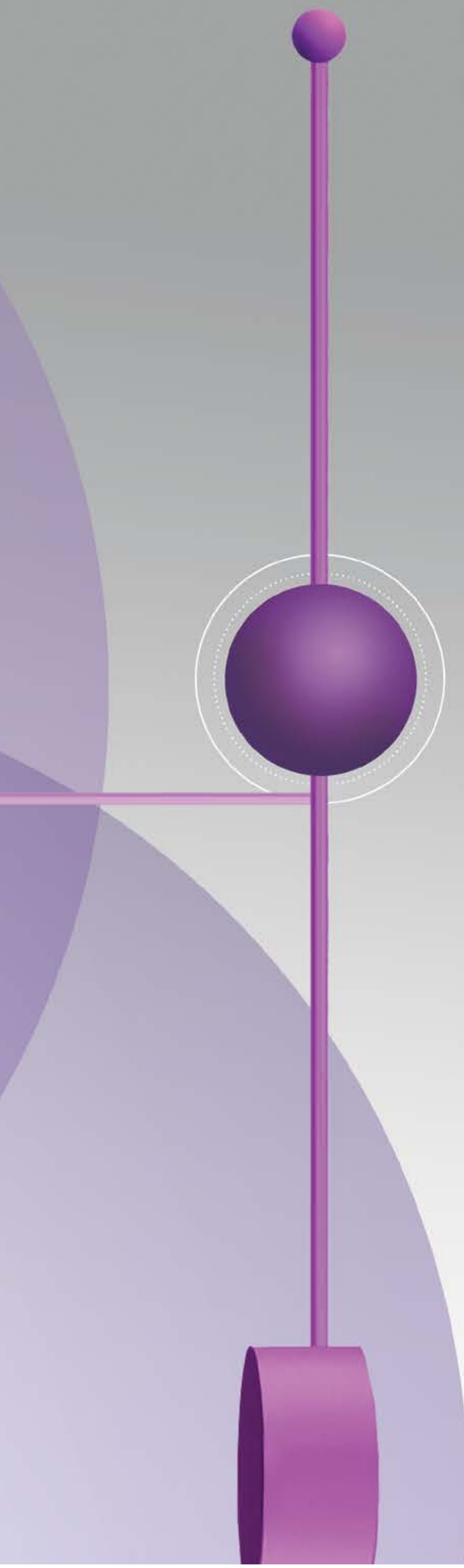
ANNUAL REPORT 2023

CAPITALAND ASCOTT TRUST

CapitaLand Ascott Trust

As a responsible steward, we are committed to delivering sustainable returns and creating value for our Stapled Securityholders in a disciplined manner.



WHERE IDEAS TAKE SHAPE

At CapitaLand Ascott Trust, we remain focused on creating long-term sustainable value for our stakeholders. We bring diverse ideas and leverage our global real estate investment management expertise across our multifaceted portfolio of serviced residences, hotels, rental housing and student accommodation properties – supported by a 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.

CONTENTS

ABOUT CAPITALAND ASCOTT TRUST

CapitaLand Ascott Trust (CLAS) is the largest lodging trust in Asia Pacific with an asset value of S$8.7 billion as at 31 December 2023. Having listed on the Singapore Exchange Securities Trading Limited (SGX-ST) since March 2006, CLAS' objective is to invest primarily in income-producing real estate and real estate-related assets which are used or predominantly used as serviced residences, rental housing properties, student accommodation and other hospitality assets in any country in the world. CLAS is a constituent of the FTSE EPRA Nareit Global Real Estate Index Series (Global Developed Index).

CLAS' international portfolio comprises 106 properties with over 19,000 units in 45 cities across 16 countries in Asia Pacific, Europe and the United States of America as at 31 December 2023.

CLAS' properties are mostly operated under the Ascott, Somerset, Quest and Citadines brands. They are mainly located in key gateway cities such as Barcelona, Berlin, Brussels, Hanoi, Ho Chi Minh City, Jakarta, Kuala Lumpur, London, Manila, Melbourne, Munich, New York, Paris, Perth, Seoul, Singapore, Sydney and Tokyo.

CLAS continued to receive recognition in 2023 for its commitment to upholding high standards of corporate governance, investor engagement and sustainability. CLAS retained its top spot in the REITs and Business Trusts category of the Singapore Governance and Transparency Index 2023 for the third year running. CLAS was also named "Global Sector Leader (Listed – Hotel)" in the 2023 GRESB Real Estate Assessment for the third consecutive year, in recognition of its outstanding leadership in sustainability. CLAS is a constituent of the iEdge-UOB APAC Yield Focus Green REIT Index and the iEdge-OCBC Singapore Low Carbon Select 50 Capped Index.

CLAS is a stapled group comprising CapitaLand Ascott Real Estate Investment Trust (CapitaLand Ascott REIT) and CapitaLand Ascott Business Trust (CapitaLand Ascott BT). CLAS is managed by CapitaLand Ascott Trust Management Limited (as manager of CapitaLand Ascott REIT) and CapitaLand Ascott Business Trust Management Pte. Ltd. (as trustee-manager of CapitaLand Ascott BT). The manager and trustee-manager are wholly-owned subsidiaries of Singapore-listed CapitaLand Investment Limited, a leading global real estate investment manager with a strong Asia foothold.

OUR VISION

To be the premier hospitality trust with quality assets in key global cities

OUR MISSION

To deliver stable and sustainable returns to Stapled Securityholders

S$8.7B
Total Assets

106
Properties

>19,000
Units

16
Countries

45
Cities

FY 2023 KEY HIGHLIGHTS

CONTINUED GROWTH IN DISTRIBUTIONS

16% YoY increase to 6.57 cents
Distribution per Stapled Security

23% YoY increase to S$148
Revenue per Available Unit

ACTIVE PORTFOLIO RECONSTITUTION AND ASSET ENHANCEMENT

Accretive acquisition of **S$530.8M** in lodging properties

Divesting **S$260.1M** in mature properties

Completed **development of Standard at Columbia,** with strong occupancy of >90% upon opening

Embarked on **5 asset enhancement initiatives,** with 3 more commencing in 2024

Standard at Columbia, South Carolina, USA

PRUDENT CAPITAL MANAGEMENT, HEALTHY FINANCIAL POSITION

Received strong support from investors and capital partners
>S$400M of debt refinanced, including the issuance of S$220M in medium-term notes

Successfully raised S$303.1M in equity despite challenging market conditions

Credit rating upgraded to **BBB** (Stable Outlook)

2% increase in portfolio valuation

81% Debt effectively on fixed rates

37.9% Healthy gearing

2.4% p.a. Low average cost of debt

4.0 times Robust interest cover

LEADERSHIP IN SUSTAINABILITY

Global Sector Leader (Listed - Hotel)
2023 GRESB Real Estate Assessment

Inclusion into **iEdge-UOB APAC Yield Focus Green REIT Index**

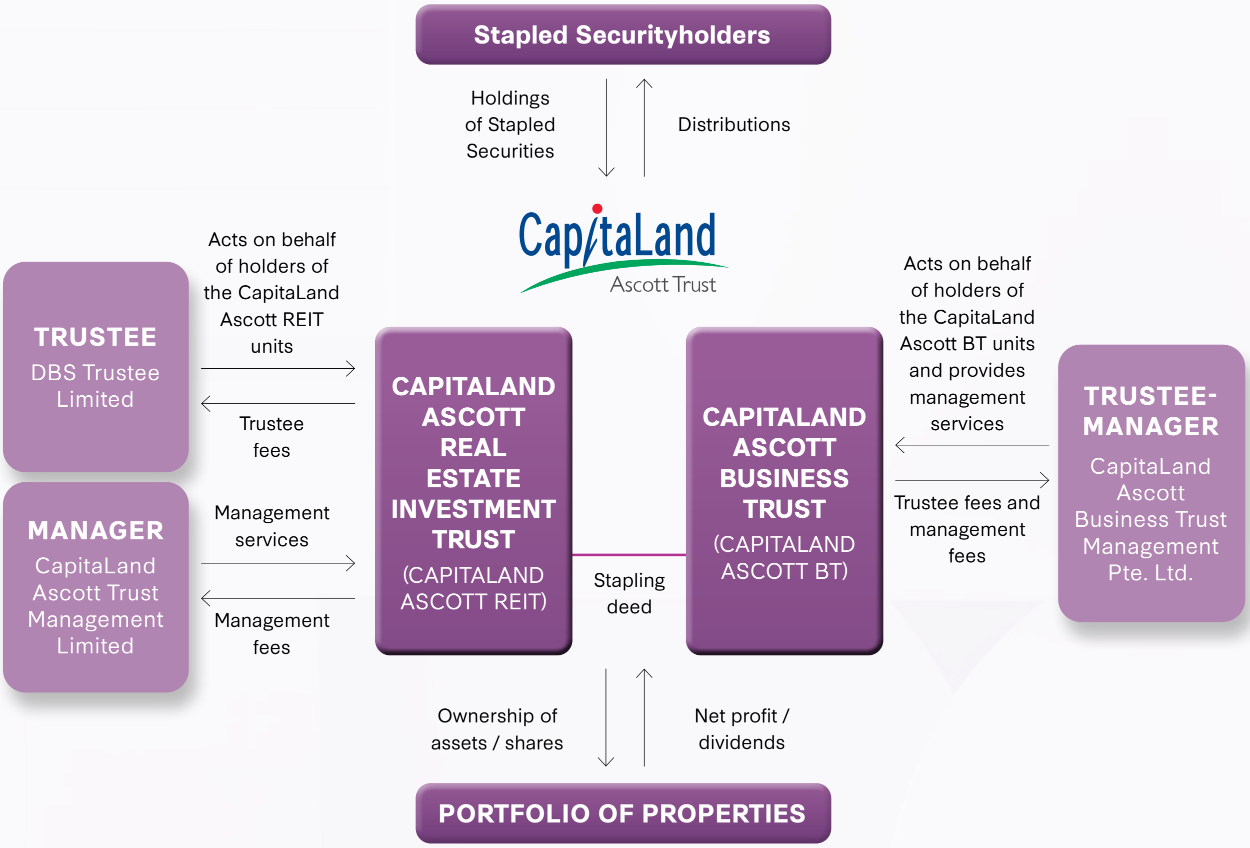
Ranked 1ST
2023 Singapore Governance and Transparency Index (REITs and Business Trusts)

Published first **externally assured[1] sustainability report** in accordance with ISAE 3000

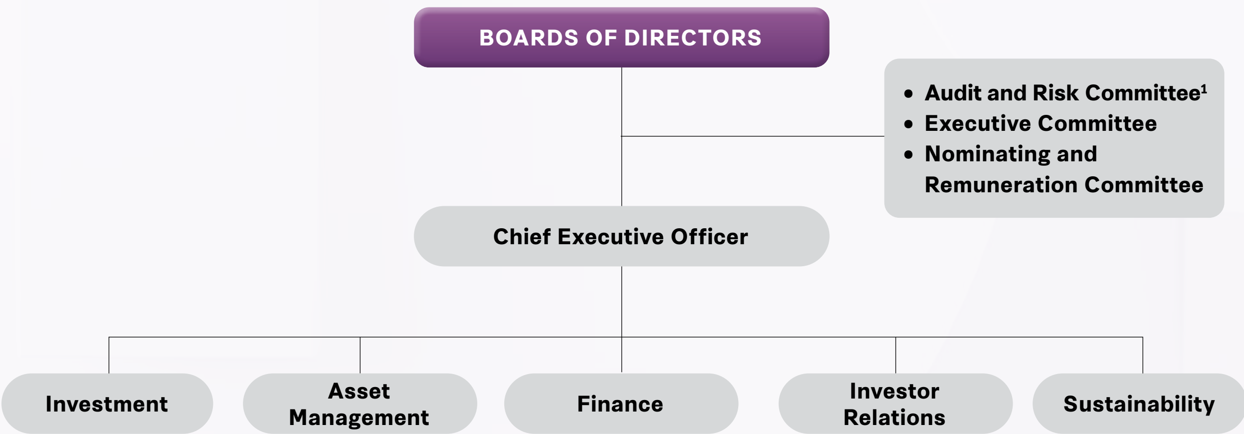
1 Limited assurance over a selection of key ESG indicators and indicators from the GRI standards, as well as CLAS' progress against the sustainability performance targets of its sustainability-linked bonds

TRUST STRUCTURE

CapitaLand Ascott Trust (CLAS) is a stapled group comprising CapitaLand Ascott Real Estate Investment Trust (CapitaLand Ascott REIT), a real estate investment trust, and CapitaLand Ascott Business Trust (CapitaLand Ascott BT), a business trust, with the following structure:



ORGANISATION STRUCTURE



1 The Audit Committee was renamed the Audit and Risk Committee with effect from 1 January 2024.

5-YEAR FINANCIAL SUMMARY

For the Financial Year	2023	2022	2021	2020	2019
Gross Revenue (S$ million)	744.5	621.2	394.4	369.9	514.9
Gross Profit (S$ million)	338.2	282.8	173.3	149.6	252.6
Total Distribution (S$ million)	237.0	189.8	137.3	94.2	165.6
Distribution per Stapled Security (DPS) (cents)	6.57	5.67	4.32	3.03	7.61
Distribution Yield[1] (%)	6.64	5.40	4.19	2.81	5.72

Balance Sheet as at 31 December	2023	2022	2021	2020	2019
Total Assets (S$ million)	8,730.8	8,023.7	7,733.2	7,163.8	7,422.8
Stapled Securityholders' Funds (S$ million)	4,356.4	3,965.4	3,890.9	3,567.3	3,860.6
Total Borrowings (S$ million)	3,048.4	2,874.6	2,728.9	2,462.5	2,349.0

Financial Ratios as at 31 December	2023	2022	2021	2020	2019
Net Asset Value (NAV) per Stapled Security (S$)	1.16	1.15	1.19	1.15	1.25
Aggregate Leverage (%)	37.9	38.0	37.1	36.3	33.6
Interest Cover Ratio[2] (times)	4.0	4.4	3.7	2.7[3]	5.8[3]
Adjusted Interest Cover Ratio[4] (times)	3.4	3.6	2.8	2.0	3.9
Management Expense Ratio[5] (%)	1.2	1.1	1.0	1.0	0.8
Financial Derivatives as a Percentage of NAV[6] (%)	1.9	2.2	0.7	0.7	0.3

Other information as at 31 December	2023	2022	2021	2020	2019
Market Capitalisation[1] (S$ million)	3,725.7	3,617.9	3,374.8	3,356.7	4,100.5
Number of Stapled Securities in Issue (million)	3,763.3	3,445.6	3,276.5	3,108.0	3,083.1

1 Based on the closing price on the last trading day of each respective year. 2023: S$0.99, 2022: S$1.05, 2021: S$1.03, 2020: S$1.08 and 2019: S$1.33.
2 Refers to EBITDA (earnings before interest expense, income tax expense, depreciation and amortisation) before change in fair value of financial derivatives, change in fair value of investment properties, investment properties under development and assets held for sale, revaluation surplus/(deficit) on land and buildings, and foreign exchange differences over interest expense.
3 Restated to exclude the interest expense on lease liabilities following the release of the circular dated 28 December 2021 from Monetary Authority of Singapore to exclude the interest expense on lease liabilities in the computation.
4 Refers to EBITDA before change in fair value of financial derivatives, change in fair value of investment properties, investment properties under development and assets held for sale, revaluation surplus/(deficit) on land and buildings, and foreign exchange differences over interest expense and distributions on hybrid securities as defined in the Code on Collective Investment Schemes. Perpetual securities are the only hybrid securities that CLAS holds.
5 Refers to expenses (excluding direct expenses, foreign exchange differences, net interest expense, change in fair value of financial derivatives, change in fair value of investment properties, investment properties under development and assets held for sale, revaluation surplus/(deficit) on land and buildings, investment properties written off and income tax expense) over net asset value.
6 Financial derivatives refer to the cross currency interest rate swaps, currency forwards and interest rate swaps which CLAS has entered into.

Q&A IN CONVERSATION WITH CHAIRMAN & CEO

MR TAN BENG HAI, BOB
Chairman

MS TEO JOO LING, SERENA
Chief Executive Officer

As a responsible steward, we are committed to delivering sustainable returns and creating value for our Stapled Securityholders in a disciplined manner. CLAS delivered a strong performance in FY 2023, increasing Distribution per Stapled Security by 16%.

Over the past three years, we have divested properties at a premium to book value and the proceeds have been successfully reinvested into higher-yielding assets, improving the returns and resilience of CLAS' portfolio.

Q **How did CapitaLand Ascott Trust perform in the financial year 2023 (FY 2023)? What were the tailwinds and headwinds?**

A ***Chairman:*** CLAS delivered a strong performance in FY 2023, increasing Distribution per Stapled Security (DPS) by 16% year-on-year (YoY) to 6.57 Singapore cents. This is the third consecutive year we have increased DPS since FY 2020 despite the pandemic. Excluding one-off items[1], our adjusted DPS was 14% higher YoY.

The rise was due to our strong operating performance and acquisitions of quality assets that have contributed to our income. Our balanced portfolio of stable and growth income streams enables CLAS to capture growth opportunities while remaining resilient amidst uncertainties.

Our serviced residences and hotels continued to benefit from the recovery of the hospitality sector as global flight capacities increased and demand for travel picked up. The increase in tourism as well as business activities and meetings, incentives, conventions and exhibitions (MICE), particularly in gateway cities, were key demand drivers for our properties.

In the fourth quarter of 2023 (4Q 2023), CLAS' portfolio Revenue per Available Unit (RevPAU) was at 103% of pre-pandemic levels. The average occupancy of our portfolio was 77%, and average daily rates were more than 10% above pre-pandemic levels.

CLAS' key markets, Australia, Japan, Singapore, United Kingdom and the United States of America continued to exceed pre-pandemic same-store levels. Japan posted the strongest YoY growth in RevPAU, fuelled by the reopening of its international borders in late-2022. The RevPAU of our properties in Vietnam and China continued to improve through FY 2023 to over 85% of pre-pandemic levels in 4Q 2023.

The return of outbound travel from China was slower than expected, however, as flight capacities and sentiment towards international travel had not fully recovered.

As we rode the tailwinds of the hospitality sector, CLAS' diversified and well-balanced portfolio offered resilience amidst macroeconomic and geopolitical uncertainties and inflationary pressures.

The 11 longer-stay properties (rental housing and student accommodation properties) we acquired in FY 2022 contributed to our stable income streams in FY 2023.

Our serviced residences and longer-stay properties, which predominantly serve long-stay guests, have leaner operating structures and lower manning requirements. In addition, we work with our operators on cost containment measures to manage our operating expenses. Our prudent capital management has also enabled CLAS to mitigate the impact of higher interest rates and foreign currency movements.

With the stronger operating performance and contributions from new properties, CLAS' growth in revenue was more than sufficient to mitigate the rise in operating and financing costs in FY 2023.

The improvement in our operating performance and outlook also resulted in an increase of about 2% in CLAS' portfolio valuation, notwithstanding higher capitalisation and discount rates across most markets.

Q **How does portfolio reconstitution enable CLAS to create greater value for Stapled Securityholders?**

A ***Chairman:*** Through our active portfolio reconstitution strategy, we constantly monitor the growth potential of our properties and seek opportunities to enhance the quality of our portfolio to deliver sustainable returns to Stapled Securityholders. CLAS divests properties which have reached the optimal stage of their life cycle and recycles the proceeds into value-adding opportunities through accretive acquisitions, asset enhancement initiatives (AEIs) or new development projects.

Over the past three years, we have divested properties at a premium to book value, unlocking gains for Stapled Securityholders, and the proceeds from the divestments have been successfully reinvested into higher-yielding assets, improving the returns and resilience of CLAS' portfolio.

From July 2023 to February 2024, we entered into agreements to divest 10 properties for S$408.1 million, at an average exit yield of 3.8%[2]. The exit yield compares favourably to the EBITDA yield of 6.2%[3] of the acquisitions we entered into in FY 2023.

1 Comprising realised exchange gain in FY 2022 and FY 2023.
2 Exit yield of the France and Australia properties is computed based on FY 2022 Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA), and the exit yield of the Singapore property is computed based on FY 2023 EBITDA. The exit yield for the Japan portfolio is not meaningful as the properties were largely closed in 2022.
3 The EBITDA yield of 6.2% is on a FY 2022 *pro forma* basis and based on agreed property value of the properties excluding the milestone payment and before AEIs, if any. Including the milestone payment, the EBITDA yield is 5.1%.

We are guided by our medium-term asset allocation target, which is to have 25-30% of our total portfolio value in longer-stay properties, and the remaining 70-75% in hospitality assets, for a balanced mix of stable and growth income streams.

CEO: In FY 2023, we divested four mature serviced residences in regional France for a total of EUR44.4 million (S$64.7 million) at 63% above book value. The proceeds from the divestment have been used for our AEIs in Europe, and to partially finance the acquisition in Dublin.

Apart from the properties in France, we also announced the divestment of three properties in Osaka, Japan, for a total of JPY10.7 billion (S$99.8 million) at 15% above book value and two mature hotels in the outskirts of Sydney, Australia, for a total of AUD109.0 million (S$95.6 million) at 5% above book value.

In February 2024, we announced the divestment of Citadines Mount Sophia Property Singapore, a serviced residence in Singapore, for S$148.0 million, close to S$1.0 million a key, and 19% above the property's book value.

The divestments in Japan, Australia and Singapore, which have, or are expected to be completed in 2024, offer us the flexibility to redeploy the proceeds into more optimal uses such as investing into higher-yielding assets and funding our AEIs. The divestments also enable us to strengthen our balance sheet and potentially lower gearing by close to 2 percentage points.

On acquisitions, the three properties in London, Dublin and Jakarta were acquired at a combined agreed property value of S$530.8 million. The EBITDA yield of 6.2% translates into DPS accretion of 1.8%. The properties are well-located and primed to capture travel demand.

The Cavendish London is situated in the exclusive Mayfair high-end shopping district of central London, and presents an excellent value-add opportunity for CLAS. The property will be renovated and rebranded under The Crest Collection brand, a luxury collection brand managed by Ascott, and AEI costs will be co-shared with the operator.

Following the renovation and stabilisation of the property, the EBITDA yield of The Cavendish London is expected to increase to 6.5%, and its valuation is expected to be GBP316.0 million in 2027[4]. This is an increase of GBP97.0 million from the valuation of GBP219.0 million as at 31 December 2023.

The Temple Bar Hotel is in the Temple Bar district of Dublin, which is a high-traffic area near iconic attractions. Ascott Kuningan Jakarta is in the capital city's central business district, close to embassies and commercial offices.

Q **What can investors look forward to in FY 2024?**

A ***Chairman:*** We remain cautiously optimistic about the outlook for CLAS and will continue to be proactive in our portfolio management.

The global economy is expected to grow 3.1% in 2024, maintaining the same pace of growth as in 2023[5]. The resilience of the world's major economies in conjunction with a fall in inflation has decreased the likelihood of a hard landing[5].

International visitor arrivals, which were at 88% of pre-pandemic levels in 2023, are projected to make a full recovery in 2024[6]. China's international air travel market is also expected to extend its recovery, with weekly flights projected to resume to 80% of pre-pandemic levels by the end of the year[7].

The anticipated increase in flight capacities and visitor arrivals bode well for CLAS. RevPAU growth, which may moderate after the strong rebound in FY 2023, is expected to be primarily driven by increased occupancies as average daily rates stabilise. To mitigate rising operating and financing costs, we remain disciplined in our cost and capital management.

CEO: In FY 2023, we renewed the master leases for seven of our properties in France. Under the new rent structure, the fixed rent provides resilience while the variable rent enables us to capture the demand from increased travel. Five of the seven properties are in Paris, and are expected to enjoy an uplift from the Paris 2024 Summer Olympics. The total rent for the seven French master leases in FY 2024 is projected to be approximately 28% higher under the renewed master leases[8].

4 Based on the valuation by HVS London.
5 Source: International Monetary Fund (2024)
6 Source: World Tourism Organization (2024)
7 Source: Civil Aviation Administration of China (2024)
8 Based on HVS' lease benchmarking report.

To drive further organic growth, we have announced AEI plans for eight of our properties. The properties are in prime locations of key gateway cities such as London, Singapore, Sydney and Paris.

The rebranding and refurbishment of Riverside Hotel Robertson Quay to The Robertson House by The Crest Collection, a luxury hotel, has been completed in 1Q 2024. The remaining AEI projects are expected to be completed between 2024 and 2026.

We are grateful for the strong support of our investors and capital partners despite the challenging market environment. This has enabled us to strengthen our financial position and push forth with our value creation initiatives. In 2024, we will continue to focus on executing our pipeline of AEIs, while evaluating opportunities for portfolio reconstitution to enhance the quality and yield of our portfolio.

