acquired
Gateway Goulburn Trust	24 March 2022	100.0%
Gateway Arthur Trust	24 March 2022	100.0%
79RR LLP	27 April 2022	70.0%

The acquisitions had been accounted for as acquisitions of assets as no integrated activities were acquired.

32 ACQUISITION OF SUBSIDIARIES AND INTEREST IN A JOINT OPERATION (continued)

(a) Acquisition of subsidiaries (continued)

The identifiable assets acquired, liabilities assumed and effect of cash flows are presented as follows:

	Group 2022 $'000
Investment properties	1,936,857
Plant and equipment	75
Trade and other receivables	2,406
Financial derivatives	720
Cash and cash equivalents	27,861
Trade and other payables	(30,201)
Loans and borrowings	(950,647)
Lease liabilities	(21,192)
Provision for taxation	(6,623)
Security deposits	(13,418)
Total identifiable net assets acquired	945,838
Less: NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	(181,806)
Identifiable net assets acquired	764,032
Add: Acquisition fee and other related expenses	56,501
Total purchase consideration, including acquisition costs	820,533
Less: Acquisition fee paid in units	(11,228)
Less: Cash and cash equivalents in subsidiaries acquired	(27,861)
Less: Deposits paid in 2021	(33,106)
Net cash outflow on acquisitions	748,338

(b) Acquisition of interest in a joint operation

On 21 June 2022, the Group, through its indirect wholly-owned subsidiary, Monopoly Trust, acquired a 50.0% interest in 101 – 103 Miller Street and Greenwood Plaza from an unrelated third party for a total consideration of approximately $426.1 million.

The Group had classified its 50.0% interest in 101 – 103 Miller Street and Greenwood Plaza as a joint operation as the interest is under a tenancy in common arrangement. The acquisition was accounted for as an acquisition of asset as no integrated activities were acquired.

Effects of acquisition

The identifiable asset acquired and effect of cash flows are presented as follows:

	Group 2022 $'000
Investment property	398,238
Total identifiable net asset acquired	398,238
Add: Acquisition fee and other related expenses	27,850
Total purchase consideration, including acquisition costs	426,088
Less: Deposits paid in 2021	(20,541)
Net cash outflow on acquisition of interest in a joint operation	405,547

33 DIVESTMENT OF INVESTMENT PROPERTY

On 24 January 2022, the Manager announced the divestment of JCube to Tanglin R.E. Holdings Pte. Ltd. and the sale was completed on 10 March 2022. Accordingly, the Group recognised a net gain on divestment of investment property of $57.3 million.

Net cash inflow on divestment of investment property

	Group 2022 $'000
Consideration received in cash	340,000
Less: Divestment-related costs	(8,872)
Net proceeds from divestment of investment property	331,128

34 COMMITMENTS

	Group		Trust	
	2023 $'000	2022 $'000	**2023 $'000**	2022 $'000
Capital commitments				
– contracted but not provided for	**113,993**	97,297	**50,168**	53,535

Operating lease rental receivable

The Group leases out its investment properties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income from investment properties recognised by the Group in FY 2023 was $1,377,716,000 (2022: $1,280,544,000).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group	
	2023 $'000	2022 $'000
Less than one year	**1,310,685**	1,263,313
One to two years	**1,059,396**	932,898
Two to three years	**711,840**	667,639
Three to four years	**447,046**	409,850
Four to five years	**299,091**	292,699
More than five years	**1,239,977**	1,340,573
	5,068,035	4,906,972

35 FINANCIAL RATIOS

	Group	
	2023	2022
	%	%
Expenses to weighted average net assets[1]		
– including performance component of Manager's management fees	**0.72**	0.70
– excluding performance component of Manager's management fees	**0.41**	0.39
Portfolio turnover rate[2]	**–**	2.41

1 The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group, excluding property expenses and finance costs.
2 The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of average net asset value.