We will continue to exercise prudence in our capital management. CLAS has an investment grade credit rating of BBB with a stable outlook by Fitch Ratings. As at 31 December 2023, our average cost of debt was 2.4% per annum and it is expected to increase in FY 2024 as some of our debt is refinanced. However, the increase will be mitigated, with about 81% of CLAS' debt effectively on fixed rates. Our gearing and interest cover are healthy at 37.9% and 4.0 times respectively. Our exposure to foreign exchange movements is mitigated by our geographically diversified portfolio and hedging strategies.

Q **How does CLAS pursue growth responsibly?**

A ***CEO:*** CLAS remains committed to meeting our sustainability goals. Sustainability is at the heart of what we do and it is factored into the different stages of the real estate cycle, such as when we acquire, develop or refurbish properties. We also work with like-minded operators who manage our properties in a sustainable manner. CLAS is also able to leverage our sustainability achievements to explore sustainable financing options, enabling us to further mitigate our cost of borrowing.

As at 31 December 2023, about 49% of CLAS' gross floor area is green certified and CLAS has over S$550 million in sustainable financing. As testament to our commitment towards sustainability, CLAS has been recognised by GRESB as the "Global Sector Leader (Listed – Hotel)" for the third year in a row and included as a constituent of the iEdge-UOB APAC Yield Focus Green REIT Index in 2023.

We will continue to build a sustainable portfolio, in alignment with CapitaLand Investment's 2030 Sustainability Master Plan.

Chairman: As a responsible steward, we are committed to delivering sustainable returns and creating value for our Stapled Securityholders in a disciplined manner.

We have achieved steady growth in our DPS over the past three years and built a stronger and more resilient portfolio. CLAS is the largest lodging trust in Asia Pacific with a diversified portfolio across more than 45 cities and 16 countries. CLAS' portfolio today marries growth with stability – hospitality assets which are well-positioned to capture growth opportunities in an upturn, balanced by longer-stay properties which provide stable income streams and are counter cyclical. In addition, CLAS is in a robust financial position and continues to receive strong support from our Sponsor.

In 2023, CLAS was ranked first in the Singapore Governance and Transparency Index for the REITs and Business Trusts category for the third consecutive year.

As part of the Boards' renewal, I would like to welcome Mr Lui Chong Chee and Mr Max Loh who have joined the Boards in February 2024 and November 2023 respectively. I would also like to express our appreciation to Mr Melvyn Ong, who stepped down from the Boards in January 2024, for his invaluable contributions.

I will be retiring from the Boards with effect from 22 April 2024 and would like to thank our Stapled Securityholders, guests and business partners for their support over the past nine years. It has been a privilege working alongside an outstanding management team and very committed and supportive directors in bringing CLAS to what it is today. Going forward, I have every confidence that under Chong Chee, the new chairman of the Boards, CLAS will continue to do well for our Stapled Securityholders and achieve even greater heights.

OUR BOARDS OF DIRECTORS

Tan Beng Hai, Bob
Chairman
Non-Executive Independent Director

Teo Joo Ling, Serena
Chief Executive Officer
Executive Non-Independent Director

Sim Juat Quee Michael Gabriel
Non-Executive Independent Director

Chia Kim Huat
Non-Executive Independent Director

Deborah Lee Siew Yin
Non-Executive Independent Director

Max Loh Khum Whai
Non-Executive Independent Director

Lui Chong Chee
Non-Executive Independent Director

Goh Soon Keat Kevin
Non-Executive Non-Independent Director

Beh Siew Kim
Non-Executive Non-Independent Director

TAN BENG HAI, BOB, 72

Chairman
Non-Executive Independent Director

- Fellow, Institute of Chartered Accountants in England and Wales, UK

Date of first appointment as a Director
24 April 2015
Date of appointment as Chairman
1 September 2016
Length of service as a Director (as at 31 December 2023)
8 years 8 months

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

Present directorships in other listed companies
- Singapore Post Limited
- SBS Transit Ltd

Present principal commitments (other than directorships in other listed companies)
- CapitaLand Ascott Trust Management Limited and CapitaLand Ascott Business Trust Management Pte. Ltd. (Chairman)
- Jurong Engineering Limited (Chairman)
- Sentosa Development Corporation (Chairman)

Past directorships in other listed companies held over the preceding three years
- Sembcorp Marine Ltd

Background and working experience
- Managing Director, Novar International Pte Ltd (2000 to 2005)
- Managing Director, Caradon Asia-Pacific Pte Ltd (1990 to 2000)
- General Manager, MK Electric (Singapore) Pte Limited (1980 to 1990)
- Overseas Operations Accountant, MK Electric Ltd (England) (1977 to 1980)
- Articled Clerk, Bowker Orford & Co (England) (1972 to 1977)

Awards
- NTUC May Day Award – Distinguished Service Star Award 2022 (highest award)
- NTUC May Day Distinguished Service Award in 2018
- The Meritorious Service Medal (Pingat Jasa Gemilang) – National Day Award in 2017
- NTUC May Day Meritorious Service Award in 2013
- Public Service Star Award (Bintang Bakti Masyarakat - BBM) – National Day Award in 2010
- NTUC May Day Friend of Labour Award in 2000

TEO JOO LING, SERENA, 50

Chief Executive Officer
Executive Non-Independent Director

- Master in Business Administration, INSEAD
- Bachelor of Electrical and Electronic Engineering (Honours), National University of Singapore

Date of first appointment as a Director
1 July 2022
Length of service as a Director (as at 31 December 2023)
1 year 6 months

Board committee served on
- Executive Committee (Member)

Present principal commitments
- CapitaLand Ascott Trust Management Limited and CapitaLand Ascott Business Trust Management Pte. Ltd. (Chief Executive Officer and Executive Non-Independent Director)

Background and working experience
- CapitaLand Ascott Trust Management Limited and CapitaLand Ascott Business Trust Management Pte. Ltd.
  - Chief Executive Officer (2022 to present)
  - Deputy Chief Executive Officer (2021 to 2022)
- Ascendas Funds Management (S) Limited
  - Head, Portfolio Management (2019 to 2021)
  - Head, Singapore Portfolio & Asset Management (2018 to 2019)
- Ascendas Services Pte Ltd
  - Head, Operations and Services (2015 to 2018)
- Ascendas Land (S) Pte Ltd
  - Head, Group Strategy Management (2013 to 2015)
  - Vice President, Group Strategy Management (2008 to 2011)
- Ascendas India Development Fund Management Pte Ltd
  - Vice President, Fund Management (2011 to 2013)
- EDB Investments Pte Ltd
  - Senior Investment Manager (2008)
- EDB
  - Programme Director (2007)
  - Head, Semiconductors (1998 to 2006)
- Chartered Semiconductors Manufacturing
  - Reliability Engineer (1996 to 1997)

OUR BOARDS OF DIRECTORS

SIM JUAT QUEE MICHAEL GABRIEL, 68

Non-Executive Independent Director

- Fellow, Association of Chartered Certified Accountants, UK
- Fellow, Institute of Singapore Chartered Accountants
- Fellow, Certified Public Accountant, Australia
- Master of Business Administration, University of South Australia, Australia
- Certified Fraud Examiner, Association of Certified Fraud Examiners

Date of first appointment as a Director
1 September 2016
Length of service as a Director (as at 31 December 2023)
7 years 4 months

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

Present principal commitments
- Accounting Standard for Statutory Boards (Member, Advisory Committee)
- Catholic Welfare Services (Member, Board of Governors)
- Jurong Town Corporation (Board Member)
- Platanetree Capital Pte. Ltd. (Executive Director)
- Roman Catholic Archdiocese of Singapore (Chairman, Archdiocesan Audit Committee)

Background and working experience
- Advisory and Assurance Partner, Ernst & Young (1995 to 2015)

CHIA KIM HUAT, 57

Non-Executive Independent Director

- Bachelor of Law (Honours), National University of Singapore
- Advocate & Solicitor, Supreme Court of Singapore

Date of first appointment as a Director
15 April 2020
Length of service as a Director (as at 31 December 2023)
3 years 8 months

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

Present directorships in other listed companies
- SATS Ltd

Present principal commitments (other than directorships in other listed companies)
- Partner, Rajah & Tann Singapore LLP

Other major appointments
- Business China's Go East Committee (Co-Chairman)
- Business China’s FutureChina’s Committee (Co-Chairman)
- Chinese Development Assistance Council (Director)
- Dunman High School (Treasurer, School Advisory Committee)
- Singapore Centre for Chinese Language (Director)
- Singapore Chinese Chamber of Commerce (Director and Company Secretary, Financial Board)
- Singapore Chinese Chamber of Commerce Foundation (Director and Company Secretary)
- Singapore Chinese Chamber of Commerce & Industry (Chairman, Commerce & Industry)
- Sun Yat Sen Nanyang Memorial Hall Co Ltd (Company Secretary)

Background and working experience
- Partner (Regional Head, Corporate & Transactional Practice), Rajah & Tann Singapore LLP (present)

Awards
- Eminent Practitioner in Capital Markets by Chambers Global
- Foreign Expert in China in Capital Markets by Chambers Asia Pacific
- Elite Practitioner in Capital Markets, Corporate and M&A – Asialaw
- Leading Individual in Capital Markets: Equity and Debt – The Legal 500
- Highly Regarded in Capital Markets – IFLR1000
- Ranked in Best Lawyers for Capital Markets, Corporate and Mergers & Acquisitions
- Global Leader in M&A, Capital Markets – Debt & Equity, Corporate Governance, Hospitality – Who’s Who Legal
- National Leader in Southeast Asia – M&A, Capital Markets, Corporate Governance – Who’s Who Legal

DEBORAH LEE SIEW YIN, 66

Non-Executive Independent Director

- Bachelor of Accountancy (Honours), National University of Singapore
- Degree of Master of Science (Applied Finance), National University of Singapore
- Chartered Financial Analyst® and Member, CFA Institute

Date of first appointment as a Director
17 June 2020
Length of service as a Director (as at 31 December 2023)
3 years 6 months

Board committees served on
- Audit and Risk Committee (Member)
- Nominating and Remuneration Committee (Member)

Present directorships in other listed companies
- Metro Holdings Limited

Present principal commitments (other than directorships in other listed companies)
- Singapore University of Technology and Design (Member, Board of Trustees)
- Singapore University of Technology and Design (Chairperson, Finance Committee)

Background and working experience
- Director, WTL Capital Pte Ltd (1994 to present)
- Executive Vice-President, Corporate Development of Singapore Press Holdings Ltd (2007 to 2015)
- Consultant, specialising in corporate development work and mergers and acquisitions (2002 to 2006)
- Senior Vice-President, Business Development, Wuthelam Group (1991 to 2001)
- Business Development Manager, Hewlett-Packard Singapore (Pte) Ltd (1979 to 1991)
- Auditor, Price Waterhouse (1979)

MAX LOH KHUM WHAI, 62

Non-Executive Independent Director

- Bachelor of Accountancy (Honours), National University of Singapore
- Fellow Chartered Accountant, Institute of Singapore Chartered Accountants (ISCA)
- Fellow Certified Public Accountant, CPA Australia
- Fellow Member, Singapore Institute of Directors

Date of first appointment as a Director
23 November 2023
Length of service as a Director (as at 31 December 2023)
1 month

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

Major appointments
- Competition & Consumer Commission of Singapore (Chairman)
- SPH Media Holdings Limited (Director)

Background and working experience
- Managing Partner (Asean & Singapore), Ernst & Young LLP, Singapore (2011 to 2022)

Awards
- Public Service Medal, 2022

OUR BOARDS OF DIRECTORS

LUI CHONG CHEE, 63

Non-Executive Independent Director

- Bachelor of Science in Business Administration, New York University, United States
- Master of Business Administration, New York University, United States
- Advanced Management Program, Harvard Business School

Date of first appointment as a Director*

1 February 2024

*Mr Lui Chong Chee was first appointed as a Director of Ascott Residence Trust Management Limited from June 2008 to May 2010.

Past directorships in other listed companies held over the preceding three years

- CapitaLand Malaysia REIT Management Sdn. Bhd. (manager of CapitaLand Malaysia Trust)

Background and working experience

- Managing Director and Chief Executive Officer, Far East Orchard Limited, Singapore (2014 to 2019)
- Group Chief Financial Officer, Raffles Medical Group Limited, Singapore (2011 to 2014)
- Chief Executive Officer, CapitaLand Financial Limited (2008 to 2010)
- Chief Executive Officer, CapitaLand Residential Limited (2005 to 2008)
- Group Chief Financial Officer, CapitaLand Limited (2001 to 2005)
- Managing Director & Senior Vice President, Capital Markets Group, Citicorp Investment Bank (Singapore) Limited (1998 to 2001)

Awards

- Best Chief Executive Officer (mid-cap), Singapore Corporate Awards (2019)
- Asia Best Chief Financial Officer, Institutional Investor Magazine (2005)
- Asia Best Chief Financial Officer, Institutional Investor Magazine (2004)

GOH SOON KEAT KEVIN, 48

Non-Executive Non-Independent Director

- Bachelor of Mechanical Engineering (Honours), National University of Singapore
- Chartered Financial Analyst® and Member, CFA Institute

Date of first appointment as a Director

15 April 2020

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

3 years 8 months

Board committees served on

- Executive Committee (Chairman)
- Nominating and Remuneration Committee (Member)

Present directorships in other listed companies

- CapitaLand India Trust Management Pte. Ltd. (Trustee-Manager of CapitaLand India Trust)
- Jollibee Foods Corporation

Present principal commitments (other than directorships in other listed companies)

- Chief Executive Officer, Lodging, CapitaLand Investment Limited
- Chief Executive Officer, The Ascott Limited

Background and working experience

- The Ascott Limited
  - Chief Operating Officer (2016 to 2017)
- Ascott Property Management (Shanghai) Co., Ltd
  - Managing Director, North Asia & Ascott China Fund (2015 to 2016)
  - Managing Director, North Asia (2013 to 2015)
  - Regional General Manager, East & South China (2012 to 2013)
- Ascott International Management (2001) Pte Ltd
  - Head, Corporate Services (2009 to 2012)
  - Assistant Vice President, Business Analysis (China) (2007 to 2009)
- Accenture Pte Ltd
  - Manager (2006 to 2007)
  - Consultant (2003 to 2006)
  - Analyst (2001 to 2003)

BEH SIEW KIM, 53

Non-Executive Non-Independent Director

- Bachelor of Business (Accounting), University of Tasmania, Australia
- Member, Institute of Singapore Chartered Accountants

Date of first appointment as a Director

From 1 July 2022
(Non-Executive Non-Independent Director)
From 1 May 2017 to 30 June 2022
(Chief Executive Officer and Executive Non-Independent Director)

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

6 years 8 months

Board committee served on

- Executive Committee (Member)

Present principal commitments

- Chief Financial and Sustainability Officer and Managing Director, Japan and Korea, Lodging, CapitaLand Investment Limited
- Director, Audit & Risk Committee and HR & Remuneration Committee, Focus On the Family Singapore Limited

Background and working experience

- Chief Executive Officer and Executive Non-Independent Director, CapitaLand Ascott Trust Management Limited (2017 to 2022) and CapitaLand Ascott Business Trust Management Pte. Ltd. (2019 to 2022)
- Deputy Chief Executive Officer, CapitaLand Ascott Trust Management Limited (2017)
- Head, Corporate Planning & Compliance / Financial Controller, CapitaLand China (2008 to 2017)
- Vice President, Finance, CapitaLand Residential Limited (2007 to 2008)
- Vice President, Group Finance, SembCorp Industries Limited (2003 to 2007)
- Assurance Manager, Ernst & Young (2002 to 2003)
- Assurance Manager, Arthur Andersen (1999 to 2002)

THE MANAGERS

TEO JOO LING, SERENA

Chief Executive Officer
Executive Non-Independent Director

Ms Teo was appointed as an Executive Director on the Boards of the Managers on 1 July 2022 and serves as a member of the Executive Committee. As Chief Executive Officer, she is responsible for leading the overall strategic planning and implementation of the business, investment and operational strategies for CLAS. Ms Teo works with the Boards of Directors and the management team to establish CLAS' business strategies and plans, and to ensure the execution of such strategies. She has oversight of the investment, asset management, finance, investor relations and sustainability functions, and ensures that they are managed effectively.

Ms Teo has over 25 years of work experience spanning both private and public sectors. Prior to joining the Managers, she was with the Ascendas Group for over 12 years. Ms Teo was the Head, Portfolio Management for the manager of CapitaLand Ascendas Real Estate Investment Trust (formerly known as Ascendas Real Estate Investment Trust) and was responsible for formulating and executing business strategies to maximise the income and asset value of the REIT's properties. Her role also involved overseeing the property managers in the delivery of marketing and leasing, property management, lease management, customer care services and asset enhancement initiatives. Previously, Ms Teo also held various positions including Head of Operations & Services, Head of Group Strategy Management, and Vice President of Fund Management within the Ascendas Group.

Prior to the Ascendas Group, Ms Teo was in the Singapore Economic Development Board and EDB Investments where she spent more than 10 years in the development of the semiconductors and other electronics industries in Singapore, as well as direct equity investments in communications, software and logistics companies. She started her career as an engineer in Chartered Semiconductors.

Ms Teo holds a Master in Business Administration from INSEAD and a Bachelor in Electrical and Electronic Engineering (Honours) from the National University of Singapore.

KANG SIEW FONG

Chief Financial Officer

Ms Kang heads the finance team of the Managers and oversees all matters relating to financial management and reporting, accounting, risk management, treasury and capital management. The finance team works with the investment and asset management team to review, evaluate and execute acquisitions, divestments and annual business plans, with the focus on optimising portfolio value and ensuring implementation in accordance with CLAS' investment strategies.

Ms Kang has over 30 years of experience in the finance profession. Prior to joining the Managers, Ms Kang had been with The Ascott Limited (Ascott) for over 13 years and held various leadership positions including Vice President, Finance and Vice President, Business Development and Planning. While at Ascott, she was responsible for all aspects of Ascott's financial management and accounting, including preparation of the group consolidated accounts and quarterly reporting of financial results to the SGX-ST, coordinating with external auditors, and ensuring compliance with statutory reporting requirements and financial reporting standards. Ms Kang was also involved in merger and acquisition activities at Ascott, as well as the formulation and implementation of its financial policies and practices, budgeting and internal controls. She was also a key pioneer member of the team responsible for the listing of CLAS in 2006.

Ms Kang holds a Bachelor of Accountancy degree from the National University of Singapore. She is also a Chartered Accountant of the Institute of Singapore Chartered Accountants.

CHAN KIN LEONG GERRY
Managing Director, REIT Investments

Mr Chan heads the investment and asset management functions of the Managers, and oversees CLAS' investments, divestments, portfolio management and asset enhancements. He has about two decades of relevant experience, and has assumed various leadership positions in investment, asset management and capital markets.

Mr Chan has been instrumental in CLAS' strategic pivot towards longer-stay accommodation which includes rental housing and student accommodation. In January 2021, he led the expansion of CLAS' investment mandate to include student accommodation properties and subsequently executed a string of acquisitions, building a diversified and quality portfolio of nine student accommodation properties to date.

Prior to joining the Managers, Mr Chan held various leadership positions within the CapitaLand Group. He was Vice President, Business Development for CapitaLand Retail, successfully launching its commercial management business for APAC ex China. He was also with CapitaLand's Retail Division for eight years, during which he headed the investment functions of both CapitaLand Mall Trust and CapitaLand Malaysia Mall Trust. In those roles, he was the investment and asset manager responsible for various large-scale asset enhancement initiatives including the redeveloped Funan mixed-use development, Queensbay Mall repositioning, and the relaunch of SingPost Centre.

Mr Chan holds a Master of Business and a Bachelor of Accountancy from the Nanyang Technological University, Singapore. He is also a Chartered Financial Analyst® and Member of the CFA Institute.

WONG XIAO FEN, DENISE
Head, Investor Relations and Sustainability

Ms Wong heads the investor relations and sustainability functions of the Managers. She is responsible for providing strategic counsel to senior management and facilitating timely and effective communication with the investment community. In addition, she drives the sustainability efforts for CLAS, and is instrumental in elevating CLAS' commitment towards ESG and achieving its sustainability ambitions.

Ms Wong brings with her over 10 years of relevant experience. Prior to joining the Managers, Ms Wong assumed positions in the manager of Far East Hospitality Trust, where she was instrumental in the investor relations, asset management and compliance of the trust, and Financial PR Pte. Ltd., where she provided investor relations counsel to Singapore-listed companies in the real estate, construction and technology sectors. Ms Wong also held positions in wealth management and financial advisory.

Ms Wong obtained her Bachelor of Business Management from the Singapore Management University, with majors in Finance (Wealth Management) and Marketing. Ms Wong also obtained the International Certificate in Investor Relations from the Investor Relations Society of UK and Advanced Certificate in Sustainability & Sustainable Businesses from the Singapore Management University.

OUR GLOBAL PRESENCE

CLAS marries stability and growth, with its diversified geographic presence, range of lodging types and mix of income sources.

Europe
>> Page 49

FRANCE
12 properties
>> Page 50

UNITED KINGDOM
5 properties
>> Page 53

BELGIUM
2 properties
>> Page 55

GERMANY
5 properties
>> Page 56

IRELAND
1 property
>> Page 57

SPAIN
1 property
>> Page 58

Asia Pacific
>> Page 30

AUSTRALIA
14 properties
>> Page 31

CHINA
5 properties
>> Page 34

JAPAN
32 properties
>> Page 36

SINGAPORE
5 properties
>> Page 40

VIETNAM
5 properties
>> Page 43

INDONESIA
3 properties
>> Page 45

MALAYSIA
1 property
>> Page 46

SOUTH KOREA
2 properties
>> Page 47

THE PHILIPPINES
2 properties
>> Page 48

Reconstituting Our Portfolio
>> Page 22

Portfolio Overview
>> Page 26

RECONSTITUTING OUR PORTFOLIO

▲ Ascott Kuningan Jakarta, Indonesia

▸ Citadines Holborn-Covent Garden London, United Kingdom (artist's impression)

As part of CLAS' active portfolio reconstitution strategy, we proactively pursue investment, divestment and asset enhancement opportunities to enhance the quality of our portfolio and sustainability of returns to Stapled Securityholders.

Accretive acquisitions and asset enhancement initiatives (AEIs) create value for CLAS and improve the returns to Stapled Securityholders. CLAS invests in properties with prime locations and strong demand drivers. CLAS also undertakes AEIs to enhance the yield and profitability of its assets.

Divesting properties which have reached the optimal stage of their life cycle enables a more efficient use of capital, as the proceeds may be redeployed towards more optimal uses. This includes investing in higher-yielding assets, funding AEIs that can generate stronger yields or paying down higher interest rate debt.

Divested S$260.1M in assets at average exit yield of 4.3% in FY 2023, recycling capital into more optimal uses

DIVESTMENT

In FY 2023, CLAS entered into agreements to divest nine properties for a total price of S$260.1 million at an average exit yield of 4.3%[1].

Four mature properties in regional France were divested for a total of EUR44.4 million (S$64.7 million), at 63% above book value and an exit yield of about 4%. The divestment was completed in September 2023.

The other five properties comprise three hotels located in Osaka, Japan, and two hotels outside the city centre of Sydney, Australia.

The three hotels in Japan were divested for a total price of JPY10.7 billion (S$99.8 million), a 15% premium over book value. The divestment was completed on 14 March 2024. The total sale price of the two hotels in Australia was AUD109.0 million (S$95.6 million), 5% above the properties' total book value, which represents an exit yield of about 4.4%. The divestment of one of the hotels, Courtyard by Marriott Sydney-North Ryde, was completed on 31 January 2024 and the other, Novotel Sydney Parramatta, is expected to complete in 3Q 2024.

In February 2024, CLAS announced the divestment of Citadines Mount Sophia Property Singapore for S$148.0 million, close to S$1.0 million a key. The sale price was 19% above the property's book value, which represents an exit yield of about 3.2%[2]. The divestment was completed on 1 March 2024. Including Citadines Mount Sophia Property Singapore, the average exit yield of the 10 divestments was 3.8%.

1 The exit yield of the France and Australia properties is computed based on FY 2022 Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA). The exit yield for the Japan portfolio is not meaningful as the properties were largely closed in 2022.
2 Based on FY 2023 EBITDA.

DIVESTMENTS ENTERED INTO IN FY 2023

No.	Property	Location	Sale price	Net proceeds	Premium over book value	Exit yield[1]	Divestment date / target completion date
1	Citadines City Centre Lille	Lille, France	EUR44.4M (S$64.7M)	EUR34.1M (S$49.7M)	63%	4%	Sep 2023
2	Citadines Croisette Cannes	Cannes, France					
3	Citadines Castellane Marseille	Marseille, France					
4	Citadines Prado Chanot Marseille	Marseille, France					
5	Hotel WBF Honmachi	Osaka, Japan	JPY10.7B (S$99.8M)	JPY3.9B (S$36.4M)	15%	Not meaningful	Mar 2024
6	Hotel WBF Kitasemba East	Osaka, Japan					
7	Hotel WBF Kitasemba West	Osaka, Japan					
8	Courtyard by Marriott Sydney-North Ryde	Sydney, Australia	AUD109.0M (S$95.6M)	AUD98.0M (S$85.9M)	5%	4.4%	Jan 2024
9	Novotel Sydney Parramatta	Sydney, Australia					3Q 2024

INVESTMENT

Acquisitions

In November 2023, CLAS acquired three properties in London, Dublin and Jakarta. The properties were acquired at a combined agreed property value of S$530.8 million. The EBITDA yield of the acquisition was 6.2%[3] and the accretion to DPS was 1.8%. The acquisition was funded by a mix of equity, debt and part of the proceeds from the divestment of the four France properties.

Invested in S$530.8M of lodging assets in FY 2023, delivering EBITDA yield of 6.2%

All three properties are in prime locations within key capital cities and are well-positioned to capture travel demand. The Cavendish London, which comprises 230 units, is well-located in the exclusive Mayfair high-end shopping district of central London and the 136-unit Temple Bar Hotel is in the Temple Bar district, both of which are high-traffic areas near iconic attractions. The 185-unit Ascott Kuningan Jakarta is in the capital city's central business district (CBD), close to embassies and commercial offices.

The Cavendish London presents an excellent value-add opportunity for CLAS. The property will be renovated and rebranded under The Crest Collection, a luxury brand managed by The Ascott Limited, which is expected to enhance its EBITDA yield to approximately 6.5% on a post-renovation stabilised basis[4]. The valuation of the property is expected to be GBP316.0 million post-renovation and stabilisation in 2027[5], an increase of GBP97.0 million compared to its valuation of GBP219.0 million as at 31 December 2023. The renovation will be carried out in phases from 4Q 2024 to 4Q 2025 and CLAS will distribute past divestment gains to mitigate the impact from the renovation when the property is temporarily closed during some months.

3 The EBITDA yield of 6.2% is on a FY 2022 *pro forma* basis and based on agreed property value of the properties excluding the milestone payment and before AEIs, if any. Including the milestone payment, the EBITDA yield is 5.1%.
4 Based on stabilised EBITDA before furniture, fixtures and equipment reserves in year 2027/28 over The Cavendish London's agreed property value, estimated capitalised costs, and estimated proportion of project cost attributable to CLAS. Such EBITDA figures are from the HVS London valuation. The property's EBITDA yield was 4.1% on a FY 2022 *pro forma* basis.
5 Based on the valuation by HVS London.

RECONSTITUTING OUR PORTFOLIO

Additionally, CLAS completed the turnkey acquisitions of two Japan rental housing properties – Eslead Residence Osaka Fukushima East and Granfore Hakata Waterfront – in April 2023 and May 2023, respectively. CLAS had entered into forward acquisitions for these two properties in FY 2022 at JPY1.9 billion (S$22.2 million) and JPY4.0 billion (S$47.9 million) respectively. The 108-unit Eslead Residence Osaka Fukushima East is located in central Osaka, close to the CBD and Port of Osaka. The 247-unit Granfore Hakata Waterfront is centrally-located in Fukuoka and close to the city's commercial and entertainment districts.

In January 2024, CLAS also completed the turnkey acquisition of Teriha Ocean Stage in Fukuoka, Japan, which had been entered into in FY 2022. The 258-unit rental housing property is located on Island City, in close proximity to both Tenjin, the commercial and entertainment district, and Hakata, Fukuoka's business hub. CLAS' rental housing properties have an average occupancy of over 95% and average length of stay of about two years, providing a stable stream of income to CLAS through market cycles.

Development Projects

The development of Standard at Columbia, a 678-bed freehold student accommodation property in South Carolina, USA, was completed in June 2023. The property received its first batch of students in August 2023 and has a healthy occupancy of more than 90% for the academic year 2023-2024, contributing a stable stream of income to CLAS.

Development works are currently ongoing for the 192-unit Somerset Liang Court Property Singapore[6], a serviced residence with hotel licence located in the Clarke Quay precinct. Substructure works are in progress and targeted to complete in 2024. The development is expected to complete in 2H 2025. As at 31 December 2023, CLAS' development activities comprise less than 10% of its deposited property, within the Monetary Authority of Singapore's development limit.

INVESTMENTS ENTERED INTO IN FY 2023

No.	Property	Lodging type	Location	No. of units	Purchase price	EBITDA yield	Acquisition date
1	The Cavendish London	Hotel	London, United Kingdom	230	S$357.8M[7]	6.2%[3]	Nov 2023
2	Temple Bar Hotel	Hotel	Dublin, Ireland	136			
3	Ascott Kuningan Jakarta	Serviced residence	Jakarta, Indonesia	185			

ASSET ENHANCEMENT

Eight properties, including The Cavendish London, are undergoing or slated for AEIs over the next few years. These properties are in prime, central locations of key gateway cities and the AEIs are expected to enhance the properties' performance and valuations, offering the next wave of uplift for CLAS beyond the travel recovery.

Apart from the refurbishment of guest rooms, common areas and facilities, the AEIs also encompass mechanical and engineering improvements and the adoption of higher-efficiency equipment, in line with CLAS' commitment to green its properties.

Riverside Hotel Robertson Quay was renovated from 1Q 2023 to 1Q 2024 and rebranded to The Robertson House by The Crest Collection. Post-renovation, the property has obtained green certification and the refurbished rooms have an average room rate that is about 30% higher.

Other notable AEIs are that of Sydney Central Hotel (formerly Novotel Sydney Central) in Australia and Citadines Holborn-Covent Garden London. Both projects have an expected yield on AEI cost of about 11% and the valuations of the properties are expected to increase post-renovation and stabilisation to AUD339.8 million[8] and GBP125.3 million[9] respectively. The AEI of the Sydney property includes a brownfield extension to add eight floors and 72 rooms in the airspace above the carpark podium, expanding the property's gross floor area by about 10%. Development approval has been obtained for the extension.

The capital expenditure for some of the AEIs will be partially funded by the master lessee or operator of the properties. About S$103.0 million has been raised for the Sydney and London AEIs during the equity fund raising in 2023, and the remaining amount of capital expenditure for the other projects is expected to be funded by divestment proceeds, debt facilities and/or cash generated from the properties.

6 Expected opening date and property details for Somerset Liang Court Property Singapore are subject to change.
7 Excludes the shareholder's loans which were assigned to CLAS.
8 Based on the valuation by Colliers following the extension, renovation and stabilisation of the property in 2028. As at 31 December 2023, the valuation of the property was AUD166.5 million.
9 Based on valuation by HVS following the renovation and stabilisation of the property in 2025. As at 31 December 2023, the valuation of the property was GBP100.4 million.

More details on CLAS' AEI projects can be found in the table below:

PROPERTIES UNDERGOING OR SLATED FOR AEI

No.	Property	Location	Timeline of AEI[10]
1	The Robertson House by The Crest Collection	Singapore	1Q 2023 to 1Q 2024
2	Citadines Les Halles Paris	Paris, France	2Q 2023 to 2Q 2024
3	Citadines Kurfürstendamm Berlin	Berlin, Germany	4Q 2023 to 2Q 2024
4	La Clef Tour Eiffel Paris	Paris, France	3Q 2023 to 2Q 2024
5	Citadines Holborn-Covent Garden London	London, United Kingdom	3Q 2023 to 3Q 2024
6	Temple Bar Hotel	Dublin, Ireland	1Q 2024 to 4Q 2024
7	The Cavendish London	London, United Kingdom	4Q 2024 to 4Q 2025
8	Sydney Central Hotel	Sydney, Australia	4Q 2024 to 1Q 2026

CAPITALAND ASCOTT TRUST'S POSITIONING

GEOGRAPHICAL ALLOCATION

Global Presence, Anchored in Asia Pacific

Predominantly in Asia Pacific | **Remainder in Europe/USA**

Largest lodging trust in Asia Pacific

Diversified across **16 countries**, Asia Pacific remains core

Presence in large domestic markets and key gateway cities

TARGET ASSET ALLOCATION

Stable Income Base from Longer-stay Lodging

25-30%

in longer-stay accommodation

Resilient and counter-cyclical assets

Capturing Growth as Travel Recovers

70-75%

in serviced residences and hotels

CLAS' diversified and well-balanced portfolio offers resilience amidst macroeconomic uncertainties and global geopolitical tensions. The longer-stay properties (rental housing and student accommodation), properties under master leases and properties under management contracts with a minimum guaranteed income offer stable income streams, while the serviced residences and hotels under management contracts allow CLAS to capture the upside from global travel recovery. In FY 2023, stable and growth income sources contributed 56% and 44% of CLAS' gross profit respectively.

In the medium term, CLAS has a target asset allocation of 25-30% in longer-stay accommodation and 70-75% in serviced residences and hotels.

Nonetheless, CLAS continues to monitor and evaluate acquisition opportunities across the four lodging asset classes, as part of our active portfolio reconstitution and asset management strategy. As at 31 December 2023, longer-stay accommodation comprised about 17% of CLAS' portfolio value (FY 2022: 19%), and serviced residences and hotels comprised about 83% of CLAS' portfolio value (FY 2022: 81%).

While CLAS is diversified across 16 countries, the majority of CLAS' total assets are in Asia Pacific with the remainder in Europe and USA. Asia Pacific remains core for CLAS, and we seek to maintain a portfolio that is predominantly Asia Pacific-centric.

10 Timeline of AEI is subject to change.

PORTFOLIO OVERVIEW

LARGEST LODGING TRUST IN ASIA PACIFIC

CLAS' portfolio comprises 106 properties[1] with more than 19,000 units in 45 cities across 16 countries. These include serviced residences, hotels/business hotels, rental housing and student accommodation properties, serving a wide spectrum of guests with varying accommodation needs.

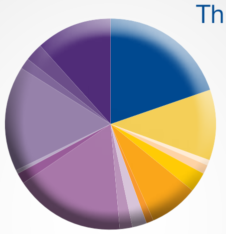
Our properties are mainly located in key gateway cities across Australia, Belgium, China, France, Germany, Indonesia, Ireland, Japan, Malaysia, the Philippines, South Korea, Singapore, Spain, United Kingdom, USA and Vietnam. Apart from being popular destinations with international travellers, many of these countries also have large domestic markets. CLAS' properties are well located near CBDs, manufacturing hubs or tourist landmarks, and enjoy convenient access to transportation nodes and amenities.

CLAS' scale and geographic diversification enables us to be resilient, as the portfolio is not subjected to concentration risk. Our portfolio is anchored in Asia Pacific, where we have built up our capabilities and track record, and where there remain significant opportunities for growth. As at 31 December 2023, approximately 56% of CLAS' total assets are in Asia Pacific, 24% in Europe and 20% in the Americas.

TOTAL ASSETS BY GEOGRAPHY

As at 31 December 2023

Total Assets: **S$8.7** billion



Asia Pacific	56%
Australia	12%
China	3%
Indonesia	2%
Japan	16%
Malaysia	<1%
The Philippines	2%
Singapore	17%
South Korea	2%
Vietnam	2%

Europe	24%
Belgium	1%
France	7%
Germany	3%
Ireland	1%
Spain	1%
United Kingdom	11%

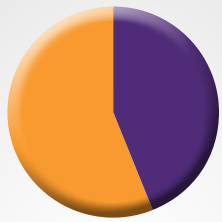
The Americas	20%
USA	20%

MARRYING STABILITY AND GROWTH

In addition to being diversified across geographies and asset classes, CLAS has a balanced mix of stable and growth income sources which enables us to deliver sustainable returns to our Stapled Securityholders.

FY 2023 GROSS PROFIT BY CONTRACT TYPE

Gross Profit: **S$338.2** million



Contract types with a fixed / minimum rent component

Master Leases	
France	9%
Japan[i]	6%
Germany	4%
Australia	3%
South Korea	2%
MCMGI	
UK	8%
Singapore	4%
Belgium	2%
Spain	2%
Ireland	<1%

Management contracts of longer-stay assets

Student Accommodation	
USA	10%
Rental Housing	
Japan	6%

Management contracts of serviced residences and hotels

USA	14%
Australia	12%
Vietnam	5%
Japan	4%
Singapore	4%
The Philippines	2%
China	2%
Indonesia	1%
Malaysia	<1%

i Includes Eslead College Gate Kindaimae, a student accommodation in Japan under master lease.

Stable Income

For FY 2023, approximately 56% of CLAS' gross profit was from stable income sources, comprising master leases, management contracts with minimum guaranteed income (MCMGI) and longer-stay accommodation (rental housing and student accommodation properties). Master leases and MCMGI have a fixed or minimum rent component, which provides income stability to CLAS.

1 As at 31 December 2023, including Somerset Liang Court Property Singapore which is under development.

Master Leases
Under a master lease, CLAS receives rental income from the master lessee who operates or engages an operator to manage the operations of the property. A master lease typically comes with a fixed rent component, which provides downside protection and stable income to CLAS. Most of the operational expenses under a master lease are paid for by the master lessee.

As at 31 December 2023, 28 of our operating properties – 12 in France, five in Germany, four in Japan, five in Australia, and two in South Korea are on master leases. 17 of CLAS' master leases (mainly in Asia and France) have fixed and variable rent components, and all of them received variable rent in FY 2023. The remaining 11 master leases (mainly in Germany and Australia) are on fixed rent terms, which may be subject to annual indexation, market review or rental revisions pegged to indices representing construction cost, inflation or commercial rental prices.

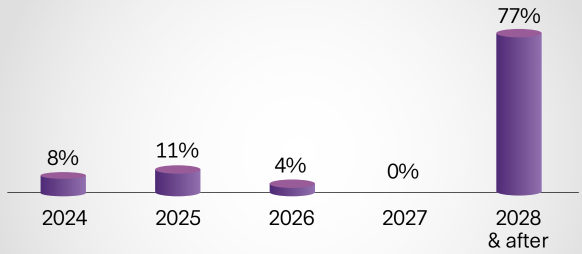
In 2023, seven of CLAS' French master lease agreements were renewed on a revised rent structure which was based on the higher of the fixed rent and variable rent. The fixed rent is indexed to the French commercial lease index, and the rent is automatically increased or decreased accordingly each year. The variable rent is based on a percentage of the property's total revenue. CLAS and the master lessee will co-share furniture, fixtures, and equipment capital expenditure during renovation.

An independent consultant was engaged for the renewal of the French master leases, and the rent to revenue ratios of the master leases are in line with that of the market. According to the independent consultant, CLAS is projected to receive approximately 28% higher rent in FY 2024 under the revised rent structure.

In addition to the seven French master leases, the master lease for Quest Mascot in Australia and The Madison Hamburg in Germany were also renewed in 2023. The former was renewed on fixed rent terms, while the latter was renewed on fixed and variable rent terms, ahead of its expiry in 2024.

The weighted average remaining tenure of CLAS' master leases is about 10 years. For master leases which were renewed in FY 2023, the weighted average lease expiry based on the date of commencement of the leases is approximately 17 years. The renewed master leases account for about 2% of CLAS' FY 2023 gross revenue. There were no income support payments for CLAS in FY 2023.

LEASE EXPIRY FOR MASTER LEASES[i]
As at 31 December 2023



i Percentage of gross rental income for master leases expiring at respective years over the total gross rental income for all master leases.

Management Contracts With Minimum Guaranteed Income
Management contracts are entered into between CLAS and the operators and managers of our properties. Unlike the properties under master leases, guests lease the units directly from CLAS, including our subsidiaries (for properties outside of Japan) or other entities acting on behalf of CLAS (for properties within Japan[2]).

Under a MCMGI, the management contract enables CLAS to capture the upside during a market upturn, while the minimum income guarantee from the operator mitigates downside risks. As at 31 December 2023, 10 of our properties across Belgium, Ireland, Singapore, Spain and United Kingdom are on MCMGI. The operating performance of all 10 properties surpassed their respective minimum income guarantee levels in FY 2023. The weighted average remaining term of CLAS' MCMGI is around 15 years.

Longer-stay Accommodation
CLAS' longer-stay accommodation comprises rental housing and student accommodation properties. Rental housing and student accommodation are counter-cyclical lodging asset types with long average length of stay of two years and one year respectively. Given the long leases and high average occupancies, longer-stay accommodation provides CLAS with income stability and resilience through market cycles. As at 31 December 2023, CLAS has 23 rental housing and nine student accommodation properties.

2 In Japan, CLAS' interests in properties are indirectly held as trust beneficial interests through the godo kaisha and tokutei mokuteki kaisha structures and Singapore special purpose vehicles.

PORTFOLIO OVERVIEW

Growth Income

For FY 2023, approximately 44% of CLAS' gross profit was from growth income sources, which are management contracts of serviced residences and hotels.

Management Contracts of Serviced Residences and Hotels

Under a management contract without minimum guaranteed income, the income stream to CLAS is dependent on the operating performance of the property. In a market upturn, properties under management contracts provide the greatest growth potential.

36 of our operating serviced residences and hotels across Australia, China, Indonesia, Japan, Malaysia, the Philippines, Singapore, USA and Vietnam are on management contracts.

Note: A waiver from the Monetary Authority of Singapore was obtained in relation to paragraphs 11.1(c) (iv) and (v) of the Property Funds Appendix regarding the disclosures of lease maturity profile and weighted average lease expiry for properties under management contracts, subject to the following disclosures:

(1) the average length of stay of guests of properties under the management contracts (combined for both management contracts with and without minimum guaranteed income) for current year and past five years; and

(2) the weighted average remaining term of the MCMGI.

QUALITY ASSETS MANAGED BY BEST-IN-CLASS OPERATORS

CLAS' Sponsor, The Ascott Limited (Ascott), one of the leading international lodging owner-operators with 40 years of industry track record and award-winning brands that are recognised worldwide, manages most of the serviced residences within the CLAS portfolio. Ascott's serviced residence, coliving and hotel brands include Ascott, Citadines, lyf, Quest, Somerset and The Crest Collection, among others.

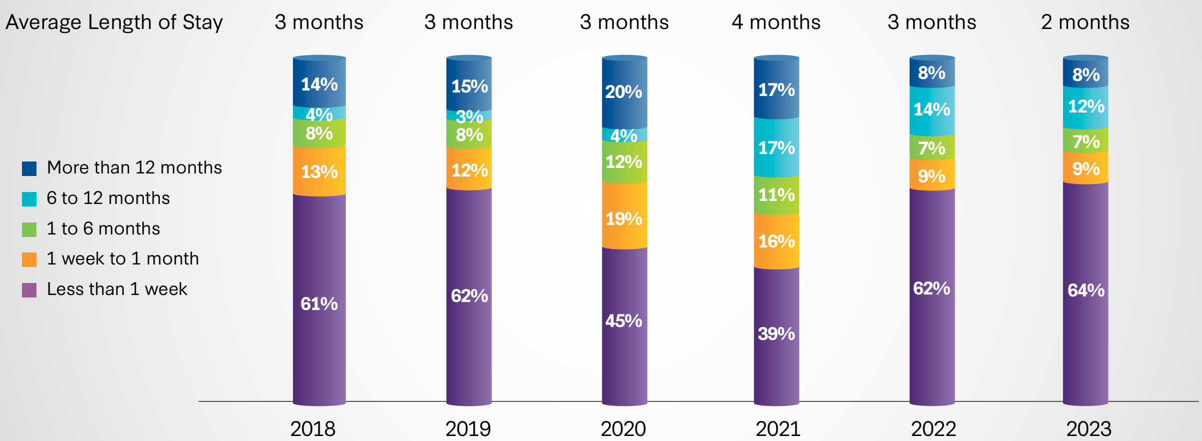
A number of CLAS properties were recognised as 'Leading Serviced Apartments 2023' by the World Travel Awards 2023, namely Ascott Makati, Citadines Arnulfpark Munich, Citadines Ramblas Barcelona and Citadines Sainte-Catherine Brussels. lyf one-north Singapore was also awarded the Co-living Excellence Award in EdgeProp Singapore Excellence Awards 2023[3].

Other third-party operators we engage include Accor, IHG, Marriott and Sotetsu, with properties operating under their established brands such as Pullman, Novotel, Sheraton, voco and Sotetsu Grand Fresa.

▲ lyf one-north Singapore

PORTFOLIO INFORMATION BY LENGTH OF STAY[i]

(Portfolio Apartment Rental Income)

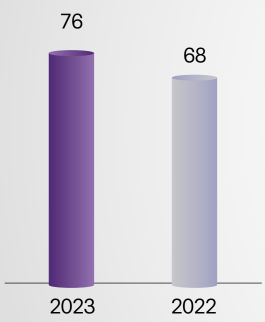


i Historical information is prepared for illustrative purposes only and are not guarantees of future performance. Portfolio information excludes properties on master leases and properties under development.

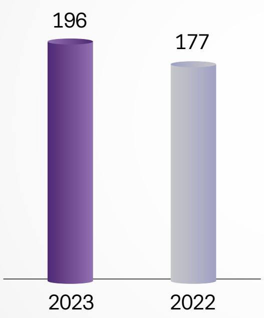
3 For the full list of awards won by Ascott, please refer to www.discoverasr.com/en/the-ascott-limited/awards.

KEY STATISTICS OF CLAS' PORTFOLIO[i]

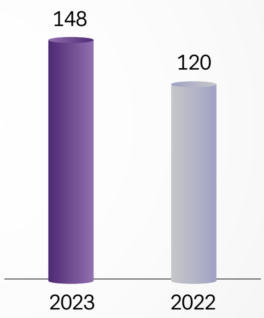
PORTFOLIO OCCUPANCY (%)



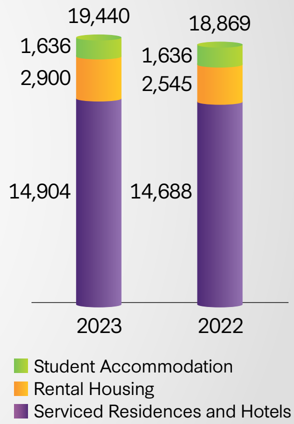
PORTFOLIO AVERAGE DAILY RATE (S$)



PORTFOLIO REVENUE PER AVAILABLE UNIT (S$)

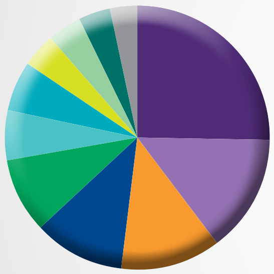


NUMBER OF UNITS[ii]



i Key statistics, other than the number of units, pertain to operational properties only and exclude rental housing, student accommodation and properties on master leases.
ii Includes properties under development.

FY 2023 PORTFOLIO INFORMATION BY INDUSTRY[i]



Industry	
Industrial	25%
Government & Non-governmental Organisations (NGOs)	15%
Financial Institutions	12%
Consumers	11%
Manufacturing	9%
Media & Telecommunications	6%
Information Technology	6%
Energy & Utilities	5%
Others	4%
Real estate / Lodging	4%
Healthcare	3%

i Based on rental income from corporate accounts of properties under Ascott management contracts only.

FY 2023 TOP 10 CORPORATE CLIENTS[i]

Corporate Client	Industry[ii]	% of Total Apartment Rental Income
Government entities and embassies of various countries	Government & NGOs	1.1%
Toyota	Manufacturing	0.4%
Mitsubishi	Industrial	0.2%
CapitaLand	Real Estate	0.2%
Volkswagen	Manufacturing	0.2%
Accenture	Information Technology	0.1%
INSEAD	Government & NGOs	0.1%
LG	Industrial	0.1%
Dyson	Industrial	0.1%
Alstom	Industrial	0.1%
Qantas	Consumer	0.1%
Total		**2.7%**

i Based on rental income from corporate accounts of properties under Ascott management contracts only.
ii Refers to the largest contributing industry for corporate clients with multiple business operations.

OPERATIONS REVIEW
ASIA PACIFIC OVERVIEW

GROWTH ACROSS MOST ASIA PACIFIC MARKETS AS RECOVERY TOOK HOLD

In 2023, Asia Pacific registered 233 million international visitor arrivals, recovering to 65% of pre-pandemic levels, after most destinations fully reopened by late 2022. Performance varied across subregions, with South Asia leading at 87% of pre-pandemic levels. Oceania and Southeast Asia fared similarly, recovering to 74% and 70% of pre-pandemic levels respectively. Northeast Asia lagged at 55%, albeit accelerating more than the others in the second half of the year, as countries like China, South Korea and Japan continued to welcome more international travellers[1].