ADDITIONAL INFORMATION

INTERESTED PERSON TRANSACTIONS

The transactions entered into with interested persons during the financial year, which fall under the Listing Manual of the Singapore Exchange Securities Trading Limited (SGX-ST) and the Property Funds Appendix of the Code on Collective Investment Schemes (excluding transactions less than S$100,000 each), are as follows:

Nature of Interested Persons	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S$'000	Aggregate value of all interested person transactions during the financial year under review conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) S$'000
CapitaLand Investment Limited and its subsidiaries and associates	Controlling shareholder of the Manager and controlling Unitholder, and its subsidiaries and associates		
– Management fees[1]		92,571	–
– Property management fees and reimbursables, leasing and marketing fees and accounting fees		1,188,119[2]	–
– Rental and service income		11,822	–
– General services		17,501	–
Temasek Holdings (Private) Limited and its subsidiaries and associates	Controlling shareholder of the Manager and controlling Unitholder, and its subsidiaries and associates		
– Feasibility Studies, Project Management and Incentive Fees		3,173	–
– Rental and service income		119,415	–
– General services		1,263	–
HSBC Institutional Trust Services (Singapore) Limited	Trustee		
– Trustee fees[1]		3,186	–

1 This includes CICT's interest in joint ventures

2 This mainly comprises the total estimated property management fees for a 10-year term under the New PMA, which took effect from 1 June 2023. For more details, please refer to paragraph 4.1 of CICT's EGM Circular dated 22 March 2023 in relation to the New PMA. For FY 2023, the total property management fees payable to the property managers under the New PMA and Old PMA (including the RCS property manager under the relevant property management agreement) in respect of the properties under management, are estimated to be about S$111.5 million.

INTERESTED PERSON TRANSACTIONS (continued)

Save as disclosed above, there were no additional interested person transactions (excluding transactions less than S$100,000 each) entered into during the financial year under review.

On 10 February 2004, the SGX-ST had granted a waiver to CapitaLand Mall Trust (CMT), now known as CICT from Rules 905 and 906 of the Listing Manual of the SGX-ST (Listing Manual) in relation to, *inter alia*, payments for management fees, payments for acquisition and divestment fees, as well as payments of trustee fees. Similarly, CapitaLand Commercial Trust (CCT), which is now a wholly owned sub-trust of CICT after the merger of CMT and CCT which took effect from 21 October 2020, is deemed to have obtained the approval of the unitholders of CCT on 12 April 2004 through the approval of the shareholders of CapitaLand Limited (now known as CapitaLand Group Pte. Ltd.) (as outlined in CCT's Introductory Document dated 16 March 2004) in relation to payments of asset management fees and acquisition and divestment fees to the manager of CCT as well as payment of trustee fees. Such payments are therefore not included in the aggregate value of interested person transactions as governed by Rules 905 and 906 of the Listing Manual as long as there are no changes to the terms, rates and/or bases for such fees and expenses.

In addition, pursuant to Unitholders' approval obtained at the extraordinary general meeting of CICT held on 19 April 2023, the Manager and the trustee of CICT entered into a new property management agreement on 31 May 2023 (New PMA), to appoint CapitaLand Retail Management Pte. Ltd. and CapitaLand Commercial Management Pte. Ltd. (collectively, the Property Managers) to provide, among others, property and lease management services, marketing services and project management services to CICT, for the period of 10 years commencing 1 June 2023 (Term) in respect of properties located in Singapore owned by CICT and for a period co-terminus with the Term for properties located in Singapore that CICT acquires subsequently. The previous property management agreements entered into by the Manager and the trustee of CICT, were in turn terminated, as these agreements were superseded by the New PMA. The total fees and reimbursements to the Property Managers for the Term were aggregated for the purposes of Rules 905 and 906 of the Listing Manual in the financial year ended 31 December 2023. Accordingly, such fees and expenses will not be subject to further aggregation or further Unitholders' approval requirements under Rules 905 and 906 of the Listing Manual of the SGX-ST after the financial year ended 31 December 2023, to the extent that there is no subsequent change to the rates and/or bases for such fees and expenses.

Please also see Note 28 on Related Parties in the financial statements.

Pursuant to the New PMA, the Trustee, on the recommendation of the Manager, shall reimburse the Property Managers in full for the agreed employment and remuneration costs of the personnel of the Property Managers, as approved in the annual business plan and budget (Agreed Employee Expenditure) incurred for each month in a fiscal year, subject to a Reimbursement Cap[3].