The increase in travel activity in Asia Pacific was driven predominantly by the leisure segment, with corporate travel recovering to less than 30% of pre-pandemic levels[2]. Most markets experienced a recovery in domestic travel first, followed by international travel[3]. In markets such as Australia and Singapore, large-scale activities like sporting and MICE events as well as concerts continued to pick up, further boosting demand.

China, the world's predominant outbound market pre-COVID-19, completed its reopening in 2023, having removed all domestic travel requirements in December 2022 and the requirement for inbound travellers to submit a negative COVID-19 test result in August 2023. Outbound travel increased gradually thereafter, at a slower pace than initially expected. This was due to factors such as cautious spending in view of high travel costs, slow visa processing speeds and safety concerns, which translated into a greater proportion of Chinese travellers opting to travel domestically.

Pent-up demand in early 2023 boosted room rates in Asia Pacific significantly, with many markets recording room rates above pre-pandemic peaks in 1H 2023. Tokyo led the expansion with an increase of 122% YoY[2]. As of late 2023, market Revenue Per Available Room (RevPAR) for Asia Pacific had reached 95% of 2019 levels[4]. Singapore was amongst the top five countries in RevPAR performance globally, while China, Vietnam and the Philippines lagged 2019 levels[5].

Amongst CLAS' key markets, Australia, Japan and Singapore continued to exceed pre-COVID-19 same-store RevPAU levels in 4Q 2023. In China and Vietnam, RevPAU of our serviced residences continued to improve quarter-on-quarter, performing at above 85% of pre-COVID-19 levels in 4Q 2023.

ANTICIPATING FURTHER UPSIDE IN 2024

International visitor arrivals for Asia Pacific are forecasted to reach 2019 levels by the end of 2024[6]. Supporting this growth is an increase in international flights to and from China, which are expected to recover to 80% of pre-COVID-19 levels by 2024[7].

Asia Pacific markets are poised to benefit from the increase in China flights as group travellers seek short-haul destinations like South Korea and Japan[6], or countries like Singapore and Malaysia where there is greater flexibility in visa requirements facilitated by bilateral agreements. For the Spring Festival period in February 2024, China outbound bookings had increased tenfold compared to 2023, and the growth was seen particularly in Southeast Asia, Japan and South Korea[1]. Nonetheless, the return of China outbound tourism is expected to be gradual, and a full return to pre-pandemic levels may not occur until 2025[6].

Corporate travel in the region is projected to increase. Apart from China's reopening, robust domestic demand in Japan, South Korea and Australia is also anticipated to drive this growth. The return of international business travel is expected to boost YoY performance more prominently in Southeast Asian countries such as Singapore and Malaysia which are more reliant on international arrivals[8].

Further supporting the sector's recovery is a limited supply pipeline, as the supply growth rate for major Asia Pacific markets is expected to slow from 2023 to 2026, compared to their historical averages[6].

Average Daily Rate (ADR) growth is expected to normalise in most of the region in 2024, and occupancy growth is expected to be the key driver of RevPAR growth[6]. With more than 55% of our assets in Asia Pacific and most of the properties under management contracts, CLAS is well-positioned to ride the continued recovery of the region.

1 Source: UNWTO (2024)
2 Source: Savills (2023)
3 Source: HVS (2023)
4 Source: JLL (2023)
5 Source: STR (2024)
6 Source: CBRE (2023 and 2024)
7 Source: Reuters (2024)
8 Source: Global Business Travel Association (2023)

OPERATIONS REVIEW

AUSTRALIA

▲ Pullman Sydney Hyde Park

KEY MARKET

14
PROPERTIES

2,840
UNITS

S$171.2 million
TOTAL REVENUE
(FY 2023)

S$50.0 million
TOTAL GROSS PROFIT
(FY 2023)

S$962.6 million
VALUATION
(as at 31 December 2023)

Australia is one of CLAS' key markets, contributing 15% of the total gross profit for FY 2023.

As at 31 December 2023, CLAS' Australia portfolio comprises one leasehold and 13 freehold properties located across Brisbane, Sydney, Melbourne and Perth. Of the 14 properties in Australia, there are five serviced residences under master leases, two serviced residences and seven hotels under management contracts.

MASTER LEASES

CLAS has five serviced residences under master leases. The 140-unit *Quest Sydney Olympic Park* is a 99-year leasehold property located within Sydney Olympic Park, near ANZ Stadium and Qudos Bank Arena, a large entertainment and sporting complex. The 81-unit *Quest Campbelltown* is well-located in south-west Sydney's urban hub, an established residential, commercial and industrial area, while the 91-unit *Quest Mascot* is a five-minute drive away from Sydney Airport. Strategically located in Sydney's second largest business district of Macquarie Park is the 111-unit *Quest Macquarie Park*, which is a five-minute drive to Macquarie University, Macquarie University Hospital and Macquarie Centre. The 100-unit *Quest Cannon Hill* is located in the emerging suburb of Cannon Hill in Brisbane, within a five-minute walk to the train station and with direct access to the CBD.

Including the extension period at the lessees' option, each of the master leases in Australia has a remaining lease term of at least 16 years.

MANAGEMENT CONTRACTS

CLAS has two serviced residences under management contracts. The 85-unit *Citadines St Georges Terrace Perth* is conveniently located in Perth's CBD, along St Georges Terrace while the 380-unit *Citadines on Bourke Melbourne* is situated in the heart of Melbourne's CBD, close to the Parliament House and 101 Collins Street.

CLAS also has seven hotels under management contracts. The 150-unit *Citadines Connect Sydney Airport* is a limited-service business hotel situated adjacent to the Quest Mascot serviced residence and within proximity to the Sydney Airport. The 241-unit *Pullman Sydney Hyde Park* and the 255-unit *Sydney Central Hotel* (formerly Novotel Sydney Central) are business hotels located in the Sydney CBD, situated near well-known attractions such as the Sydney Darling Harbour and Paddy's Market. *Courtyard by Marriott Sydney-North Ryde* is a 196-unit business hotel centrally located in Macquarie Business Park and close to several commercial buildings popular with multinational corporations. *Novotel Sydney Parramatta* is situated in the Parramatta CBD, Sydney's fast-growing second CBD. The 194-unit business hotel is located close to visitor attractions and the main restaurant and entertainment precinct along Church Street.

The 378-unit *Pullman and Mercure Melbourne Albert Park* is a unique dual-branded business hotel comprising 169 Pullman and 209 Mercure units. Overlooking the scenic Albert Park where the annual Formula 1 Australian Grand Prix is held, the property is also located close to the Melbourne CBD, the popular St Kilda Road precinct and the Royal Botanic Gardens.

The 438-unit *Pullman and Mercure Brisbane King George Square* comprises a 16-storey Pullman Tower with 210 units and a 16-storey Mercure Tower with 228 units. Prominently situated in the Brisbane CBD and facing Brisbane City Hall, the hotel is within walking distance to the city's key attractions and landmarks.

The properties under management contracts have an average length of stay of less than a month.

2023 REVIEW

Australia's GDP is estimated to have increased 1.5% in 2023[1], a softer growth compared to the 3.8% expansion in 2022. The growth in 2023 was mainly driven by increased government consumption and capital investment, partially offset by soft household consumption on the back of higher inflation and interest rates[2].

Despite the lower consumer spending in 2023, domestic travel in Australia was robust, with visitors and visitor nights slightly behind 2019 levels[3]. The recovery in international travel lagged that of the domestic segment – international arrivals were forecasted to have increased to 7.3 million in 2023 and expected to cross 2019 levels only in 2025[4].

CLAS' Australia properties performed well in 2023 mainly due to an increase in occupancies YoY. Domestic travellers continued to drive the performance, with healthy demand from both the corporate and leisure segments. International bookings also continued to return, particularly to the serviced residences.

Large-scale sporting events such as the F1 Grand Prix, FIFA Women's World Cup and AFL Grand Final were significant drivers of demand in 2023. Other concerts and notable events such as the Royal Easter Show, Vivid Festival and SXSW also resulted in an increase in transient bookings.

In FY 2023, the RevPAU of CLAS' properties under management contracts increased 24% YoY in AUD terms. RevPAU in 4Q 2023 was 13% above 4Q 2019 *pro forma* RevPAU[5], although 1% lower YoY due to the higher base in 4Q 2022.

The master leases, which have fixed rent terms with annual indexation, continued to provide a source of stable income to the portfolio. Revenue of the master leases rose 6% YoY in AUD terms in FY 2023.

2024 OUTLOOK

Australia's GDP growth is expected to fall from 1.5% in 2023 to 1.3% in June 2024, before improving gradually for the rest of 2024. Household consumption and public demand are forecasted to remain soft. However, headline inflation is expected to decline from 4.1% to 3.2%[1]. Should inflation ease on a sustainable path towards the central bank's 2% to 3% target, the Reserve Bank of Australia could look to loosen its monetary policy[6].

The pace of recovery in international visitors is expected to surpass that of domestic travel in 2024, as the latter moderates after a strong rebound since the reopening of Australia. International arrivals are projected to increase to 9.3 million in 2024, 98% of pre-pandemic levels, while international visitor spend is expected to surpass pre-pandemic levels during the year. Domestic trip numbers and travel spend are forecasted to continue growing and to remain above pre-pandemic levels over the next few years[4].

As pent-up demand eases, the RevPAU growth of CLAS' Australia properties is expected to normalise in 2024. Nonetheless, the outlook remains healthy, as the recovery in both corporate and leisure travel segments continues to drive demand for accommodation. Concerts and large-scale events, such as the Australian Open 2024 and F1 Grand Prix in Sydney and Melbourne, are also expected to benefit the properties.

Sydney Central Hotel has been earmarked for renovation and extension from 4Q 2024 to 1Q 2026. During the AEI, 72 rooms across eight floors will be added, increasing the hotel's inventory by 28% and gross floor area (GFA) by 10%. Development approval has been obtained for this brownfield initiative. Post AEI and stabilisation, the property is expected to achieve a valuation of AUD339.8 million in 2028[7], an increase of AUD173.3 million from the valuation as at 31 December 2023. The incremental EBITDA on stabilisation is expected to translate to a yield on AEI cost of approximately 11.3%[7].

1 Source: Reserve Bank of Australia (2024)
2 Source: Australian Bureau of Statistics (2023)
3 Source: Colliers (2023)
4 Source: Tourism Research Australia (2023)
5 The combination with Ascendas Hospitality Trust (A-HTRUST) was completed on 31 December 2019 and the 2019 *pro forma* RevPAU includes the performance of the A-HTRUST properties.
6 Source: Reuters (2024)
7 Based on the valuation by Colliers.

In November 2023, CLAS entered into agreements to divest Courtyard by Marriott Sydney-North Ryde and Novotel Sydney Parramatta. The divestment of Courtyard by Marriott Sydney-North Ryde was completed in January 2024 and the divestment of Novotel Sydney Parramatta is expected to be completed in 3Q 2024. Post-completion of the divestments, CLAS will have 12 properties in Australia.

GROSS RENTAL INCOME (AUD'000)

	FY 2023	FY 2022
Citadines on Bourke Melbourne	**19,929**	14,242
Citadines Connect Sydney Airport	**7,592**	6,883
Citadines St Georges Terrace Perth	**4,647**	3,735
Quest Campbelltown	**1,691**	1,620
Quest Cannon Hill[i]	**2,093**	168
Quest Macquarie Park	**2,969**	2,974
Quest Mascot	**1,880**	2,577
Quest Sydney Olympic Park	**2,816**	3,752

i The acquisition of the property was completed on 30 November 2022; hence gross rental income stated for FY 2022 is for December 2022.

HOTEL REVENUE (AUD'000)

	FY 2023	FY 2022
Courtyard by Marriott Sydney-North Ryde	**12,698**	9,387
Novotel Sydney Parramatta	**14,675**	12,551
Pullman and Mercure Brisbane King George Square	**35,261**	32,109
Pullman and Mercure Melbourne Albert Park	**27,298**	27,252
Pullman Sydney Hyde Park	**28,145**	23,186
Sydney Central Hotel (formerly Novotel Sydney Central)	**26,735**	19,101

REVENUE PER AVAILABLE UNIT (AUD)

	FY 2023	FY 2022
Citadines on Bourke Melbourne	**140**	100
Citadines Connect Sydney Airport	**138**	125
Citadines St Georges Terrace Perth	**150**	120
Courtyard by Marriott Sydney-North Ryde	**144**	104
Novotel Sydney Parramatta	**149**	123
Pullman and Mercure Brisbane King George Square	**144**	133
Pullman and Mercure Melbourne Albert Park	**105**	108
Pullman Sydney Hyde Park	**226**	175
Sydney Central Hotel (formerly Novotel Sydney Central)	**198**	130

OPERATIONS REVIEW

CHINA

KEY MARKET

5
PROPERTIES

1,066
UNITS

S$24.1 million
TOTAL REVENUE
(FY 2023)

S$5.5 million
TOTAL GROSS PROFIT
(FY 2023)

S$228.1 million
VALUATION
(as at 31 December 2023)

▲ Somerset Heping Shenyang

China is one of CLAS' key markets which contributed 2% to the total gross profit for FY 2023. The five China serviced residences are under management contracts. As long stays are the primary source of business, CLAS' China properties have an average length of stay of over six months.

Somerset Grand Central Dalian is a 195-unit property situated in the central business district of the Dalian Development Area; *Somerset Heping Shenyang* is a 270-unit property that lies in the heart of Shenyang's main commercial and shopping district; *Somerset Olympic Tower Property Tianjin* is a 185-unit property situated in the Heping district, the city's prime commercial, entertainment and residential area; *Citadines Xinghai Suzhou* is a 167-unit property in the heart of the Suzhou Industrial Park; and *Citadines Zhuankou Wuhan* is a 249-unit property situated in the Wuhan Economic and Technological Development Zone.

2023 REVIEW

China's economy grew by 5.2% in 2023[1], lower than the annual growth averaged in the decade before the pandemic. The recovery post-reopening was bumpier than expected with the deepening property crisis and weak consumer and business confidence. Foreign direct investment into China in 2023 was at a 30-year low, reflecting the effect of the COVID-19 lockdown and weak economic recovery in 2023[2].

In January 2023, the Chinese government removed the quarantine requirement for all inbound arrivals, and travellers only had to present a negative test result within 48 hours of departure[1]. By August, the government had removed the mandatory pre-entry COVID-19 test[3].

Following the end of China's 'zero-COVID' policy in 2023, domestic tourism more than doubled the previous year in revenue and tourist numbers, bouncing back to over 80% of 2019 levels[4]. International traveller numbers lagged that of domestic travellers. China recorded 35.5 million entries and exits by foreign nationals in 2023, which was close to seven times more than the number in 2022, but only 36% of the number in 2019[5]. Reasons for the soft inbound traveller numbers included significant delays in visa applications and limited flight

1 Source: Reuters (2022 and 2024)
2 Source: The Business Times (2024)
3 Source: China Briefing (2023)
4 Source: The State Council, The People's Republic of China (2024)
5 Source: CNN (2024)

capacities. As of December 2023, international flight capacity to and from China was only 62% of December 2019 levels[6].

In line with the market, bookings at CLAS' China properties were largely from the domestic segment in 2023. The average occupancy of the properties was resilient at close to 70%, given the base of corporate long stays and project group bookings. Several exhibitions, concerts and events, in addition to public holidays, such as the Labour Day weekend and Golden Week, and the summer holidays, boosted transient demand.

In FY 2023, RevPAU increased gradually quarter-on-quarter. On a full year basis, RevPAU increased 16% YoY in RMB terms. 4Q 2023 RevPAU increased 7% YoY to 86% of 4Q 2019 same-store RevPAU[7].

2024 OUTLOOK

Growth in China is projected at 4.6% in 2024[8]. China's economy is facing several challenges including low consumer confidence and deflationary pressure[5]. In January 2024, China's consumer prices fell at its steepest pace month-on-month in more than 14 years[1]. In a welcomed move, China's central bank announced the deepest cut to bank reserves in two years in late January 2024, injecting about US$140 billion of cash into the banking system, to defend markets and spur growth[2].

To attract more foreign investment, the Chinese government rolled out 24 policy measures, pledging to beef up support for foreign investors' research and development in China and ensuring their equal participation in government procurement activities[4]. However, it remains uncertain if foreign investors will return in 2024, due to worsening geopolitical relations and investor skepticism[9].

Chinese travellers are expected to make more than 6 billion domestic trips in 2024, close to 2019 numbers[10]. China reported a record upsurge in travel and consumption during the Lunar New Year holidays. A total of 474 million trips were made within mainland China during the 2024 Lunar New Year – the first since China reopened fully, an increase of 34% compared to 2023 and up 19% compared to 2019[5].

International arrivals are projected to return to 50% of 2019 levels in 2024. Since the second half of 2023, China has eased administrative and visa requirements to facilitate international travel into the country[11]. The restoration of international flights has also picked up pace. China's international capacity has recovered to 70% of pre-COVID-19 levels in 1Q 2024[6]. This is expected to facilitate travel to China for business, education and leisure.

With long-stay guests as the primary source of business, CLAS' China properties are expected to remain resilient against macroeconomic headwinds. International demand is expected to improve further in the coming months, as the frequency of flights to and from China continues to recover progressively, and as China introduces more visa-free arrangements with other countries.

GROSS RENTAL INCOME (RMB'000)

	FY 2023	FY 2022
Citadines Xinghai Suzhou	**12,961**	7,968
Citadines Zhuankou Wuhan	**12,044**	14,365
Somerset Grand Central Dalian	**33,867**	28,684
Somerset Heping Shenyang	**25,732**	19,056
Somerset Olympic Tower Property Tianjin	**37,968**	37,858

REVENUE PER AVAILABLE UNIT (RMB)

	FY 2023	FY 2022
Citadines Xinghai Suzhou	**209**	128
Citadines Zhuankou Wuhan	**120**	145
Somerset Grand Central Dalian	**455**	389
Somerset Heping Shenyang	**261**	193
Somerset Olympic Tower Property Tianjin	**469**	445

6 Source: OAG (2024)
7 Excluding Ascott Guangzhou which was divested in December 2020 and Somerset Xu Hui Shanghai which was divested in May 2021.
8 Source: International Monetary Fund (2024)
9 Source: Peterson Institute for International Economics (2023)
10 Source: South China Morning Post (2024)
11 Source: The Straits Times (2023)

OPERATIONS REVIEW

JAPAN

KEY MARKET

32
PROPERTIES

5,630
UNITS

S$79.0 million
TOTAL REVENUE
(FY 2023)

S$52.3 million
TOTAL GROSS PROFIT
(FY 2023)

S$1,286.5 million
VALUATION
(as at 31 December 2023)

▲ Sotetsu Grand Fresa Tokyo-Bay Ariake

Japan is one of CLAS' key markets which contributed 16% to the total gross profit for FY 2023.

As at 31 December 2023, CLAS owns 32 freehold properties in Japan. Three hotels and one student accommodation property are under master leases. The rest of the Japan portfolio which consists of three serviced residences, two hotels and 23 rental housing properties, are under management contracts.

In 2023, CLAS completed two turnkey acquisitions of rental housing properties – *Eslead Residence Osaka Fukushima East* in Osaka, and *Granfore Hakata Waterfront* in Fukuoka.

MASTER LEASES

Sotetsu Grand Fresa Tokyo-Bay Ariake is a 912-unit hotel located within the Tokyo Secondary City Centre in close proximity to Big Sight, a major international convention centre, Ariake Colosseum and retail options. *Sotetsu Grand Fresa Osaka-Namba* is a 698-unit hotel centrally located in Namba, Osaka. The 182-unit *Hotel WBF Honmachi* is located in the Honmachi district of Osaka.

Eslead College Gate Kindaimae is CLAS' first and only student accommodation property in Japan. It is a seven-storey building comprising 112 studio apartment units, located in close walking proximity to the main campus of Kindai University in Osaka.

The master leases have remaining lease terms varying between one to 13 years.

MANAGEMENT CONTRACTS

Citadines Central Shinjuku Tokyo, a 206-unit serviced residence, and *Citadines Shinjuku Tokyo*, a 160-unit serviced residence, are both located in the bustling entertainment district of Shinjuku. *Citadines Karasuma-Gojo Kyoto* is a 124-unit serviced residence located close to the Gojo subway station, and the business district and entertainment areas of Kyoto. The three serviced residences have an average length of stay of less than a month.

The 168-unit *Hotel WBF Kitasemba East* and 168-unit *Hotel WBF Kitasemba West* are situated in the Honmachi district of Osaka, in close proximity to Hotel WBF Honmachi.

CLAS' 23 rental housing properties[1] are located across eight cities – Fukuoka, Hiroshima, Hyogo, Kyoto, Nagoya, Osaka, Tokyo and Sapporo. All the properties are conveniently located close to public transportation and other lifestyle amenities. The rental housing properties have an average length of stay of over 12 months.

1 Excluding Teriha Ocean Stage, the acquisition of which was completed in January 2024.

2023 REVIEW

On a full year basis, Japan's GDP grew 1.9% in 2023[2], higher than the 1.1% growth in 2022. The key factors that supported activity included a depreciated Yen, pent-up inbound travel, and recovery in business investment following earlier delays in implementing projects[2], partially offset by a weaker second half, due to soft domestic demand[3]. The contraction in 2H 2023 was despite a sharp rise in inbound consumption, which included tourist spending[4].

In terms of visitor arrivals, Japan started off the year on a strong positive note, on the back of its full reopening to independent travellers in October 2022. More than 25 million visitors had travelled to Japan in 2023, almost 80% of 2019 levels[5]. In 4Q 2023 alone, the number of inbound travellers surpassed 2019 levels, even with the number of Chinese tourists at less than half of pre-pandemic levels, showing strong potential for further growth[6].

Due to the surge in inbound travel, the majority of Japan's hotels registered RevPARs at or above pre-pandemic levels, mainly driven by ADR growth. Occupancies improved at a slower pace. Many hotels prioritised raising room rates over occupancies due to labour shortages[6].

In line with the market, CLAS' serviced residences under management contracts reflected a robust performance. In the first quarter alone, RevPAU[7] jumped by 351% YoY, exceeding pre-COVID-19 same-store[8] levels by 5%, driven by pent-up demand. International leisure demand was strong, particularly during the cherry blossom season from late-March to April and autumn leaf season from mid-October to November. For the full year, RevPAU[7] increased 180% YoY in JPY terms. RevPAU[7] for 4Q 2023 exceeded pre-COVID-19 same-store[8] levels by 39%, mainly driven by higher ADR, which surpassed pre-pandemic levels by more than 30%.

CLAS' properties under master leases continued to provide stable income. In 2023, the three hotels received variable rent in addition to fixed rent due to stronger performance, while the student accommodation property received fixed rent.

CLAS' rental housing properties registered high stable average occupancies of over 95% in 2023, continuing to offer resilience to the portfolio.

2024 OUTLOOK

In 2024, Japan's GDP growth is forecasted to decelerate to 0.9%, as the one-off factors which supported activity in 2023 are expected to taper off[2]. Domestic demand and private consumption are expected to either remain subdued or continue to decline, as inflation outpaces wage growth as of 1Q 2024. Expectations are that by 2H 2024, moderating inflation, supported by a tighter monetary policy, and accelerating wages should allow for a stronger recovery to take hold[9].

A record high of 33.1 million inbound travellers are forecasted to travel to Japan in 2024, about 4% higher than 2019 levels and about 31% higher than in 2023. The positive outlook is largely due to factors such as the increased ease of travelling to Japan, and a sense of better value for money due to the cheaper Yen and relatively low prices compared with other destinations[10].

In terms of source markets, the volume of visitors from South Korea, Taiwan, the United States and Hong Kong have exceeded or recovered close to pre-COVID-19 levels, and are expected to further increase and reach a record high in 2024[10]. Amongst Southeast Asians, Japan is also the most favoured holiday destination, with over a quarter of respondents in a study done across the region selecting Japan as their most preferred[11]. Although the return of visitors from China has been significantly slower than other regions, at 25% of 2019 levels in 2023[12], the number of visitors is slowly increasing and expected to recover further in 2024.

New hotel room supply in Japan has been slowing down significantly and is forecasted to be at its lowest since 2015, hence boding well for the sector[6].

CLAS' serviced residences under management contracts are expected to continue to benefit from the robust international visitor demand in 2024. The hotels under master leases are also expected to capture the potential upside from the continued momentum in 2024 given the variable rent components, while the fixed rent components provide downside protection for CLAS. CLAS' rental housing properties, which mainly cater to domestic corporate long stays, are expected to register stable performance, given the long leases.

In December 2023, CLAS entered into agreements to divest three hotels in Osaka – Hotel WBF Honmachi, Hotel WBF Kitasemba East and Hotel WBF Kitasemba West. The divestments were completed in March 2024. In January 2024, the turnkey acquisition of a rental housing property in Fukuoka, Teriha Ocean Stage, which was entered into in FY 2022, was completed. Post-completion of the divestments and with the inclusion of Teriha Ocean Stage, CLAS now has 30 properties in Japan.

2 Source: International Monetary Fund (2024)
3 Source: CNBC (2024)
4 Source: CNN (2024)
5 Source: Japan National Tourism Organization (2024)
6 Source: Savills (2023 and 2024)
7 RevPAU excludes rental housing properties, and Hotel WBF Kitasemba East and Hotel WBF Kitasemba West which were closed.
8 Excluding Somerset Azabu East Tokyo which was divested in December 2020.
9 Source: Deloitte Global Economics Research Center (2024)
10 Source: JTB (2023)
11 Source: Seasia.co (2024)
12 Source: Japan Property Central (2024)

OPERATIONS REVIEW

GROSS RENTAL INCOME (JPY'000)

	FY 2023	FY 2022
Citadines Central Shinjuku Tokyo	**1,255,213**	476,177
Citadines Karasuma-Gojo Kyoto	**360,527**	151,740
Citadines Shinjuku Tokyo	**1,079,612**	381,111
Hotel WBF Kitasemba East[i]	-	-
Hotel WBF Kitasemba West[i]	-	-
Hotel WBF Honmachi	**64,054**	71,151
Sotetsu Grand Fresa Osaka-Namba	**848,312**	740,000
Sotetsu Grand Fresa Tokyo-Bay Ariake	**1,298,913**	1,170,000
Actus Hakata V-Tower	**253,362**	250,395
Alpha Square Kita 15 jo	**102,160**	107,162
Big Palace Kita 14 jo	**108,001**	107,803
Big Palace Minami 5 jo	**142,486**	141,575
City Court Kita 1 jo	**127,929**	124,883
Eslead College Gate Kindaimae[ii]	**86,016**	67,749
Eslead Residence Bentencho Grande[iii]	**99,018**	3,889
Eslead Residence Osaka Fukushima East[iv]	**66,332**	-
Eslead Residence Umeda Grande[iii]	**57,307**	2,320
Granfore Hakata Waterfront[v]	**122,777**	-
Gravis Court Kakomachi	**45,212**	45,855
Gravis Court Kokutaiji	**35,251**	35,445
Gravis Court Nishiharaekimae	**27,574**	28,021
House Saison Shijo-dori[vi]	**154,938**	13,394
Infini Garden	**546,474**	543,396
Marunouchi Central Heights[vi]	**47,032**	4,174
Roppongi Residences Tokyo	**182,669**	176,287
S-Residence Fukushima Luxe	**168,254**	168,378
S-Residence Gakuenzaka[vi]	**68,026**	5,929
S-Residence Hommachi Marks	**89,006**	88,803
S-Residence Midoribashi Serio	**80,736**	81,287
S-Residence Namba Viale[vi]	**97,360**	8,061
S-Residence Shukugawa[vi]	**49,621**	4,135
S-Residence Tanimachi 9 chome	**100,350**	100,064

REVENUE PER AVAILABLE UNIT (JPY)

	FY 2023	FY 2022
Citadines Central Shinjuku Tokyo	**15,626**	5,340
Citadines Karasuma-Gojo Kyoto	**7,966**	3,353
Citadines Shinjuku Tokyo	**18,486**	6,526

RENTAL HOUSING RENTAL PER SQUARE METRE (JPY)

	FY 2023	FY 2022
Actus Hakata V-Tower	**2,477**	2,474
Alpha Square Kita 15 jo	**2,202**	2,176
Big Palace Kita 14 jo	**2,129**	2,109
Big Palace Minami 5 jo	**1,652**	1,635
City Court Kita 1 jo	**2,116**	2,052
Eslead Residence Bentencho Grande[iii]	**2,825**	2,722
Eslead Residence Osaka Fukushima East[iv]	**3,320**	-
Eslead Residence Umeda Grande[iii]	**3,431**	3,161
Granfore Hakata Waterfront[v]	**2,407**	-
Gravis Court Kakomachi	**2,018**	2,032
Gravis Court Kokutaiji	**2,161**	2,189
Gravis Court Nishiharaekimae	**2,232**	2,257
House Saison Shijo-dori[vi]	**2,607**	2,746
Infini Garden	**1,403**	1,381
Marunouchi Central Heights[vi]	**2,306**	2,537
Roppongi Residences Tokyo	**4,308**	4,290
S-Residence Fukushima Luxe	**3,049**	3,119
S-Residence Gakuenzaka[vi]	**2,342**	2,449
S-Residence Hommachi Marks	**2,604**	2,798
S-Residence Midoribashi Serio	**2,589**	2,434
S-Residence Namba Viale[vi]	**2,605**	2,661
S-Residence Shukugawa[vi]	**1,663**	1,680
S-Residence Tanimachi 9 chome	**2,854**	2,794

i There was no gross rental income in FY 2022 and FY 2023 as the property was closed due to poor market demand.
ii The acquisition of the property was completed on 18 March 2022; hence the gross rental income stated for FY 2022 is for 19 March 2022 to 31 December 2022.
iii The acquisition of the property was completed on 16 December 2022; hence the gross rental income and rental housing rental per square metre stated for FY 2022 are for 17 December 2022 to 31 December 2022.
iv The acquisition of the property was completed on 5 April 2023; hence the gross rental income and rental housing rental per square metre stated for FY 2023 are for 6 April 2023 to 31 December 2023.
v The acquisition of the property was completed on 19 May 2023; hence the gross rental income and rental housing rental per square metre stated for FY 2023 are for 20 May 2023 to 31 December 2023.
vi The acquisition of the property was completed on 30 November 2022; hence the gross rental income and rental housing rental per square metre stated for FY 2022 are for December 2022.

OPERATIONS
REVIEW

SINGAPORE


▲ The Robertson House by The Crest Collection

KEY MARKET

5[1]
PROPERTIES

1,226[2]
UNITS

S$68.6
million
TOTAL REVENUE
(FY 2023)

S$28.8
million
TOTAL GROSS PROFIT
(FY 2023)

S$1,331.8
million
VALUATION
(as at 31 December 2023)

Singapore contributed 8% of CLAS' total gross profit for FY 2023. As at 31 December 2023, CLAS has five properties in Singapore. There are two serviced residences and a hotel under management contracts, as well as a serviced residence under MCMGI. The remaining serviced residence, Somerset Liang Court Property Singapore, is currently under development and expected to be completed in 2H 2025.

MANAGEMENT CONTRACTS

CLAS has two serviced residences and a hotel under management contracts. *Citadines Mount Sophia Property Singapore* comprises 154 units. The 96-year leasehold serviced residence is situated in the heart of Singapore's arts, culture, learning and entertainment hub, with easy access to Orchard Road and the CBD.

lyf one-north Singapore is situated in one-north, a prominent research, innovation, and business district, and caters to the technopreneurs and business schools in the area. The 324-unit leasehold coliving property soft-launched in November 2021 and obtained its final Temporary Occupation Permit in January 2022.

The Robertson House by The Crest Collection (TRH), formerly known as Riverside Hotel Robertson Quay, is a 336-unit leasehold hotel located in the Clarke Quay entertainment precinct. The hotel was under a phased renovation since March 2023, and was rebranded as The Crest Collection, a luxury brand managed by The Ascott Limited in October 2023. The renovation was fully completed in 1Q 2024. Situated along the Singapore River, the hotel is well-connected to Orchard Road and the CBD, and offers guests a unique experience with its colonial charm.

MANAGEMENT CONTRACT WITH MINIMUM GUARANTEED INCOME

Ascott Orchard Singapore is a 220-unit leasehold serviced residence located in the prime Orchard entertainment and commercial district, with easy access to the CBD via the Orchard and Somerset MRT stations. The property was formerly under a master lease before the lease expired in November 2022 and was converted to a MCMGI thereafter.

Collectively, the properties under management contracts and MCMGI have an average length of stay of about two months.

1 Includes Somerset Liang Court Property Singapore, which is currently under development.
2 Includes the 192-unit Somerset Liang Court Property Singapore, which is currently under development. Number of units may be subject to change.

DEVELOPMENT PROPERTY

Somerset Liang Court Property Singapore was formerly a 197-unit leasehold serviced residence in Clarke Quay under a management contract before part of its GFA was divested in July 2020. The retained GFA of about 13,000 square metres is currently under redevelopment into a 192-unit serviced residence with hotel licence and a refreshed lease of 99 years. CLAS owns a 100% interest in the property. Site works commenced in mid-July 2021 and foundation piling works were completed in 2022. Substructure works are ongoing and targeted to be completed in 2024. The new property, which will be part of an iconic waterfront integrated development, is on track to be completed in 2H 2025.

2023 REVIEW

In 2023, the Singapore economy grew by 1.1%, moderating from the 3.8% growth in 2022, due to contraction of the manufacturing sector and slower expansion of services-producing industries[3]. Headline inflation eased to 4.8%, as compared to 6.1% in 2022.

Singapore's tourism sector recovered strongly with 13.6 million international visitor arrivals in 2023, a 115% growth YoY to 71% of pre-pandemic levels in 2019. The increase was led by Indonesia, followed by China and Malaysia. Tourism receipts were estimated to reach S$24.5 billion to S$26.0 billion, about 88% to 94% of 2019 levels. Apart from a robust leisure and sporting events calendar in 2023, new business events which were hosted in Singapore also drove the recovery[4].

While international visitor arrivals were higher on a full-year basis, growth began to normalise in the last quarter of 2023[4]. At Singapore's Changi Airport, the rate of growth in passenger traffic was also observed to moderate, given intensifying competition in the region. Singapore had an early head start as one of the first in Asia to reopen to international travellers, and other countries were catching up[5].

Singapore's hotel sector RevPAR grew about 20% YoY in 2023, reaching 118% of 2019 levels on a full year basis, but declined about 9% YoY in the last quarter of 2023. ADR for the sector was 12% higher YoY in 2023, at 128% of pre-pandemic levels, while occupancy came in at 80%, below the occupancy of 87% recorded in 2019[4].

Reflective of the market trend, the performance of CLAS' properties surpassed pre-COVID-19 levels in FY 2023. Demand from both the corporate and leisure segments, as well as the uplift from MICE events, enabled the properties to command high room rates during the year.

For FY 2023, the RevPAU of CLAS' properties under management contracts and MCMGI increased 61% YoY to S$172 despite the renovation at TRH and relatively softer demand in 4Q 2023. Excluding TRH, RevPAU increased 88% YoY in FY 2023. On a same-store basis[6], the RevPAU of Citadines Mount Sophia Property Singapore in 4Q 2023 was 5% higher than 4Q 2019.

2024 OUTLOOK

Singapore's GDP is forecasted to grow by 1% to 3% in 2024. Amid tight financial conditions and geopolitical uncertainty, economic activity in outward-oriented sectors is projected to remain subdued in the first half of the year, before recovering gradually in tandem with an expected easing of monetary policy as inflationary pressures recede[3].

The continued recovery in air travel and tourism demand is expected to support growth in Singapore's tourism and aviation-related sectors, albeit at a moderated pace from that in 2023[3].

The Singapore Tourism Board expects the recovery of the tourism sector in 2024 to be largely driven by improved global flight connectivity and capacity as well as the implementation of the mutual 30-day visa-free travel between China and Singapore. A vibrant lineup of events in 2024, including concerts by popular artistes, are expected to further boost demand and activity levels. International visitor arrivals are forecasted to reach around 15 million to 16 million, bringing in approximately S$26.0 billion to S$27.5 billion in tourism receipts[4]. Nonetheless, these forecasts remain below 2019 pre-pandemic levels.

The outlook for CLAS' Singapore properties is expected to trend in line with the market. As pent-up demand eases, RevPAU growth is expected to be driven by occupancies as opposed to room rates. With the full inventory of rooms at TRH available for sale post-renovation, the property is expected to contribute positively to CLAS' performance in FY 2024.

In February 2024, CLAS entered into an agreement to divest Citadines Mount Sophia Property Singapore. The divestment was completed in March 2024. Post-divestment, CLAS now has four properties in Singapore.

3 Source: Ministry of Trade and Industry (2024)
4 Source: Singapore Tourism Board (2024)
5 Source: The Straits Times (2024)
6 Excluding Somerset Liang Court Property Singapore which was divested in July 2020.

OPERATIONS REVIEW

GROSS RENTAL INCOME (S$'000)

	FY 2023	FY 2022
Ascott Orchard Singapore	**29,052**	21,103
Citadines Mount Sophia Property Singapore	**10,516**	8,095
lyf one-north Singapore	**13,884**	9,055

HOTEL REVENUE (S$'000)

	FY 2023	FY 2022
The Robertson House by The Crest Collection (formerly Riverside Hotel Robertson Quay)	**12,389**	12,531

REVENUE PER AVAILABLE UNIT (S$)

	FY 2023	FY 2022
Ascott Orchard Singapore[i]	**359**	437
Citadines Mount Sophia Property Singapore	**187**	144
lyf one-north Singapore	**117**	77
The Robertson House by The Crest Collection (formerly Riverside Hotel Robertson Quay)	**96**	102

i The master lease for Ascott Orchard Singapore was converted to MCMGI from December 2022; hence the RevPAU stated for FY 2022 is for December 2022.

▲ lyf one-north Singapore

VIETNAM

▲ Somerset Central TD Hai Phong City

KEY MARKET

5
PROPERTIES

893
UNITS

S$36.5
million
TOTAL REVENUE
(FY 2023)

S$18.0
million
TOTAL GROSS PROFIT
(FY 2023)

S$193.0
million
VALUATION
(as at 31 December 2023)

CLAS owns five leasehold serviced residences in Vietnam, which contributed about 5% of the total gross profit for FY 2023. Operating under management contracts, the five properties have an average length of stay of five months.

Somerset Grand Hanoi comprises 185 units and is located within Hanoi's largest CBD, close to a host of restaurants, entertainment stretches and local attractions. *Somerset Hoa Binh Hanoi* comprises 206 units and is well located next to the business and financial districts as well as the flourishing Hoa Lac high technology development zone.

Somerset Chancellor Court Ho Chi Minh City is a 172-unit serviced residence with a prime location in the CBD, which attracts expatriates working for large multinational companies within the vicinity. The 198-unit *Somerset Ho Chi Minh City* is strategically located in District 1, the city's acclaimed commercial, diplomatic and shopping district.

Somerset Central TD Hai Phong City is a 132-unit serviced residence that is part of an integrated development and close to a multitude of international schools, shopping malls and hospital facilities. The property is located in the growth city of Hai Phong, the third largest city and one of the largest industrial hubs and ports of Vietnam. A 15-minute drive from three industrial parks, the property is well-positioned to capture the demand arising from foreign direct investment and business activities in the city.

2023 REVIEW

Vietnam's GDP growth in 2023 slowed to about 5.1%, down from 8.0% in 2022[1]. High inflation, soft global demand and political uncertainties weighed on the country's exports. Nonetheless, Vietnam's GDP growth in 2023 was respectable, as the country was amongst the fastest-growing economies regionally and globally[2]. Foreign direct investment (FDI) into Vietnam rose 32.1% YoY in 2023, breaking records. Major investment destinations in the country included Ho Chi Minh City and Hai Phong[1].

Vietnam received 12.6 million international visitors in 2023. While the number of visitors was higher by 240% YoY, it was 70% of pre-pandemic levels. The recovery in international inbound travel into Vietnam was slower compared to its neighbouring countries, largely due to restrictive visa policies which deterred tourists[1], even though these policies had been relieved in phases.

1 Source: VietnamPlus (2024)
2 Source: The Business Times (2023)

OPERATIONS REVIEW

In August 2023, Vietnam extended its visa exemption period from 15 to 45 days, for 13 countries which comprised key European markets, South Korea and Japan, as well as the extension of e-visa duration from 30 to 90 days with multiple entries permitted[3]. Another factor which slowed down international corporate demand into Vietnam was the difficulty in obtaining and renewing of work permits for foreign employees since COVID-19. In September 2023, a decree for improvements was executed, with changes that improved the efficiency of work permit issuance[4].

As a market, the RevPAR of Vietnam hotels in 2023 was around 77% of 2019 levels[5]. For CLAS' properties, RevPAU rose 33% YoY in VND terms, on a same-store basis[6]. As of 4Q 2023, RevPAU had recovered to 88% of 4Q 2019 same-store[7] levels.

CLAS' properties in Vietnam primarily serve the corporate long-stay and project group segments, which continued to provide resilience to the portfolio. The properties reflected steady recovery in 2023, and demand for short stays from both leisure and corporate travellers progressively returned as flight frequencies to and from Vietnam increased. In particular, there was an increase in MICE events and tradeshows which contributed to the improvement during certain periods of 2023. The year-end holiday season also saw a rise in the number of short-stay leisure bookings by small groups and families.

2024 OUTLOOK

The Vietnam economy is expected to grow 6% in 2024, a higher growth compared to 2023, driven by the expectation of export recovery[8]. FDI in 2024 is expected to be robust, which will contribute to Vietnam remaining as one of the strongest growth environments in Southeast Asia[1].

As of early 2024, visitors from key markets such as China, the United States, Taiwan, Australia and India are still required to apply for e-visas[3]. In terms of facilitating better accessibility of visitors from China, Vietnam's largest pre-pandemic source market, Vietnam has fallen behind its neighbouring countries which have entered into mutual visa exemption arrangements[9]. Government officials are exploring the introduction of short-term visa waivers for major markets like China and India so that recovery can be sped up further[9]. With this, Vietnam is expected to welcome around 18 million foreign visitors in 2024, recovering to pre-pandemic levels[1]. International passenger numbers into Vietnam are also projected to increase 31% YoY[8].

CLAS' Vietnam properties are well-positioned to continue riding the recovery in inbound travel, and their long-stay base offers resilience, despite the return of Chinese travellers to Vietnam being slower than expected. Demand for mid and long stay bookings by international corporate guests remains healthy moving forward. The retail and commercial spaces at CLAS' properties are also expected to remain well-leased, offering diversification and a resilient income stream.

GROSS RENTAL INCOME (VND'MILLION)

	FY 2023	FY 2022
Somerset Central TD Hai Phong City[i]	**52,030**	4,626
Somerset Chancellor Court Ho Chi Minh City	**136,153**	114,995
Somerset Grand Hanoi	**232,507**	177,696
Somerset Ho Chi Minh City	**130,547**	108,524
Somerset Hoa Binh Hanoi	**61,490**	41,328

REVENUE PER AVAILABLE UNIT (VND'000)

	FY 2023	FY 2022
Somerset Central TD Hai Phong City[i]	**1,023**	1,072
Somerset Chancellor Court Ho Chi Minh City	**1,487**	1,239
Somerset Grand Hanoi	**1,826**	1,179
Somerset Ho Chi Minh City	**1,706**	1,421
Somerset Hoa Binh Hanoi	**658**	436

i The acquisition of the property was completed on 30 November 2022; hence the gross rental income and RevPAU stated for FY 2022 are for December 2022.

3 Source: Vietnam National Authority of Tourism (2024)
4 Source: Risk in Asia (2023)
5 Source: STR (2024)
6 Excluding Somerset Central TD Hai Phong City which was acquired in November 2022.
7 Excluding Somerset West Lake Hanoi which was divested in October 2019.
8 Source: Vietnam News (2024)
9 Source: VN Express (2023)

INDONESIA

▲ Ascott Kuningan Jakarta

3
PROPERTIES

588
UNITS

S$14.1
million
TOTAL REVENUE
(FY 2023)

S$4.8
million
TOTAL GROSS PROFIT
(FY 2023)

S$145.8
million
VALUATION
(as at 31 December 2023)

After the completion of the acquisition of Ascott Kuningan Jakarta in November 2023, CLAS now owns three leasehold serviced residences in Indonesia which are under management contracts. Collectively, the three properties have an average length of stay of around three months.

The 204-unit *Ascott Jakarta*, 185-unit *Ascott Kuningan Jakarta* and 199-unit *Somerset Grand Citra Jakarta* are situated near the Golden Triangle of Jakarta – the city's main business, shopping and entertainment district – and surrounded by offices, embassies, convention centres and shopping centres.

In FY 2023, RevPAU of the Indonesia properties increased by 6% YoY in IDR terms, mainly due to higher ADR. On a same-store basis[1], RevPAU of the Indonesia properties increased 4% YoY. In 4Q 2023, same-store RevPAU was close to pre-pandemic levels.

GROSS RENTAL INCOME (IDR'MILLION)

	FY 2023	FY 2022
Ascott Jakarta	**90,544**	87,210
Ascott Kuningan Jakarta[i]	**8,132**	-
Somerset Grand Citra Jakarta	**59,349**	57,487

REVENUE PER AVAILABLE UNIT (IDR)

	FY 2023	FY 2022
Ascott Jakarta	**1,195,461**	1,153,492
Ascott Kuningan Jakarta[i]	**1,405,048**	-
Somerset Grand Citra Jakarta	**832,541**	789,443

i The acquisition of the property was completed on 30 November 2023; hence the gross rental income and RevPAU stated for FY 2023 are for December 2023.

1 Excluding Ascott Kuningan Jakarta which was acquired on 30 November 2023.

MALAYSIA

1
PROPERTY

205
UNITS

S$3.7
million
TOTAL REVENUE
(FY 2023)

S$0.7
million
TOTAL GROSS PROFIT
(FY 2023)

S$35.2
million
VALUATION
(as at 31 December 2023)

▲ Somerset Kuala Lumpur

CLAS owns a freehold serviced residence in Kuala Lumpur, Malaysia. Operating under a management contract, the serviced residence has an average length of stay of over a month.

The 205-unit *Somerset Kuala Lumpur* is situated along Jalan Ampang, close to several embassies, offices and shopping malls. Its prime location provides easy access to Kuala Lumpur's Golden Triangle, the city's renowned commercial, shopping and entertainment district.

In FY 2023, RevPAU of the property rose 8% YoY in MYR terms, mainly due to higher ADR. In 4Q 2023, RevPAU of Somerset Kuala Lumpur was 98% of pre-COVID-19 levels.

GROSS RENTAL INCOME (MYR'000)

	FY 2023	FY 2022
Somerset Kuala Lumpur	**12,358**	11,437

REVENUE PER AVAILABLE UNIT (MYR)

	FY 2023	FY 2022
Somerset Kuala Lumpur	**165**	153

SOUTH KOREA

2
PROPERTIES

578
UNITS

S$8.5
million
TOTAL REVENUE
(FY 2023)

S$7.9
million
TOTAL GROSS PROFIT
(FY 2023)

S$162.2
million
VALUATION
(as at 31 December 2023)

▲ ibis Ambassador Seoul Insadong

CLAS owns two freehold hotels in Seoul, South Korea, under master leases with fixed and variable rent components.

ibis Ambassador Seoul Insadong is a 363-unit hotel and is strategically located near the Central Business District, one of the major business districts in Seoul, where many large Korean corporates and financial institutions are based. The hotel is also located near key tourist destinations such as Insadong retail precinct, Changdeokgung Palace and Jongmyo Shrine. It is a short walking distance from the Jongno 3-ga Station, which runs three lines of the Seoul metropolitan subway, offering convenience and excellent connectivity to other parts of the city. The property has a remaining lease term of approximately 10 years.

Sotetsu Hotels The Splaisir Seoul Dongdaemun is a 215-unit hotel located in the wholesale and retail precinct of Dongdaemun, one of the most popular destinations in Seoul. Landmarks within its vicinity include the Dongdaemun Design Plaza and the Doota Mall. The hotel is well-connected to other parts of Seoul as it enjoys direct access to the Dongdaemun History & Culture Park Station, which runs three lines of the Seoul metropolitan subway. The property has a remaining lease term of approximately six years[1].

In FY 2023, revenue for the South Korea portfolio increased by 61% YoY in KRW terms, due to higher variable rent received from both properties on the back of improved operating performance.

GROSS RENTAL INCOME (KRW'000)

	FY 2023	FY 2022
ibis Ambassador Seoul Insadong	**4,132,537**	1,925,438
Sotetsu Hotels The Splaisir Seoul Dongdaemun	**4,047,149**	3,150,000

1 Based on the assumption that the lessee exercises its right to terminate the 20-year lease agreement at the 10-year mark, by paying one year of rent. Based on the full 20-year term of the lease, the remaining lease term would be approximately 15 years.