As part of CICT's existing framework, there is a process for the review and approval of the annual business plan and budget by the Trustee and the Board of the Manager, which includes the Agreed Employee Expenditure payable to the Property Managers. An additional measure was introduced in the New PMA to provide that the Agreed Employee Expenditure shall not exceed the Reimbursement Cap. Subsequent to the first fiscal year, the Reimbursement Cap for each fiscal year shall be the same as the preceding fiscal year, and any increase in the Reimbursement Cap shall be subject to the approval of the Independent Directors.

3 The "Reimbursement Cap" is computed based on a percentage of the NPI in the relevant fiscal year, and such percentage takes into account the average staff cost reimbursements paid to the Property Managers over the past fiscal years over the NPI in the relevant past fiscal years. For avoidance of doubt, any increase in the Reimbursement Cap as approved by the Independent Directors would not be subject to aggregation rules under Chapter 9 of the Listing Manual.

ADDITIONAL INFORMATION

SUBSCRIPTION OF CICT UNITS

For the financial year ended 31 December 2023, an aggregate of 22,601,089 CICT units were issued and subscribed for. As at 31 December 2023, 6,657,723,344 CICT units were in issue and outstanding.

ADDITIONAL DISCLOSURE FOR OPERATING EXPENSES

The total operating expenses incurred by CICT Group (including CICT's proportionate share of operating expenses incurred by its joint ventures) amounted to S$557.2 million in 2023 and included all fees and charges paid to the Manager and interested parties. This translates to 3.9% of CICT Group's net asset value as at 31 December 2023.

STATISTICS OF UNITHOLDINGS

ISSUED AND FULLY PAID UNITS

6,657,723,344 units (voting rights: 1 vote per unit)
Market Capitalisation S$12,849,406,054 (based on closing unit price of S$1.93 on 6 March 2024)

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings			No. of Unitholders	%	No. of Units	%
1	–	99	4,135	4.76	165,037	0.00
100	–	1,000	29,558	34.05	14,400,664	0.22
1,001	–	10,000	40,062	46.16	160,266,251	2.41
10,001	–	1,000,000	12,992	14.97	500,746,302	7.52
1,000,001 AND ABOVE			52	0.06	5,982,145,090	89.85
TOTAL			**86,799**	**100**	**6,657,723,344**	**100**

LOCATION OF UNITHOLDERS

	No. of Unitholders	%	No. of Units	%
SINGAPORE	83,736	96.47	6,633,753,325	99.64
MALAYSIA	1,932	2.23	14,629,846	0.22
OTHERS	1,131	1.30	9,340,173	0.14
TOTAL	**86,799**	**100**	**6,657,723,344**	**100**

TWENTY LARGEST UNITHOLDERS

AS SHOWN IN THE REGISTER OF MEMBERS AND DEPOSITORY REGISTER

	NAME	NO. OF UNITS	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	1,526,090,500	22.92
2	HSBC (SINGAPORE) NOMINEES PTE LTD	724,060,062	10.88
3	RAFFLES NOMINEES (PTE.) LIMITED	709,747,934	10.66
4	DBSN SERVICES PTE. LTD.	635,936,373	9.55
5	SBR PRIVATE LIMITED	537,585,792	8.07
6	DBS NOMINEES (PRIVATE) LIMITED	452,986,228	6.80
7	PREMIER HEALTHCARE SERVICES INTERNATIONAL PTE LTD	323,692,410	4.86
8	ALBERT COMPLEX PTE LTD	279,300,000	4.20
9	PYRAMEX INVESTMENTS PTE LTD	183,542,567	2.76
10	E-PAVILION PTE LTD	155,426,214	2.33
11	BPSS NOMINEES SINGAPORE (PTE.) LTD.	110,319,377	1.66
12	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	63,439,383	0.95
13	CAPITALAND INTEGRATED COMMERCIAL TRUST MANAGEMENT LIMITED	58,405,033	0.88
14	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	21,570,296	0.32
15	PHILLIP SECURITIES PTE LTD	20,513,538	0.31
16	DB NOMINEES (SINGAPORE) PTE LTD	18,005,720	0.27
17	OCBC SECURITIES PRIVATE LIMITED	16,658,802	0.25
18	IFAST FINANCIAL PTE. LTD.	15,284,090	0.23
19	ABN AMRO CLEARING BANK N.V.	14,703,303	0.22
20	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	11,360,192	0.17
	TOTAL	**5,878,627,814**	**88.29**