THE PHILIPPINES

2
PROPERTIES

480
UNITS

S$22.3
million
TOTAL REVENUE
(FY 2023)

S$7.4
million
TOTAL GROSS PROFIT
(FY 2022)

S$110.1
million
VALUATION
(as at 31 December 2023)

▲ Somerset Millennium Makati

CLAS owns two serviced residences in Makati, the Philippines. Both properties are under management contracts, and they have an average length of stay of over a month.

Ascott Makati is a 362-unit leasehold property located within Glorietta Mall, a retail and commercial complex situated in the Ayala Triangle, a bustling area comprising high-end shopping malls, office buildings, luxury dining options, multinational companies, international banks and embassies. *Somerset Millennium Makati* is a 118-unit freehold property located in the shopping and business district of Makati City. It is within walking distance to Glorietta Mall and Greenbelt, a 12-hectare space comprising a sprawling garden amidst world-class shopping, dining and entertainment options.

In FY 2023, RevPAU of the properties increased 18% YoY in PHP terms due to higher ADR. In 4Q 2023, RevPAU was 91% of pre-pandemic levels.

GROSS RENTAL INCOME (PHP'000)

	FY 2023	FY 2022
Ascott Makati	**718,249**	601,780
Somerset Millennium Makati	**141,424**	123,516

REVENUE PER AVAILABLE UNIT (PHP)

	FY 2023	FY 2022
Ascott Makati	**5,116**	4,300
Somerset Millennium Makati	**3,136**	2,726

OPERATIONS REVIEW

EUROPE OVERVIEW

RECOVERY REMAINS STRONG AS TRAVEL ENTHUSIASM CONTINUES TO RISE

Europe, being the world's most visited destination region, saw strong tourism levels in 2023. In total, Europe welcomed 700 million arrivals in 2023, reaching 94% of pre-pandemic levels[1]. The upward performance was supported by robust intra-regional demand as well as travellers from the United States leveraging favourable exchange rates[1,2]. Western Europe reflected an even stronger recovery in international visitor arrivals, reaching 97% of pre-pandemic levels.

The European travel sector demonstrated its resilience, registering growth despite challenges such as high inflation, tighter financial conditions and strikes. While the volume of travellers from certain long-haul source markets such as China and Japan may require more time to fully return to pre-COVID-19 levels, the progress made in 2023 was encouraging[2].

For the full year of 2023, market RevPAR for Europe grew by 20% YoY, surpassing pre-COVID-19 levels. The growth in RevPAR was driven primarily by high ADR that exceeded 2019 levels, whilst average occupancy remained below pre-pandemic comparables. Globally, France and Ireland were amongst the top five countries in RevPAR performance in 2023. Ireland and the UK ranked first and second in terms of occupancy, while France recorded the highest ADR[3].

In line with the industry, CLAS' properties in Europe continued to surpass pre-COVID-19 performance levels in 2023, primarily led by higher ADR.

PROGRESSING WITH CAUTIOUS OPTIMISM AS GROWTH INCOME STREAMS CAPTURE UPSIDE AND STABLE INCOME STREAMS MITIGATE HEADWINDS

International visitor arrivals to Europe are expected to achieve 2019 levels by 2024[2], notwithstanding ongoing economic and geopolitical headwinds[1].

Domestic and short-haul leisure travel will continue to be the primary drivers of demand in 2024, whilst further upside will come from the ongoing return of international long-haul leisure travel from Asian markets which had lagged the others. In particular, Chinese outbound tourist demand in Europe is projected to return further in 2024[4].

Despite uncertain economic prospects and new hotel supply in certain parts of Europe, room rates are still trending upwards in 2024, although at a reduced velocity compared to 2023[5]. Market RevPAR growth is forecasted to ease to a high single-digit rate in 2024[4]. Given the outlook for sustained demand and moderating inflation, 2024 is anticipated to be a year of profit increases and margin expansion for the industry[4].

In Paris, the 2024 Summer Olympics is expected to bring about a boost to the performance of properties in the French capital. As of January 2024, forward bookings for hotels had already reflected occupancy trending above 50% for almost the entire period of the Summer Olympics, with significant increases in room rates[3]. Other major sporting and entertainment events that are expected to drive visitor interest and provide an uplift include UEFA Euro 2024 in Germany, as well as major music tours in the UK and Western Europe.

Forward bookings at CLAS' European properties are healthy, supported by demand across all segments. Our properties in France are expected to benefit from the Paris Olympics, as the variable rent components under the master leases allow us to capture the potential upside. Our properties in the UK, Belgium, Ireland and Spain, which are under MCMGI, are similarly able to capture the upside from growth in market demand, while the minimum guaranteed income provides downside protection. The master leases in Germany are predominantly indexed to the German CPI index, which provides for inflation adjustments YoY.

1 Source: World Tourism Organization (2024)
2 Source: European Travel Commission (2023 and 2024)
3 Source: STR (2024)
4 Source: CBRE (2024)
5 Source: American Express Global Business Travel (2024)

FRANCE

▲ La Clef Tour Eiffel Paris

KEY MARKET

12
PROPERTIES

1,264
UNITS

S$33.1 million
TOTAL REVENUE
(FY 2023)

S$29.8 million
TOTAL GROSS PROFIT
(FY 2023)

S$568.0 million
VALUATION
(as at 31 December 2023)

France is one of CLAS' key markets, contributing 9% to total gross profit for FY 2023. Following the divestment of four regional France properties in September 2023, CLAS now owns 12 freehold serviced residences in France. All the 12 properties are under master leases, with remaining lease terms ranging between less than a year to 12 years. Three of the master leases are due for renewal in 2024.

10 of the serviced residences are in the French capital of Paris, and the remaining two are in the cities of Lyon and Montpellier. The properties in Paris are located near iconic landmarks such as the Eiffel Tower, The Louvre, Notre Dame, Arc de Triomphe and the shopping street of Champs-Élysées. *Citadines Presqu'île Lyon* is located on the Lyon peninsula, within minutes of Place Bellecour, Passerelle du Palais de Justice and Old Lyon. *Citadines Antigone Montpellier* is located in the famous Antigone district, in the centre of Montpellier. The historic centre of La Surdouée and its famous Place de La Comédie, and Polygone Shopping Centre are just a 10-minute walk away.

2023 REVIEW

France's GDP is forecasted to have increased by 0.9% in 2023, compared to a growth of 2.6% in 2022, as high inflation and tighter financial conditions weighed on growth despite government support measures and a favourable labour market[1].

In 2023, France remained an attractive destination for travellers, recording approximately EUR59 billion in tourism receipts for the first 11 months of 2023, a 9% increase from the same period a year ago and an increase of 3% from the same period in 2019[2]. This was attributed to an increase in travellers from North America and neighbouring European countries, a positive impact from the Rugby World Cup and a gradual return of travellers from Asia Pacific. The Rugby World Cup in September saw a 39% YoY increase in nights booked by international travellers in the nine host cities during the competition period, with majority of growth contributed by long-haul travellers from Australia, Japan, Argentina and South Africa[3].

1 Source: European Commission (2024)
2 Source: Campus France (2023)
3 Source: Atout France (2023)
4 Source: Bloomberg (2023)

On the other hand, several terrorist attacks and demonstrations in France and other European countries following the Israel-Hamas war which began in October 2023 partially dampened the demand for trips to Paris and other European capitals[4]. Tour operators and high-end hospitality players saw some cancellations amid fears of terrorism[4].

As a whole, the operational performance of CLAS' France properties for FY 2023 was robust and surpassed pre-COVID-19 levels on higher ADR. The growth was primarily led by the Paris properties, and driven by a mix of leisure, corporate and group bookings, with additional uplift from the Paris Air Show in June, the Rugby World Cup in September and Fashion Week in September and October.

Total revenue from France increased 22% YoY in EUR terms in FY 2023, mainly due to higher variable rent at the properties and full year contribution from La Clef Tour Eiffel Paris, partially offset by the divestment of the four properties. On a same-store basis[5], total revenue increased 6% YoY.

2024 OUTLOOK

The French government lowered its 2024 GDP forecast to 1% from its earlier estimation of 1.4% as the wars in Ukraine and Gaza and a slowdown at its top trading partners darkened the outlook for France[6]. Economic activity is expected to gather momentum in the second half of 2024 and private consumption is set to drive GDP growth on the back of declining inflation[1].

France is set to retain its position as the world's most popular destination for international arrivals in 2024. Airlines are also ramping up their capacities to match the growing demand from around the world, with the number of seats poised to surpass 2019 levels in 2024[7].

Notably, the 2024 Summer Olympics held in Paris from July to August 2024 bodes well for accommodation providers with around 15 million spectators and 3 million additional visitors expected in Paris, increasing tourism spending by up to EUR4 billion[8]. As at January 2024, hotels and rental apartments in Paris have doubled or tripled their typical summer rates[6]. Occupancy on the books for almost the entire event period is also trending above the 50% level as at January 2024, and will continue to increase as the event draws nearer[9]. Apart from Paris, the sporting event will also extend to the other cities such as Lyon, Saint-Etienne, Nice and Bordeaux. The Lyon Stadium, France's third largest stadium, will be hosting the football tournament[10].

In January 2024, the French government tripled the tourist tax on hotels and other accommodations, which may impact tourism businesses and the competitiveness of France as a leisure tourism destination[11]. Geopolitical tensions and security concerns may also, to some extent, weigh on France's appeal and the performance of its hospitality market[4].

CLAS' master leases in France, which predominantly have fixed and variable rent components, are well-positioned to capture the upside from the expected increase in demand in 2024, while having downside protection against potential headwinds.

In 2023, seven of the master leases were renewed on a revised rent structure which was based on the higher of fixed rent and variable rent. The fixed rent is indexed to the French commercial lease index, and the rent is automatically increased or decreased accordingly each year. The variable rent is based on a percentage of the property's total revenue. The total rent for all seven master leases is projected to be 28% higher in FY 2024 under the revised structure, according to an independent consultant. CLAS and the master lessees will co-share furniture, fixtures, and equipment capital expenditure during renovation.

The Olympics season aside, CLAS expects continued healthy performance during the rest of the year. ADR are expected to normalise from the current highs, which are about 20% above pre-pandemic levels on a same-store basis[5]. Leisure demand is expected to remain robust, and demand from the corporate segment, which has lagged in recovery, is expected to strengthen.

Two properties – Citadines Les Halles Paris and La Clef Tour Eiffel Paris – have been undergoing refurbishment to their apartment units and common areas from 2Q 2023 and 3Q 2023 respectively. The renovation capital expenditure for both properties are largely borne by the master lessees. The two properties have remained operational during the AEIs, and CLAS continues to receive rent. The AEIs are expected to be completed in 2Q 2024, ahead of the Olympics.

5 Excluding Citadines Castellane Marseille, Citadines City Centre Lille, Citadines Croisette Cannes and Citadines Prado Chanot Marseille, which were divested in September 2023, and La Clef Tour Eiffel Paris, which was acquired in November 2022.
6 Source: The Business Times (2024)
7 Source: World Travel & Tourism Council (2024)
8 Source: Euromonitor International (2023)
9 Source: STR (2024)
10 Source: 2024 Paris Olympics Official Website (2024)
11 Source: The Connexion (2023)

OPERATIONS REVIEW

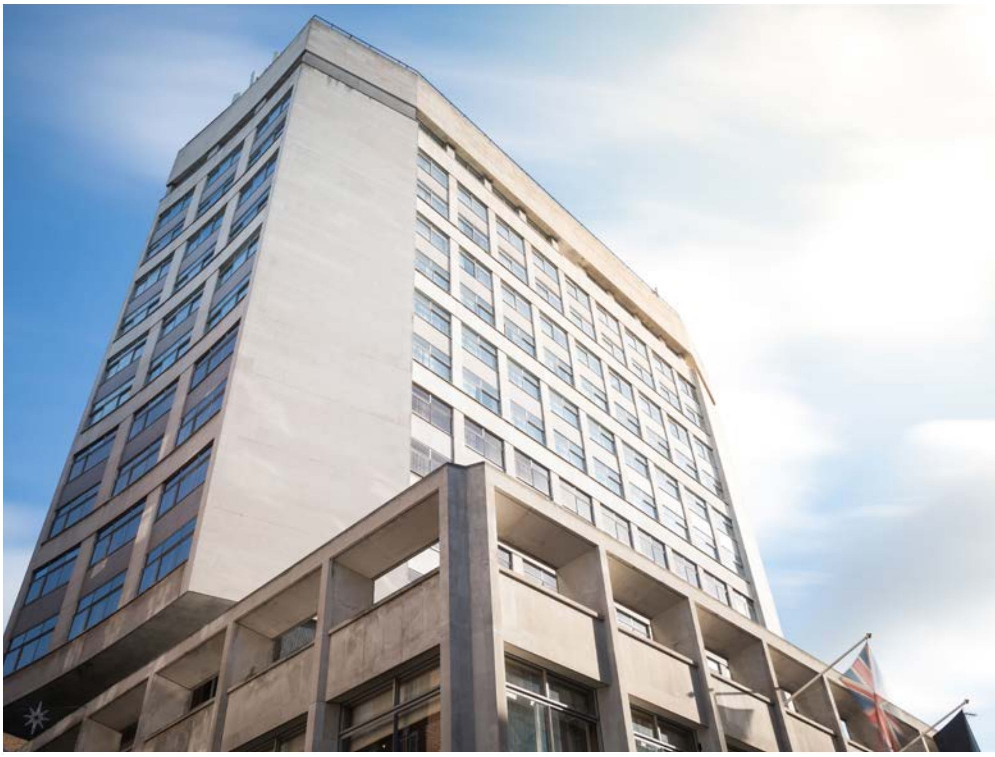
GROSS RENTAL INCOME (EUR'000)

	FY 2023	FY 2022
Citadines Antigone Montpellier	**602**	591
Citadines Austerlitz Paris	**351**	359
Citadines Castellane Marseille[i]	**266**	406
Citadines City Centre Lille[i]	**484**	660
Citadines Croisette Cannes[i]	**261**	331
Citadines Les Halles Paris	**3,030**	3,067
Citadines Maine Montparnasse Paris	**934**	778
Citadines Montmartre Paris	**1,315**	1,238
Citadines Place d'Italie Paris	**1,944**	1,842
Citadines Prado Chanot Marseille[i]	**341**	435
Citadines Presqu'île Lyon	**942**	894
Citadines République Paris	**999**	907
Citadines Tour Eiffel Paris	**2,608**	2,372
Citadines Trocadéro Paris	**1,623**	1,479
La Clef Louvre Paris	**1,549**	1,532
La Clef Tour Eiffel Paris[ii]	**3,685**	367

i The divestment of the property was completed on 22 September 2023; hence the gross rental income stated for FY 2023 is for 1 January 2023 to 21 September 2023.
ii The acquisition of the property was completed on 30 November 2022; hence the gross rental income stated for FY 2022 is for December 2022.

▲ Citadines Tour Eiffel Paris

UNITED KINGDOM



▲ The Cavendish London

KEY MARKET

5
PROPERTIES

830
UNITS

S$62.4
million
TOTAL REVENUE
(FY 2023)

S$27.2
million
TOTAL GROSS PROFIT
(FY 2023)

S$890.5
million
VALUATION
(as at 31 December 2023)

United Kingdom (UK) is one of CLAS' key markets, contributing 8% of the total gross profit for FY 2023. Following the acquisition of The Cavendish London in November 2023, CLAS now owns five properties in the UK, all of which are under MCMGI.

The Cavendish London is a 230-unit leasehold hotel in the exclusive Mayfair high-end shopping district of central London. The property is a five- to 10-minute drive from iconic attractions including Buckingham Palace, Big Ben, West End theatre, Piccadilly Circus and Hyde Park.

The other four properties are freehold serviced residences located in London. *Citadines South Kensington London* is a 92-unit property situated close to embassies and the renowned shopping and dining districts of Chelsea and Knightsbridge. *Citadines Barbican London* is a 129-unit property situated close to the Barbican Arts Centre and Museum of London. *Citadines Holborn-Covent Garden London* comprises 192 units and is centrally located, close to the financial district of London. *Citadines Trafalgar Square London* is a 187-unit serviced residence located near key tourist attractions including Trafalgar Square, the National Gallery and River Thames.

CLAS' five UK properties have an average length of stay of less than a month.

2023 REVIEW

UK's GDP is estimated to have increased by 0.1% in 2023, the weakest annual change in real GDP since the financial crisis in 2009, excluding the year 2020[1]. The slow growth can be attributed to the country's high interest rates to tackle inflation. While the UK is said to have slipped into technical recession in the second half of 2023, employment has continued to rise, real wages have rebounded, and measures of business and consumer confidence recovered by the end of 2023[2].

Despite the softer economic conditions in 2023, the UK hospitality sector continued to register growth on the back of higher demand since the reopening of its borders. Inbound visits to the UK increased 31% YoY in the first nine months of 2023[3].

Demand from international leisure travellers, especially during the summer holiday season, corporate travellers and cultural groups drove the higher ADR and RevPAU at CLAS' UK properties. City-wide events in London provided further boost to the properties' performance. For instance, the King's Coronation in May 2023 saw bookings of UK-bound flights for the weekend jump by 149% within a day of the date being announced[4],

1 Source: Office for National Statistics (2023)
2 Source: CNN Business (2024)
3 Source: VisitBritain (2023)

boosting demand for accommodation. The Centre for Economics and Business Research estimated a GBP337 million boost from extra tourism and spending over the three-day weekend[5].

The RevPAU of CLAS' UK properties remained above pre-COVID-19 levels throughout FY 2023. For the full year, RevPAU surged 20% YoY in GBP terms. On a same-store basis[6], RevPAU of CLAS' UK properties increased 18% YoY, and was 13% above pre-pandemic levels.

2024 OUTLOOK

The UK economy is forecasted to expand by 0.6% YoY in 2024[7], as the lagged negative effects of high energy prices wane. As the UK enters an election year in 2024, markets are expecting the Bank of England to start cutting interest rates from as early as the summer, given cooling inflation and softer economic growth[8].

In 2024, an increase in inbound visits and spending by overseas visitors in the UK is expected[3]. It is forecasted that there will be 39.5 million inbound visits to the UK, up 5% YoY and 3% below 2019 levels. Tourist spending is projected to hit GBP34.1 billion, a 7% increase YoY and a 20% increase from 2019 levels[3]. However, a slowdown in the overall pace of recovery compared to the strong start seen in the first half of 2023 has been observed, in addition to competition from other European countries[3]. 2024 could be the first post-COVID-19 year that sees occupancy rates in the UK surpass 2019 levels. Inbound tourism stays are expected to sustain its growth in 2024, particularly in London, which will continue to cement the city's reputation as a global destination for business, entertainment and events. As international visitor numbers are projected to increase and as operational costs rise with inflation, market ADR and RevPAR are expected to remain high in 2024[9].

The outlook for CLAS' UK portfolio is positive, with demand expected across all segments. As the properties are under MCMGI, they will be able to benefit from the continued momentum expected in 2024, while the minimum guaranteed income offers protection against downside risks. Corporate and group stays will continue to provide a stable base at CLAS' UK properties, mitigating some impact from the refurbishment at Citadines Holborn-Covent Garden London which is expected to be completed in 3Q 2024.

In addition to Citadines Holborn-Covent Garden London, The Cavendish London is also slated for renovation. It will be renovated and rebranded under The Crest Collection, a luxury brand managed by The Ascott Limited, which is expected to enhance its EBITDA yield to approximately 6.5% on a post-renovation stabilised basis[10]. The valuation of the property is expected to be GBP316.0 million post-renovation and stabilisation in 2027[11], an increase of GBP97.0 million compared to its valuation of GBP219.0 million as at 31 December 2023.

GROSS RENTAL INCOME (GBP'000)

	FY 2023	FY 2022
Citadines Barbican London	**6,343**	5,652
Citadines Holborn-Covent Garden London	**9,576**	8,569
Citadines South Kensington London	**5,409**	4,697
Citadines Trafalgar Square London	**14,029**	11,186
The Cavendish London[i]	**1,459**	-

REVENUE PER AVAILABLE UNIT (GBP)

	FY 2023	FY 2022
Citadines Barbican London	**132**	117
Citadines Holborn-Covent Garden London	**132**	118
Citadines South Kensington London	**155**	133
Citadines Trafalgar Square London	**199**	157
The Cavendish London[i]	**201**	-

i The acquisition of the property was completed on 30 November 2023; hence the gross rental income and RevPAU stated for FY 2023 are for December 2023.

4 Source: Travelport (2023)
5 Source: Centre for Economics and Business Research (2023)
6 Excluding The Cavendish London which was acquired in November 2023.
7 Source: International Monetary Fund (2024)
8 Source: The Guardian (2023)
9 Source: CBRE (2024)
10 Based on stabilised EBITDA before furniture, fixtures and equipment reserves in year 2027/28 over The Cavendish London's agreed property value, estimated capitalised costs, and estimated proportion of project cost attributable to CLAS. Such EBITDA figures are from the HVS London valuation.
11 Based on the valuation by HVS London.

BELGIUM

2
PROPERTIES

324
UNITS

S$17.4
million
TOTAL REVENUE
(FY 2023)

S$5.7
million
TOTAL GROSS PROFIT
(FY 2023)

S$74.5
million
VALUATION
(as at 31 December 2023)

▲ Citadines Toison d'Or Brussels

CLAS owns two freehold serviced residences in Brussels, Belgium. Both properties are under MCMGI, and they have an average length of stay of less than a month.

Citadines Sainte-Catherine Brussels is a 169-unit serviced residence located within a bustling neighbourhood of cafes, restaurants and shops, on the edge of Brussels' historic centre. It is also near the main business area and Grand Place, the city's central square and a UNESCO World Heritage Site.

Citadines Toison d'Or Brussels is a 155-unit serviced residence situated in the shopping district of Avenue Louise, close to the Royal Palace and major embassies.

In FY 2023, the performance of both properties exceeded the minimum guaranteed levels. RevPAU of the Belgium portfolio grew 52% YoY in EUR terms, due to higher ADR, on the back of continued recovery from COVID-19. In 4Q 2023, RevPAU was 109% of pre-pandemic levels.

GROSS RENTAL INCOME (EUR'000)

	FY 2023	FY 2022
Citadines Sainte-Catherine Brussels	**6,166**	4,914
Citadines Toison d'Or Brussels	**5,275**	2,806

REVENUE PER AVAILABLE UNIT (EUR)

	FY 2023	FY 2022
Citadines Sainte-Catherine Brussels	**100**	78
Citadines Toison d'Or Brussels	**91**	48

OPERATIONS
REVIEW

GERMANY

5
PROPERTIES

721
UNITS

S$16.6
million
TOTAL REVENUE
(FY 2023)

S$14.8
million
TOTAL GROSS PROFIT
(FY 2023)

S$255.0
million
VALUATION
(as at 31 December 2023)

▲ Citadines Arnulfpark Munich

CLAS owns five serviced residences in Germany under master lease arrangements, with remaining lease terms varying between eight years and 24 years, inclusive of extension periods at the lessees' option. Most of the master leases come with fixed rent terms, with annual indexation to the German CPI index. This allows CLAS to receive higher rents in an inflationary environment.

Citadines Arnulfpark Munich is a 146-unit freehold property located in the Westend technology center district, and a short drive to the historical city centre and financial district. It is also close to Olympia Shopping Centre, Munich's main shopping mall. *Citadines City Centre Frankfurt* is a 165-unit freehold property that is located in the city centre, surrounded by numerous retail and commercial developments, and a 10-minute drive to the Financial District. *Citadines Kurfürstendamm Berlin* is a 117-unit freehold property located near Kurfürstendamm, an upscale commercial and retail neighbourhood. Refurbishment of the property commenced in 4Q 2023 and is expected to complete in 2Q 2024. *Citadines Michel Hamburg*, a 127-unit leasehold property and *The Madison Hamburg*, a 166-unit freehold property, are both strategically located near Hamburg city centre.

In FY 2023, revenue for the Germany portfolio increased by 24% in EUR terms, mainly due to higher rent received, the absence of rent adjustments and rent waiver.

GROSS RENTAL INCOME (EUR'000)

	FY 2023	FY 2022
Citadines Arnulfpark Munich	**1,646**	1,537
Citadines City Centre Frankfurt	**2,400**	2,249
Citadines Kurfürstendamm Berlin	**955**	935
Citadines Michel Hamburg	**2,004**	1,877
The Madison Hamburg	**3,964**	2,168

IRELAND

1
PROPERTY

136
UNITS

S$1.6
million
TOTAL REVENUE
(FY 2023)

S$0.5
million
TOTAL GROSS PROFIT
(FY 2023)

S$114.9
million
VALUATION
(as at 31 December 2023)

▲ Temple Bar Hotel

CLAS owns one freehold hotel in Dublin, Ireland. Acquired in November 2023, the 136-unit *Temple Bar Hotel* operates under a MCMGI. The property mainly serves leisure travellers and has an average length of stay of less than a month.

The property is located within Dublin's Temple Bar area, a key tourist destination and entertainment district, and close to the city's central business district. The hotel is a short walk to Dublin's shopping streets and renowned landmarks such as Dublin Castle and the National Gallery of Ireland.

Renovation of the property has commenced in 1Q 2024 and is expected to complete in 4Q 2024. The property remains operational during the AEI.

HOTEL REVENUE (EUR'000)

	FY 2023	FY 2022
Temple Bar Hotel[i]	**1,095**	-

REVENUE PER AVAILABLE UNIT (EUR)

	FY 2023	FY 2022
Temple Bar Hotel[i]	**115**	-

i The acquisition of the property was completed on 30 November 2023; hence the gross rental income and RevPAU stated for FY 2023 are for December 2023.

SPAIN

1
PROPERTY

131
UNITS

S$10.3 million
TOTAL REVENUE
(FY 2023)

S$4.9 million
TOTAL GROSS PROFIT
(FY 2023)

S$71.7 million
VALUATION
(as at 31 December 2023)

▲ Citadines Ramblas Barcelona

CLAS owns a freehold serviced residence in Barcelona, Spain. The 131-unit property operates under a MCMGI and has an average length of stay of less than a month.

Citadines Ramblas Barcelona is located on the La Rambla boulevard, an iconic entertainment district, and is a few metres away from Plaza Catalunya, one of the most visited destinations in Barcelona. The property enjoys good connectivity, with access to three metro stations, and is close to the main business areas of the city, making it a prime location for both business and leisure travellers.

In FY 2023, the performance of Citadines Ramblas Barcelona exceeded the minimum guarantee level. RevPAU of the property grew by 45% YoY in EUR terms, on the back of higher occupancy and ADR. In 4Q 2023, RevPAU was 150% of pre-pandemic levels.

GROSS RENTAL INCOME (EUR'000)

	FY 2023	FY 2022
Citadines Ramblas Barcelona	**6,769**	4,850

REVENUE PER AVAILABLE UNIT (EUR)

	FY 2023	FY 2022
Citadines Ramblas Barcelona	**133**	92

OPERATIONS REVIEW
UNITED STATES OF AMERICA

KEY MARKET

11
PROPERTIES

2,528
UNITS

S$175.1
million
TOTAL REVENUE
(FY 2023)

S$79.9
million
TOTAL GROSS PROFIT
(FY 2023)

S$1,384.2
million
VALUATION
(as at 31 December 2023)

▲ Standard at Columbia

United States of America (USA) is one of CLAS' key markets. In FY 2023, USA contributed 24% of CLAS' gross profit. CLAS owns 11 USA properties under management contracts, consisting of three hotels and eight student accommodation properties.

MANAGEMENT CONTRACTS

All three hotels in CLAS' USA portfolio are in New York. *Element New York Times Square West*, a 411-unit leasehold limited-service hotel and *voco Times Square South*, a 224-unit freehold limited-service hotel are strategically located in Midtown Manhattan. Both hotels are within walking distance to the Jacob K. Javits Convention Center (Javits Center), Hudson Yards live-work-play community, as well as the popular Times Square commercial and entertainment district. Both properties are well-connected to several subway lines and other transportation options. Situated in the heart of Tribeca, the 369-unit leasehold *Sheraton Tribeca New York Hotel* offers prime access to both the financial district and the upscale shopping destination of SoHo. The hotels have an average length of stay of less than a month.

To enhance income stability, CLAS expanded its investment mandate in 2021 to include student accommodation properties. CLAS' eight student accommodation properties are located near renowned universities with competitive athletics programmes, sizeable student populations and a steady enrolment growth. They have an average length of stay of about 12 months.

Paloma Kent is a leasehold property located in Kent, Ohio, with 384 beds across 126 units. The property was acquired in February 2022 and offers the closest proximity to Kent State University.

CLAS owns two properties in North Carolina, Paloma Raleigh and Uncommon Wilmington. *Paloma Raleigh* is a freehold student accommodation with 523 beds across 180 units. Located in the city of Raleigh, one of the fastest-growing cities in the USA, Paloma Raleigh serves the students at North Carolina State University, which is about 2 kilometres away. *Uncommon Wilmington* is a freehold property with 493 beds across 150 units located in the city of Wilmington. It is situated about 1.5 kilometres from the University of North Carolina Wilmington, a short three-minute drive to the campus.

Paloma University City is a freehold property comprising 251 beds across 126 units situated in Philadelphia, Pennsylvania. Located in the heart of Philadelphia's University City, it is walking distance from both the

OPERATIONS REVIEW

University of Pennsylvania and Drexel University as well as uCity Square, a life science and technology hub with retail, residential, clinical, office and laboratory space.

Paloma West Midtown is a freehold property with 525 beds across 183 units located in the heart of Atlanta, Georgia. It is situated across the street from the Georgia Institute of Technology.

Seven07 is a freehold property with 548 beds across 218 units located in the city of Champaign, Illinois, less than 200 metres away from the University of Illinois.

Wildwood Lubbock is a resort-style freehold property with 1,005 beds across 294 units located in the city of Lubbock, Texas. It is situated 2.7 kilometres from the campus boundary of Texas Tech University.

Standard at Columbia, CLAS' newest student accommodation property, obtained its temporary certificate of occupancy on 30 June 2023 and received its first batch of students in August 2023. Located in Columbia, South Carolina, it is a freehold property consisting of 678 beds across 247 units. In 2021, CLAS and its Sponsor, Ascott, jointly invested in the development to own 45% stake each, with a third-party partner owning the remaining 10% stake. In November 2022, CLAS acquired Ascott's 45% stake, doubling its ownership in Standard at Columbia to 90%.

2023 REVIEW

In 2023, the USA economy grew by 2.5%, compared with a 1.9% growth in 2022[1]. USA's growth in 2023 was primarily fueled by an increase in consumer spending and a resilient labour market. Notwithstanding the growth in the economy, inflation pressures subsided.

New York City's tourism industry was a key driver for the state and city economy in 2023, generating about USD74 billion in economic impact[2]. The city attracted 61.8 million visitors in 2023, reaching 93% of the city's pre-pandemic record visitation levels in 2019. It also remains the largest point of entry into the USA, with more than 2,900 weekly flight arrivals across its international airports, highlighting its key position as a worldwide tourist destination.

New York City's hotel performance remained strong in 2023, with an estimated 36.5 million room nights sold, about 92% of 2019 record levels. The city was also ranked the best-performing hotel city in the USA in the fourth quarter of 2023. City-wide, the demand for hotels remained high and was supported by a steady growth in midweek business travel. The limited supply of new hotel rooms in New York City was also a key factor which drove performance in 2023[3].

CLAS' USA hotels continued to perform well in FY 2023 as travel demand remained robust. Bookings from international guests increased as citywide activities returned and large-scale events such as the 78th session of the UN General Assembly provided a boost. In 1H 2023, CLAS' USA hotels performed in line with pre-pandemic levels before RevPAU picked up to reach 115% of pre-pandemic levels in 4Q 2023. For FY 2023, RevPAU was 20% higher YoY, in USD terms.

Similarly, CLAS' USA student accommodation properties performed well. They are 93% leased for the 2023-2024 academic year (AY) beginning August 2023. Excluding Standard at Columbia which began receiving students in August 2023, rent growth is about 5.5% over the previous AY. Excluding Standard at Columbia and Wildwood Lubbock which was undergoing light AEI, rent growth is higher at about 6.5% over the previous AY.

2024 OUTLOOK

The USA economy is projected to grow 2.1% in 2024[4]. The slower pace of growth as compared to 2023 is mainly due to lagged effects of monetary policy tightening, gradual fiscal tightening, and a softening in labour markets.

Amid the softer outlook of the overall USA economy, New York City's economy is expected to be bolstered by resilient travel demand, as seen in 2023. Being the largest point of entry to the USA and a key destination of choice, the city is expected to attract 64.5 million visitors in 2024, an approximate increase of 4.4% YoY[2]. Ongoing projects contributing to this growth include multibillion-dollar improvements to the airports, both international and domestic, including the LaGuardia Airport which is slated for completion in 2024 after undergoing the first complete rebuild of a USA airport in over 25 years[2].

CLAS' hotels, being well-located in bustling districts in New York City, are poised to benefit from the continued demand from both corporate and leisure travellers in 2024, with citywide large-scale events providing further uplift.

The ongoing redevelopment of Hudson Square which has completed its first phase of projects in 2022 and entered its second phase[5], is expected to benefit Sheraton Tribeca New York Hotel. With minimal direct

1 Source: Reuters (2024)
2 Source: New York City Tourism + Conventions (2023)
3 Source: PwC (2024)
4 Source: International Monetary Fund (2024)
5 Source: Hudson Square Business Improvement District (2024)

supply of new hotels in the city in 2024[3], CLAS' hotels are well-positioned for continued strong performance.

The outlook for the USA student accommodation market is also positive. As of December 2023, pre-lease rates of student accommodation beds at core universities are at a record-high of 41.2% for AY 2024-2025. Market rent growth, which has reached historical highs, is expected to moderate from current levels to remain above average[6].

In line with the market, pre-leasing of CLAS' student accommodation properties is favourable and pacing ahead of the last AY.

GROSS RENTAL INCOME (USD'000)

	FY 2023	FY 2022
Element New York Times Square West	**31,623**	25,733
Paloma Kent[i]	**3,591**	3,060
Paloma Raleigh	**5,306**	4,988
Paloma University City	**4,537**	4,111
Paloma West Midtown	**7,696**	7,138
Seven07	**7,141**	6,518
Sheraton Tribeca New York Hotel	**34,705**	30,980
Standard at Columbia[ii]	**3,250**	-
Uncommon Wilmington	**4,572**	4,406
voco Times Square South	**16,289**	12,247
Wildwood Lubbock	**6,689**	6,880

REVENUE PER AVAILABLE UNIT (USD)

	FY 2023	FY 2022
Element New York Times Square West	**211**	172
Sheraton Tribeca New York Hotel	**254**	226
voco Times Square South	**199**	150

RENT PER BED (USD)

	FY 2023	FY 2022
Paloma Kent[i]	**779**	724
Paloma Raleigh	**845**	794
Paloma University City	**1,460**	1,330
Paloma West Midtown	**1,222**	1,133
Seven07	**1,086**	991
Standard at Columbia[ii]	**959**	-
Uncommon Wilmington	**773**	745
Wildwood Lubbock	**555**	570

i The acquisition of the property was completed on 9 February 2022; hence the gross rental income and rent per bed stated for FY 2022 are for 10 February 2022 to 31 December 2022.

ii The property obtained its temporary certificate of occupancy in June 2023, and started receiving students from August 2023; hence the gross rental income and rent per bed stated for FY 2023 are for 18 August 2023 to 31 December 2023.

6 Source: RealPage (2024)

FINANCIAL REVIEW

REVENUE AND GROSS PROFIT

CLAS' revenue of S$744.5 million for the financial year ended 31 December 2023 (FY 2023) comprised S$91.0 million (12% of total revenue) from properties under master leases, S$123.2 million (17%) from properties under management contracts with minimum guaranteed income (MCMGI) and S$530.3 million (71%) from properties under management contracts. The revenue from management contracts comprised S$439.6 million from serviced residences and hotels and S$90.7 million from rental housing and student accommodation properties.

Revenue for FY 2023 increased by S$123.3 million as compared to the previous financial year ended 31 December 2022 (FY 2022).

The increase in revenue was mainly due to higher revenue of S$95.9 million from the existing properties and additional contribution of S$28.1 million from the properties acquired during FY 2023 and full year contribution from the properties acquired in FY 2022. The contribution from the acquisitions had more than offset the decrease in revenue of S$0.7 million from the divestment of four properties, Citadines City Centre Lille, Citadines Croisette Cannes, Citadines Castellane Marseille and Citadines Prado Chanot Marseille in FY 2023.

CLAS' portfolio occupancy was 76% in FY 2023. Revenue Per Available Unit (RevPAU) increased by 23%, from S$120 in FY 2022 to S$148 in FY 2023.

CLAS' gross profit of S$338.2 million for FY 2023 comprised S$82.0 million (24% of total gross profit) from properties under master leases, S$53.5 million (16%) from properties under MCMGI and S$202.7 million (60%) from properties under management contracts.

For the management contracts, the gross profit from serviced residences and hotels was S$148.4 million and the gross profit from rental housing and student accommodation properties amounted to S$54.3 million.

CLAS' stable income sources (which include master leases, MCMGI, rental housing and student accommodation properties) contributed about 56% of CLAS' gross profit for FY 2023.

For the properties under master leases, revenue and gross profit were higher in FY 2023 due to higher variable rent and contributions from La Clef Tour Eiffel Paris and Quest Cannon Hill (acquired in November 2022). These increases were partially offset by the divestment of four properties in France, in September 2023.

For the properties under MCMGI, both the revenue and gross profit were higher as compared to last year due to stronger performance and the acquisition of The Cavendish London and Temple Bar Hotel in November 2023.

Revenue and gross profit from management contracts was higher due to stronger performance from most countries and contributions from the acquisition of seven properties in Japan, Vietnam and US (acquired in November 2022), two turnkey rental housing properties in Japan (acquired in December 2022), two turnkey rental housing properties in Japan (acquired in 2Q 2023) and one property in Indonesia (acquired in November 2023).

CLAS' inclusion into the FTSE EPRA Nareit Developed Index, a leading benchmark for listed real estate investment companies and REITs, has broadened CLAS' reach to institutional investors globally and enhanced the trading liquidity of our stapled securities. CLAS' EBITDA[1] breakdown according to the FTSE classification of markets was 88.5% (2022: 88.3%) for developed markets and 11.5% (2022: 11.7%) for the rest of the markets in the portfolio.

1 Refers to earnings before net interest expense, tax, depreciation and amortisation (excluding corporate expenses).

	Local Currency	FY 2023 Revenue (million)	FY 2023 Gross Profit (million)	FY 2022 Revenue (million)	FY 2022 Gross Profit (million)
Master Leases					
Australia	AUD	11.8	10.9	11.1	10.5
France	EUR	22.8	20.5	18.7	17.1
Germany	EUR	11.4	10.2	9.2	8.4
Japan	JPY	2,302.2	2,046.1	2,052.3	1,822.9
South Korea	KRW	8,179.7	7,668.3	5,075.4	4,602.6
Management Contracts with Minimum Guaranteed Income					
Belgium	EUR	12.0	3.9	8.2	2.3
Ireland	EUR	1.1	0.3	–	–
Singapore[i]	S$	31.5	15.2	21.3	17.4
Spain	EUR	7.1	3.4	5.1	2.4
United Kingdom	GBP	37.4	16.3	30.5	13.3
Management Contracts					
Australia	AUD	179.2	44.9	151.4	38.8
China	RMB	126.4	29.0	111.2	23.7
Indonesia[ii]	IDR	160.4	54.2	146.3	55.5
Japan	JPY	5,891.3	3,376.4	3,323.0	1,647.5
Malaysia	MYR	12.6	2.3	11.8	3.1
The Philippines	PHP	925.3	308.7	765.7	215.0
Singapore	S$	37.1	13.6	30.1	11.8
United States of America	USD	130.3	59.4	109.4	48.3
Vietnam[ii]	VND	640.3	315.0	467.8	237.7

i The master lease for Ascott Orchard Singapore was converted to "Management Contracts with Minimum Guaranteed Income" from December 2022. For comparison purposes, the revenue and gross profit amounts for YTD November 2022 have been reclassified from the "Master Leases" category to "Management Contracts with Minimum Guaranteed Income" category.

ii Revenue and gross profit figures for Indonesia and Vietnam are stated in billions.

FINANCIAL REVIEW

	FY 2023		FY 2022	
	Revenue (S$'million)	Gross Profit (S$'million)	Revenue (S$'million)	Gross Profit (S$'million)
Master Leases				
Australia	10.6	9.8	10.6	10.0
France	33.1	29.8	27.2	25.0
Germany	16.6	14.8	13.4	12.2
Japan	22.2	19.7	22.0	19.5
South Korea	8.5	7.9	5.5	5.0
Subtotal	**91.0**	**82.0**	**78.7**	**71.7**
Management Contracts with Minimum Guaranteed Income				
Belgium	17.4	5.7	12.0	3.4
Ireland	1.6	0.5	–	–
Singapore	31.5	15.2	21.3	17.4
Spain	10.3	4.9	7.4	3.5
United Kingdom	62.4	27.2	52.4	22.8
Subtotal	**123.2**	**53.5**	**93.1**	**47.1**
Management Contracts				
Australia	160.6	40.2	145.2	37.3
China	24.1	5.5	23.0	4.9
Indonesia	14.1	4.8	13.7	5.2
Japan	56.8	32.6	35.6	17.7
Malaysia	3.7	0.7	3.7	1.0
The Philippines	22.3	7.4	19.6	5.5
Singapore	37.1	13.6	30.1	11.8
United States of America	175.1	79.9	150.9	66.6
Vietnam	36.5	18.0	27.6	14.0
Subtotal	**530.3**	**202.7**	**449.4**	**164.0**
Total	**744.5**	**338.2**	**621.2**	**282.8**

EQUITY FUND RAISING

On 24 August 2022, CLAS raised S$170.0 million through a private placement of 151,786,000 new Stapled Securities (2022 Private Placement). As set out in the announcements dated 16 August 2022, 30 November 2022 and 30 November 2023 in relation to the use of proceeds from the 2022 Private Placement, the proceeds from the 2022 Private Placement have been fully utilised as follows:

(a) S$109.4 million was used to partially fund the purchase consideration of the acquisition of interests in serviced residence properties in France, Vietnam and Australia, rental housing properties in Japan and a student accommodation property in South Carolina, US on 30 November 2022 (the 2022 Acquisitions);
(b) S$45.1 million was used to partially fund the acquisition of The Cavendish London, Temple Bar Hotel and Ascott Kuningan Jakarta on 30 November 2023;
(c) S$13.2 million was used to repay debts; and
(d) S$2.3 million was used to pay the professional and other fees and expenses in connection with the 2022 Private Placement.

The amount used for the 2022 Acquisitions was less than the originally estimated amount as stated in the announcement dated 16 August 2022 due to favourable exchange rate movements. The amount used for the professional and other fees and expenses was less than the originally estimated amount in the announcement dated 16 August 2022 due to lower fees and expenses incurred in connection with the 2022 Private Placement. The Managers thus used the excess proceeds for debt repayment purposes.

On 2 August 2023, the Managers launched an equity fund raising comprising a private placement and a *pro rata* and non-renounceable preferential offering (2023 Equity Fund Raising). On 14 August 2023, CLAS raised S$200.0 million from the private placement of 191,755,000 new Stapled Securities to institutional and other investors. Pursuant to the preferential offering, 100,538,407 new Stapled Securities were issued, on the basis of 29 preferential offering new stapled securities for every 1,000 existing stapled securities, on 4 September 2023 raising gross proceeds of S$103.1 million.

As set out in the announcement dated 30 November 2023, the gross proceeds of S$303.1 million from the 2023 Equity Fund Raising have been partially utilised as follows:

(a) S$167.9 million was used to partially fund the acquisition of The Cavendish London, Temple Bar Hotel and Ascott Kuningan Jakarta on 30 November 2023;
(b) S$2.5 million was used to fund the renovation of Citadines Holborn-Covent Garden London;
(c) S$24.4 million was used to repay debts; and
(d) S$4.6 million was used to pay the professional and other fees and expenses in connection with the 2023 Equity Fund Raising.

This is in accordance with the stated use of the proceeds[2] and the Managers will make further announcement on the utilisation of the remaining proceeds and any deviation from the stated use and percentage allocated in the use of proceeds announcement from the 2023 Equity Fund Raising as and when such funds are materially utilised. The proceeds from the 2023 Equity Fund Raising that have been allocated towards the extension and renovation of Sydney Central Hotel (formerly Novotel Sydney Central) of S$82.8 million have yet to be utilised.

DISTRIBUTIONS

Distribution income to Stapled Securityholders for FY 2023 was S$237.0 million, 25% higher as compared to FY 2022. The distribution per Stapled Security (DPS) for FY 2023 was 6.57 cents, 16% higher than that for FY 2022.

Excluding one-off items, the DPS increased 14% YoY due to stronger operating performance from the existing properties and contribution from the acquisitions.

In FY 2023, 100% of distribution income (other than gains from the sale of real estate properties) was paid out, demonstrating CLAS' firm commitment to deliver stable distributions.

To ensure fairness to holders of the existing Stapled Securities prior to the issuance of the new Stapled Securities under the private placement in August 2023, CLAS paid, in lieu of the scheduled semi-distribution, an advanced distribution of 0.701 cents per Stapled Security for the period from 1 July 2023 to 13 August 2023 (prior to the date on which the new Stapled Securities were issued pursuant to the private placement). The advanced distribution was paid on 11 October 2023.

Breakdown of distribution per Stapled Security (DPS) for FY 2023 is as follows:

Distribution	For 1 January 2023 to 30 June 2023	For 1 July 2023 to 13 August 2023	For 14 August 2023 to 31 December 2023	Total for 1 July 2023 to 31 December 2023	Total for FY 2023
Distribution rate per Stapled Security	**2.778 cents**	0.701 cents	3.095 cents	**3.796 cents**	**6.574 cents**
Payment Date	29 August 2023	11 October 2023	29 February 2024		

2 The proceeds from the 2023 Equity Fund Raising that have been allocated towards (i) funding the acquisition of The Cavendish London, Temple Bar Hotel and Ascott Kuningan Jakarta; and (ii) the professional and other fees and expenses in connection with the 2023 Equity Fund Raising have not been fully utilised as there are still outstanding payments in relation to the abovementioned acquisition and the 2023 Equity Fund Raising. The proceeds from the 2023 Equity Fund Raising that have been allocated towards the renovation of Citadines Holborn-Covent Garden London have also yet to be fully utilised.

ASSETS

CLAS' total asset value stood at S$8.7 billion as at 31 December 2023, 9% higher as compared to S$8.0 billion as at 31 December 2022. The increase in total assets was mainly due to higher portfolio valuation resulting from stronger operating performance and improving outlook, notwithstanding higher capitalisation and discount rates across markets (except for Japan).

CHANGE IN FAIR VALUE OF INVESTMENT PROPERTIES, LAND AND BUILDINGS, INVESTMENT PROPERTIES UNDER DEVELOPMENT AND ASSETS HELD FOR SALE

The net change in fair value of investment properties, land and buildings, investment properties under development and assets held for sale has no impact on Stapled Securityholders' distribution.

In accordance with the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore, valuation of CLAS' properties is to be conducted once every year. Any increase or decrease in fair value is credited or charged to the Statement of Total Return as net appreciation or depreciation on revaluation of investment properties, land and buildings, investment properties under development and assets held for sale.

As at 31 December 2023, independent full valuations were carried out by HVS (except for the three hotels in USA, the six hotels in Australia, the two hotels in South Korea and the eight student accommodation properties in USA).

For the three hotels in USA and the six hotels in Australia, the valuations were carried out by Colliers. The valuations for the two hotels in South Korea were carried out by CBRE. For the eight student accommodation properties in USA, the valuations were carried out by JLL Valuation & Advisory Services, LLC.

In determining the fair value of the Group's portfolio, the discounted cash flow method, direct capitalisation method and residual land method were used. The valuation methods used are consistent with that used for the 31 December 2022 valuation and prior years.

The Group's portfolio was revalued at S$7.8 billion, resulting in a surplus of S$156.0 million of which S$101.1 million was recognised in the Consolidated Statement of Total Return and S$54.9 million was recognised in the Asset Revaluation Reserve on the balance sheet in FY 2023. The surplus for FY 2023 resulted mainly from higher valuation of the Group's properties in Australia, Europe, Japan, Singapore and United Kingdom, partially offset by lower valuation from the properties in China, USA and Vietnam. The net impact on the Consolidated Statement of Total Return was S$75.1 million (net of tax and non-controlling interests).