STATISTICS OF UNITHOLDINGS

DIRECTORS' INTERESTS IN UNITS AND CONVERTIBLE SECURITIES AS AT 21 JANUARY 2024

Based on the Register of Directors' Unitholdings, the interests of the Directors in Units and convertible securities issued by CICT are as follows:

	No. of Units		Contingent Awards of Units[1] under the Manager's	
Name of Director	**Direct Interest**	**Deemed Interest**	**Performance Unit Plan**	**Restricted Unit Plan**
Teo Swee Lian	48,153	–	–	–
Tony Tan Tee Hieong	876,445	–	0 to 635,266[2]	159,509[3,4]
Quek Bin Hwee	84,660	–	–	–
Leo Mun Wai	20,164	–	–	–
Jeann Low Ngiap Jong	24,145	–	–	–
Stephen Lim Beng Lin	11,760	–	–	–
Tan Boon Khai	12,880	–	–	–
Jonathan Yap Neng Tong	51,822	69,395	–	–
Janine Gui Siew Kheng	51,694	–	–	–

1 This refers to the number of Units which are the subject of contingent awards granted or finalised but not released under the Manager's Performance Unit Plan (PUP) and Restricted Unit Plan (RUP). The final number of Units that will be released could range from 0% to a maximum of 200% of the baseline award under the PUP. The Units released, if any, will be delivered in a combination of Units and cash.

2 The final number of Units to be released will depend on the achievement of pre-determined targets at the end of the respective performance periods for the PUP.

3 Being the unvested Units under the RUP.

4 On the final vesting, an additional number of Units of a total value equal to the value of the accumulated distributions which are declared during each of the vesting periods and deemed foregone due to the vesting mechanism of the RUP, will also be released.

STATISTICS OF UNITHOLDINGS

SUBSTANTIAL UNITHOLDERS' UNITHOLDINGS AS AT 6 MARCH 2024

Based on the information available to the Manager, as at 6 March 2024, the unitholdings of Substantial Unitholders of CICT are as follows:

	Direct Interest		Deemed Interest	
Name of Substantial Unitholder	**No. of Units**	**%[1]**	**No. of Units**	**%[1]**
Temasek Holdings (Private) Limited (THPL)[2]	–	–	1,600,901,994	24.04
Tembusu Capital Pte. Ltd. (Tembusu)[3]	–	–	1,576,965,415	23.68
Bartley Investments Pte. Ltd. (Bartley)[4,5]	–	–	1,538,387,447	23.10
Mawson Peak Holdings Pte. Ltd. (Mawson)[4,5]	–	–	1,538,387,447	23.10
Glenville Investments Pte. Ltd. (Glenville)[4,5]	–	–	1,538,387,447	23.10
TJ Holdings (III) Pte. Ltd. (TJ Holdings (III))[4,5]	–	–	1,538,387,447	23.10
CLA Real Estate Holdings Pte. Ltd. (CLA)[6]	–	–	1,538,387,447	23.10
CapitaLand Group Pte. Ltd. (CLG)[7]	29,451	N.M.[8]	1,538,357,996	23.10
CapitaLand Investment Limited (CLI)[9]	–	–	1,538,357,996	23.10
CLI Singapore Pte. Ltd. (CLIS)[10]	–	–	1,479,546,983	22.22
SBR Private Limited (SBR)	537,585,792	8.07	–	–
BlackRock, Inc. (Blackrock)[11]	–	–	456,106,914	6.85

1 The percentage is based on 6,657,723,344 Units in issue as at 6 March 2024. Percentages are rounded down to the nearest 0.01%.
2 THPL is deemed to have an interest in the unitholdings in which its subsidiaries (including but not limited to CLA) and associated companies have or are deemed to have an interest pursuant to Section 4 of the Securities and Futures Act 2001 (SFA).
3 Tembusu is deemed to have an interest in the unitholdings in which its subsidiaries (including but not limited to CLA) have or are deemed to have an interest pursuant to Section 4 of the SFA.
4 THPL holds 100% of the equity interest in Tembusu, which holds 100% of the equity interest in Bartley, which holds 100% of the equity interest in Mawson, which holds 100% of the equity interest in Glenville, which holds 100% of the equity interest in TJ Holdings (III), which holds 100% of the equity interest in CLA, which holds 100% of the equity interest in CLG. CLI is a subsidiary of CLG.
5 Each of THPL, Tembusu, Bartley, Mawson, Glenville and TJ Holdings (III) is deemed to have an interest in the unitholdings in which CLA is deemed to have an interest pursuant to Section 4 of the SFA.
6 CLA is deemed to have an interest in the unitholdings in which CLG has or is deemed to have an interest pusuant to Section 4 of the SFA.
7 CLG is deemed to have an interest in the unitholdings that CLI is deemed to have an interest pursuant to Section 4 of the SFA.
8 Not meaningful
9 CLI is deemed to have an interest in the unitholdings of (i) its indirect wholly owned subsidiaries, namely Pyramex Investments Pte Ltd (PIPL), Albert Complex Pte Ltd (ACPL), Premier Healthcare Services International Pte Ltd (PHSIPL), E-Pavilion Pte. Ltd. (E-Pavilion) and SBR through its direct wholly owned subsidiary, CLIS (ii) its indirect wholly owned subsidiary, namely CapitaLand Integrated Commercial Trust Management Limited through its direct wholly owned subsidiary, CLI Asset Management Pte. Ltd. and (iii) its direct wholly owned subsidiary, Carmel Plus Pte. Ltd..
10 CLIS is deemed to have an interest in the unitholdings of its direct wholly owned subsidiaries, namely PIPL, ACPL, PHSIPL, E-Pavilion and SBR.
11 BlackRock, Inc. is deemed to have an interest in the units held by the various funds managed by BlackRock investment advisors.

PUBLIC FLOAT

Based on the information made available to the Manager, approximately 69% of the Units were held in the hands of the public as at 6 March 2024. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

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CORPORATE INFORMATION

CAPITALAND INTEGRATED COMMERCIAL TRUST

Registered Address
HSBC Institutional Trust Services (Singapore) Limited
10 Marina Boulevard
Marina Bay Financial Centre
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Singapore 018983

Website & Email Address
www.cict.com.sg
ask-us@cict.com.sg

Trading Name
CapLand IntCom T

Trading Code
C38U

TRUSTEE

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10 Marina Boulevard
Marina Bay Financial Centre
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AUDITOR

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Chartered Accountants
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Partner-In-Charge:
Leong Kok Keong
(With effect from financial year ended 31 December 2022)

THE MANAGER

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CapitaLand Integrated Commercial Trust Management Limited
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Singapore 068912
Tel: (65) 6713 2888
Fax: (65) 6713 2999

BOARD OF DIRECTORS

Ms Teo Swee Lian
Chairman & Non-Executive Independent Director

Mr Tony Tan Tee Hieong
Chief Executive Officer & Executive Non-Independent Director

Mrs Quek Bin Hwee
Non-Executive Independent Director

Mr Leo Mun Wai
Non-Executive Independent Director

Ms Jeann Low Ngiap Jong
Non-Executive Independent Director

Mr Stephen Lim Beng Lin
Non-Executive Independent Director

Mr Tan Boon Khai
Non-Executive Independent Director

Mr Jonathan Yap Neng Tong
Non-Executive Non-Independent Director

Ms Janine Gui Siew Kheng
Non-Executive Non-Independent Director

AUDIT AND RISK COMMITTEE

Mrs Quek Bin Hwee (Chairman)
Mr Leo Mun Wai
Ms Jeann Low Ngiap Jong
Mr Tan Boon Khai

EXECUTIVE COMMITTEE

Mr Jonathan Yap Neng Tong (Chairman)
Mr Tony Tan Tee Hieong
Ms Janine Gui Siew Kheng

NOMINATING AND REMUNERATION COMMITTEE

Ms Teo Swee Lian (Chairman)
Mr Stephen Lim Beng Lin
Mr Jonathan Yap Neng Tong

COMPANY SECRETARIES

Ms Lee Ju Lin, Audrey
Ms Tee Leng Li

THE PROPERTY MANAGERS

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CapitaLand Commercial Management Pte. Ltd.
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This Annual Report to Unitholders may contain forward-looking statements. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in customer demands, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including property operating expenses, employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and on the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management regarding future events.

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