CAPITAL MANAGEMENT

KEY FINANCIAL INDICATORS

	As at 31 December 2023	As at 31 December 2022
Aggregate Leverage[i] (%)	37.9	38.0
Unencumbered properties as % of total property value (%)	67	61
Interest Cover Ratio (times)	4.0	4.4
Adjusted Interest Cover Ratio[ii] (times)	3.4	3.6
Effective Interest Rate (%)	2.4	1.8
Weighted Average Debt to Maturity (years)	3.7	4.0

i As at 31 December 2023, the ratio of net debt to net assets for CapitaLand Ascott REIT Group and CapitaLand Ascott BT Group is 67.7% and 21.1% respectively; the ratio for CLAS is 59.9%.

ii Refers to EBITDA before change in fair value of financial derivatives, change in fair value of investment properties, investment properties under development and assets held for sale, revaluation surplus/(deficit) on land and buildings, and foreign exchange differences over interest expense and distributions on perpetual securities.

CLAS adopts a prudent and disciplined approach towards capital management to ensure financial flexibility in its funding structure and to mitigate concentration risk. As at 31 December 2023, 67% of CLAS' total debt was funded by bank borrowings and the remaining 33% was tapped from the debt capital market.

As at 31 December 2023, CLAS' outstanding borrowings was S$3,048.4 million (2022: S$2,874.6 million) with an effective interest rate at 2.4% per annum (2022: 1.8% per annum). To hedge against rising interest rates, approximately 81% of the total borrowings were effectively on fixed interest rates.

CLAS is a stapled group comprising CapitaLand Ascott REIT and CapitaLand Ascott BT. The gearing of CLAS as at 31 December 2023 was 37.9% (2022: 38.0%) with a debt headroom of S$2.0 billion[3] providing it with greater access to growth opportunities and increased capacity for more development and conversion projects.

The gearing of CapitaLand Ascott REIT as at 31 December 2023 was 40.3% (2022: 39.7%), below the 45.0% gearing limit allowed by the Monetary Authority

3 Before reaching aggregate leverage of 50%; based on an aggregate leverage limit of 45%, the debt headroom is S$1.1 billion.

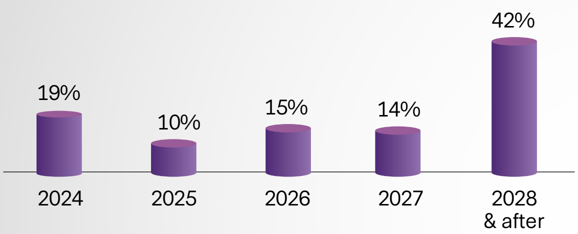
of Singapore. With effect from 1 January 2022, the aggregate leverage of a property fund may exceed 45.0% (up to a maximum of 50.0%) only if the property fund has minimum adjusted interest coverage ratio of 2.5 times after taking into account the interest payment obligations arising from the new borrowings.

In FY 2023, to demonstrate CLAS' commitment towards sustainability, CLAS entered into a sustainability-linked cross currency interest rate swap of JPY11.0 billion. In total, CLAS has approximately S$551.2 million in sustainable financing.

CLAS holds derivative financial instruments to hedge its currency and interest rate risk exposures. The fair value of derivatives for FY 2023 comprised financial derivative assets and financial derivative liabilities of S$92.2 million and S$7.7 million respectively. The net assets amount of S$84.5 million represented 1.9% of the net assets of CLAS as at 31 December 2023.

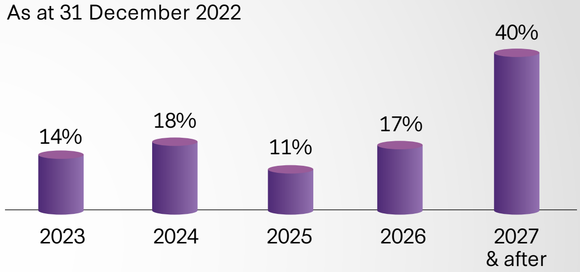
DEBT MATURITY PROFILE

As at 31 December 2023



Maturity	2023 S$'million
2024	562.4
2025	301.3
2026	466.0
2027	429.3
2028 & after	1,289.4
Total	**3,048.4**[i]

As at 31 December 2022



Maturity	2022 S$'million
2023	401.7
2024	529.2
2025	320.0
2026	486.4
2027 & after	1,137.3
Total	**2,874.6**[i]

i Net of unamortised transaction costs.

CLAS maintains a well spread debt maturity profile to minimise refinancing risks. Out of CLAS' total borrowings, 19% falls due in 2024, 10% falls due in 2025, 15% falls due in 2026, 14% falls due in 2027 and the balance falls due in 2028 and after. The Managers have commenced discussions to refinance the loan facilities due in 2024, ahead of their maturity dates.

FIXED VERSUS FLOATING RATE PROFILE

	As at 31 December 2023		As at 31 December 2022	
	S$'million	%	S$'million	%
Fixed Rate	2,459.0	81	2,234.6	78
Floating Rate	589.4	19	640.0	22
Total	**3,048.4**[i]	**100**	**2,874.6**[i]	**100**

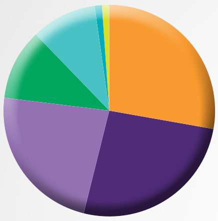
i Net of unamortised transaction costs.

The fixed rate loans take into account the interest rate swaps and cross currency interest rate swaps which were entered into to convert floating rate loans to fixed rate loans. As at 31 December 2023, S$2,459.0 million[4] or 81% of CLAS' borrowings were on fixed interest rates, including S$464.3 million[4] due for refinancing in 2024, in line with the maturity dates of the underlying loans.

4 Net of unamortised transaction costs.

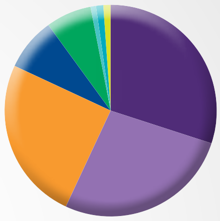
DEBT BY CURRENCY PROFILE

As at 31 December 2023



Currency	S$'million	2023 %
SGD	855.6	28
USD	792.4	26
JPY	716.3	23
EUR	329.3	11
GBP	305.6	10
KRW	33.3	1
RMB	15.9	1
Total	**3,048.4**[i]	**100**

As at 31 December 2022



Currency	S$'million	2022 %
USD	862.0	30
JPY	778.1	27
SGD	720.3	25
AUD	221.7	8
EUR	206.1	7
GBP	35.1	1
KRW	33.2	1
RMB	17.5	1
VND	0.6	-
Total	**2,874.6**[i]	**100**

i Net of unamortised transaction costs and before taking into account the cross currency interest rate swaps to manage the exposure to foreign currency risk.

On a portfolio basis, approximately 52% of CLAS' assets denominated in foreign currency were hedged.

CASH FLOWS AND LIQUIDITY

CLAS takes a proactive role in monitoring its cash flow position and requirements to ensure that there is sufficient liquidity and adequate funding for distribution to Stapled Securityholders as well as to meet any short-term obligations.

As at 31 December 2023, CLAS' cash and cash equivalents was S$432.8 million, an increase of S$69.2 million over last year. Net cash generated from operating activities for FY 2023 was S$300.7 million, an increase of S$18.3 million as compared to FY 2022.

In FY 2023, net cash used in investing activities was S$296.7 million mainly due to acquisitions during the year, capital expenditure on investment properties and investment properties under development and purchase of property, plant and equipment, partially offset by proceeds from disposal of assets held for sale.

Net cash generated from financing activities was S$64.5 million mainly due to proceeds from the 2023 Equity Fund Raising and net draw down of borrowings, partially offset by interest payments and distribution payment to Stapled Securityholders and perpetual securities holders.

PORTFOLIO LISTING

CLAS' portfolio comprises 106 properties as at 31 December 2023. The properties are predominantly held under CapitaLand Ascott REIT, with the exception of the properties denoted by asterisks (*) which are held under CapitaLand Ascott BT.

Property Name	Address	Number of Units	Tenure (Years)	Tenure Expiry Date (Year)	Agreed Property Value at Acquisition (S$'million)
Australia					
Citadines on Bourke Melbourne	131-135 Bourke Street, Melbourne, Victoria 3000, Australia	380	Freehold	-	167.6
Citadines Connect Sydney Airport	113-121 Baxter Road, Mascot, New South Wales, NSW 2020, Australia	150	Freehold	-	58.8
Citadines St Georges Terrace Perth	185 St Georges Terrace, Perth, WA 6000, Australia	85	Freehold	-	36.1
Courtyard by Marriott Sydney-North Ryde*	7-11 Talavera Road, North Ryde, NSW 2113, Australia	196	Freehold	-	52.3
Novotel Sydney Parramatta*	350 Church Street, Parramatta, NSW 2150, Australia	194	Freehold	-	43.7
Pullman and Mercure Brisbane King George Square*	Corner Ann and Roma Street, Brisbane, QLD 4000, Australia	438	Freehold	-	89.2
Pullman and Mercure Melbourne Albert Park*	65 Queens Road, Melbourne, VIC 3004, Australia	378	Freehold	-	109.4
Pullman Sydney Hyde Park*	36 College Street, Sydney, NSW 2000, Australia	241	Freehold	-	156.4
Quest Campbelltown	1 Rennie Road, Woodbine, NSW 2560, Australia	81	Freehold	-	21.3
Quest Cannon Hill	930 Wynnum Road, Cannon Hill, Brisbane, QLD 4170, Australia	100	Freehold	-	27.5
Quest Macquarie Park	71 Epping Road, Macquarie Park, NSW 2113, Australia	111	Freehold	-	42.8
Quest Mascot	108-114 Robey Road, Mascot, NSW 2020, Australia	91	Freehold	-	26.9
Quest Sydney Olympic Park	6 Edwin Flack Avenue, Sydney Olympic Park, NSW 2127, Australia	140	99	2111	44.8
Sydney Central Hotel (formerly Novotel Sydney Central)*	169-179 Thomas Street, Sydney, NSW 2000, Australia	255	Freehold	-	161.2
Belgium					
Citadines Sainte-Catherine Brussels	51 quai au Bois à Brûler, 1000 Brussels, Belgium	169	Freehold	-	26.7
Citadines Toison d'Or Brussels	61-63 avenue de la Toison d'Or, 1060 Brussels, Belgium	155	Freehold	-	23.5

PORTFOLIO LISTING

Property Name	Address	Number of Units	Tenure (Years)	Tenure Expiry Date (Year)	Agreed Property Value at Acquisition (S$'million)
China					
Citadines Xinghai Suzhou	Block 27, Jiacheng Gardens, 58 Xinghai Street, Suzhou Industrial Park, Suzhou 215021, China	167	70	2066	23.2
Citadines Zhuankou Wuhan	159 Dongfeng Avenue (Xianglong Business Centre Zone C), Wuhan Economic and Technological Development Zone, Wuhan 430056, China	249	40	2043	51.4
Somerset Grand Central Dalian	No. 128-2 Jinma Road, Dalian Development Area, Dalian 116600, China	195	50	2056	118.6
Somerset Heping Shenyang	80 Taiyuan North Street, Heping District, Shenyang 110000, China	270	40	2046	86.2
Somerset Olympic Tower Property Tianjin	126 Chengdu Road, Heping District, Tianjin 300051, China	185	70	2062	76.8
France					
Citadines Antigone Montpellier	588 boulevard d'Antigone, 34000 Montpellier, France	122	Freehold	-	13.8
Citadines Austerlitz Paris	27 rue Esquirol, 75013 Paris, France	50	Freehold	-	9.6
Citadines Les Halles Paris	4 rue des Innocents, 75001 Paris, France	189	Freehold	-	88.2
Citadines Maine Montparnasse Paris	67 avenue du Maine, 75014 Paris, France	67	Freehold	-	20.6
Citadines Montmartre Paris	16 avenue Rachel, 75018 Paris, France	111	Freehold	-	40.4
Citadines Place d'Italie Paris	18 place d'Italie, 75013 Paris, France	169	Freehold	-	56.3
Citadines Presqu'île Lyon	2 rue Thomassin, 69002 Lyon, France	116	Freehold	-	21.4
Citadines République Paris	75 bis, avenue Parmentier, 75011 Paris, France	76	Freehold	-	21.2
Citadines Tour Eiffel Paris	132 boulevard de Grenelle, 75015 Paris, France	104	Freehold	-	59.2
Citadines Trocadéro Paris	29 bis, rue Saint-Didier, 75116 Paris, France	97	Freehold	-	51.3
La Clef Louvre Paris	8 rue de Richelieu, 75001 Paris, France	51	Freehold	-	40.3
La Clef Tour Eiffel Paris	83 avenue Kléber, 75016 Paris, France	112	Freehold	-	145.4

Property Name	Address	Number of Units	Tenure (Years)	Tenure Expiry Date (Year)	Agreed Property Value at Acquisition (S$'million)
Germany					
Citadines Arnulfpark Munich	Arnulfstrasse 51, 80636 München, Germany	146	Freehold	-	34.0
Citadines City Centre Frankfurt	Europa-Allee 23, 60327 Frankfurt am Main, Germany	165	Freehold	-	55.6
Citadines Kurfürstendamm Berlin	Olivaer Platz 1, 10707 Berlin-Wilmersdorf, Germany	117	Freehold	-	21.1
Citadines Michel Hamburg	Ludwig-Erhard-Straße 7, 20459 Hamburg, Germany	127	99	2111	46.4
The Madison Hamburg	Schaarsteinweg 4, 20459 Hamburg, Germany	166	Freehold	-	59.4
Indonesia					
Ascott Jakarta	Jalan Kebon Kacang Raya No. 2, Jakarta 10230, Indonesia	204	30	2054	43.0
Ascott Kuningan Jakarta	Ciputra World 1 Jalan Prof Dr Satrio Kav. 3-5 Jakarta 12940, Indonesia	185	30	2027	54.8
Somerset Grand Citra Jakarta	Jalan Prof Dr Satrio Kav 1, Jakarta 12940, Indonesia	199	20	2044	54.6
Ireland					
Temple Bar Hotel*	13-17 Fleet St, Temple Bar, Dublin 2, D02 WD51, Ireland	136	Freehold	-	103.7
Japan					
Citadines Central Shinjuku Tokyo	1-2-9, Kabuki-cho, Shinjuku-ku, Tokyo 1600021, Japan	206	Freehold	-	95.2
Citadines Karasuma-Gojo Kyoto	432 Matsuya-cho, Gojo-dori Karasuma-Higashiiru, Shimogyo-ku, Kyoto 600-8105, Japan	124	Freehold	-	39.9
Citadines Shinjuku Tokyo	1-28-13 Shinjuku, Shinjuku-ku, Tokyo 1600022, Japan	160	Freehold	-	84.3
Hotel WBF Honmachi	4-4-10, Kitakyuhojimachi, Chuo-ku, Osaka 541-0057, Japan	182	Freehold	-	43.3
Hotel WBF Kitasemba East	2-6-8 Awajicho, Chuo-ku, Osaka 541-0047, Japan	168	Freehold	-	43.1
Hotel WBF Kitasemba West	3-2-7, Awajicho, Chuo-ku, Osaka 541-0047, Japan	168	Freehold	-	43.2
Sotetsu Grand Fresa Osaka-Namba*	1-1-13, Nipponbashi, Chuo-ku, Osaka 542-0073, Japan	698	Freehold	-	239.8
Sotetsu Grand Fresa Tokyo-Bay Ariake	3-6-6 Ariake Koto-ku, Tokyo 135-0063, Japan	912	Freehold	-	325.0

PORTFOLIO LISTING

Property Name	Address	Number of Units	Tenure (Years)	Tenure Expiry Date (Year)	Agreed Property Value at Acquisition (S$'million)
Japan Rental Housing					
Actus Hakata V-Tower	3-15-10, Hakata Ekimae Hakata-ku, Fukuoka, Japan	296	Freehold	-	39.5
Alpha Square Kita 15 jo	2-5, Kita 15 jo Higashi 1-chome, Higashi-ku, Sapporo-shi, Hokkaido, Japan	127	Freehold	-	25.5
Big Palace Kita 14 jo	4-1-6, Kita 14 jo Nishi, Kita-ku, Sapporo-shi, Hokkaido, Japan	140	Freehold	-	17.3
Big Palace Minami 5 jo	3-1, Minami 5 jo Nishi 8-chome, Chuo-ku, Sapporo-shi, Hokkaido, Japan	158	Freehold	-	28.3
City Court Kita 1 jo	6-3 Kita 1 jo Higashi 1-chome, Chuo-ku, Sapporo-shi, Hokkaido, Japan	126	Freehold	-	31.4
Eslead Residence Bentencho Grande	15-44, Benten 5-chome, Minato-ku, Osaka-shi, Osaka, Japan	120	Freehold	-	21.4
Eslead Residence Osaka Fukushima East	8-7, Sagisu 5-chome, Fukushima-ku, Osaka, Japan	108	Freehold	-	22.2
Eslead Residence Umeda Grande	9-3, Nakatsu 4-chome, Kita-ku, Osaka-shi, Osaka, Japan	70	Freehold	-	14.1
Granfore Hakata Waterfront	104-2, Sekijomachi, Hakata-ku, Fukuoka, Japan	247	Freehold	-	47.9
Gravis Court Kakomachi	13-10, Kakomachi, Naka-ku, Hiroshima, Japan	63	Freehold	-	6.7
Gravis Court Kokutaiji	2-1-9, Kokutaijimachi, Naka-ku, Hiroshima, Japan	48	Freehold	-	5.0
Gravis Court Nishiharaekimae	8-38-10, Nishihara, Asaminami-ku, Hiroshima, Japan	29	Freehold	-	4.2
House Saison Shijo-Dori	47-2, Kasaboko-cho, Shimogyo-ku, Kyoto, Japan	190	Freehold	-	29.6
Infini Garden	3-2-2, 3, 4, 5 KashiiTeriha, Higashi-ku, Fukuoka, Japan	389	Freehold	-	95.2
Marunouchi Central Heights	3-23-6 Marunouchi, Naka-ku, Nagoya city, Aichi, Japan	30	Freehold	-	7.3
Roppongi Residences Tokyo	3-4-31 Roppongi, Minato-ku, Tokyo 106-0032, Japan	64	Freehold	-	57.1
S-Residence Fukushima Luxe	7-22-9, Fukushima, Fukushima-ku, Osaka, Japan	178	Freehold	-	31.1
S-Residence Gakuenzaka	2-1-1 Shimodera, Naniwa-ku, Osaka-shi, Osaka, Japan	58	Freehold	-	13.0
S-Residence Hommachi Marks	2-3-6, Tokuicho, Chuo-ku, Osaka, Japan	110	Freehold	-	17.3
S-Residence Midoribashi Serio	3-17-6, Nakamoto, Higashinari-ku, Osaka, Japan	98	Freehold	-	14.5
S-Residence Namba Viale	3-9-1 Motomachi, Naniwa-ku, Osaka-shi, Osaka, Japan	116	Freehold	-	18.3
S-Residence Shukugawa	2-88 Kamizono-cho, Nishinomiya city, Hyogo, Japan	33	Freehold	-	7.6
S-Residence Tanimachi 9 chome	4-29, Ikutamamaemachi, Tennoji-ku, Osaka, Japan	102	Freehold	-	18.1

Property Name	Address	Number of Units	Tenure (Years)	Tenure Expiry Date (Year)	Agreed Property Value at Acquisition (S$'million)
Japan Student Accommodation					
Eslead College Gate Kindaimae	19-28, 3-chome Kowakae, Higashiosaka-shi, Osaka 577-0818, Japan	112	Freehold	-	19.5
Malaysia					
Somerset Kuala Lumpur	187, Jalan Ampang, 50450, Kuala Lumpur, Malaysia	205	Freehold	-	67.4
The Philippines					
Ascott Makati	Glorietta 4, Ayala Center, Makati City 1224, The Philippines	362	48	2044	87.5
Somerset Millennium Makati	104 Aguirre Street, Legaspi Village, Makati City 1229, The Philippines	118	Freehold	-	12.7
Singapore					
Ascott Orchard Singapore	11 Cairnhill Road, Singapore 229724, Singapore	220	99	2113	405.0
Citadines Mount Sophia Property Singapore	8 Wilkie Road #01-26 Wilkie Edge, Singapore 228095, Singapore	154	96	2105	107.0
lyf one-north Singapore[i]	80 Nepal Park, Singapore 139409, Singapore	324	60	2078	62.4
Somerset Liang Court Property Singapore[ii]	177B, River Valley Road, Singapore 179032, Singapore	192	99	2120	140.3
The Robertson House by The Crest Collection (formerly Riverside Hotel Robertson Quay)	1 Unity Street, Singapore 237983, Singapore	336	99	2105	325.0
South Korea					
ibis Ambassador Seoul Insadong*	31 Samil-daero 30-gil, Ikseon-dong, Jongno-gu, Seoul, South Korea	363	Freehold	-	98.1
Sotetsu Hotels The Splaisir Seoul Dongdaemun*	226 Jangchoongdan-ro, Gwanghui-dong, Jung-gu, Seoul, South Korea	215	Freehold	-	95.1
Spain					
Citadines Ramblas Barcelona	Ramblas 122, 08002 Barcelona, Spain	131	Freehold	-	56.7

i The Agreed Property Value at Acquisition of S$62.4 million refers to the price of the site acquired through a tender bid.

ii (a) As disclosed in the announcement dated 21 November 2019, partial interest in the land was divested and the retained interest in the land is currently being redeveloped into a new serviced residence property with 192 units (number of units may be subject to change).

(b) The Agreed Property Value at Acquisition of S$140.3 million refers to the value of CLAS' remaining interest in the land derived from the sale price per square foot as disclosed in the announcement.

PORTFOLIO LISTING

Property Name	Address	Number of Units	Tenure (Years)	Tenure Expiry Date (Year)	Agreed Property Value at Acquisition (S$'million)
United Kingdom					
Citadines Barbican London	7-21 Goswell Road, London EC1M 7AH, United Kingdom	129	Freehold	-	75.0
Citadines Holborn-Covent Garden London	94-99 High Holborn, London WC1V 6LF, United Kingdom	192	Freehold	-	127.5
Citadines South Kensington London	35A Gloucester Road, London SW7 4PL, United Kingdom	92	Freehold	-	71.1
Citadines Trafalgar Square London	18/21 Northumberland Avenue, London WC2N 5EA, United Kingdom	187	Freehold	-	130.9
The Cavendish London	81 Jermyn St, St. James's, London SW1Y 6JF, United Kingdom	230	150	2158	372.3
United States of America (USA)					
Element New York Times Square West	311 West 39th Street, New York, New York 10018, The United States of America	411	99	2112	220.7
Sheraton Tribeca New York Hotel	370 Canal Street, New York, New York 10013, The United States of America	369	99	2112	218.0
voco Times Square South	343 West 36th Street, New York, New York 10018, The United States of America	224	Freehold	-	148.4
USA Student Accommodation					
Paloma Kent	1450 E Summit Street, Kent, Ohio 44240, The United States of America	126	99	2117	40.3
Paloma Raleigh	5701 Hillsborough Street, Raleigh, North Carolina 27606, The United States of America	180	Freehold	-	87.5
Paloma University City	3600 Lancaster Avenue, Philadelphia, Pennsylvania 19104, The United States of America	126	Freehold	-	89.5
Paloma West Midtown	800 Marietta Street NW, Atlanta, Georgia 30318, The United States of America	183	Freehold	-	126.3
Seven07	707 South Fourth Street, Champaign, Illinois 61820, The United States of America	218	Freehold	-	112.4
Standard at Columbia[iii]	1401 Assembly Street, Columbia, South Carolina 29201, The United States of America	247	Freehold	-	75.8
Uncommon Wilmington	2421 Playa Way, Wilmington, North Carolina 28403, The United States of America	150	Freehold	-	73.8
Wildwood Lubbock	1701 N Quaker Avenue, Lubbock, Texas 79416, The United States of America	294	Freehold	-	93.8

iii As disclosed in the Circular dated 15 August 2022, the Agreed Property Value at Acquisition of approximately S$75.8 million is on a 100.0% basis.

Property Name	Address	Number of Units	Tenure (Years)	Tenure Expiry Date (Year)	Agreed Property Value at Acquisition (S$'million)
Vietnam					
Somerset Central TD Hai Phong City	Tower A, TD Plaza, Lot 20A, New Urban Zone at 5 Corner – Cat Bi Airport, Dong Khe Ward, Ngo Quyen District, Hai Phong City, Vietnam	132	64	2075	22.8
Somerset Chancellor Court Ho Chi Minh City	21-23 Nguyen Thi Minh Khai Street, District 1, Ho Chi Minh City, Vietnam	172	48	2041	69.3
Somerset Grand Hanoi	49 Hai Ba Trung Street, Hanoi, Vietnam	185	45	2038	105.7
Somerset Ho Chi Minh City	8A Nguyen Binh Khiem Street, District 1, Ho Chi Minh City, Vietnam	198	45	2039	66.8
Somerset Hoa Binh Hanoi	106 Hoang Quoc Viet Street, Cau Giay, Hanoi, Vietnam	206	36	2042	54.9

INVESTOR RELATIONS

▲ CapitaLand Ascott Trust at the Extraordinary General Meeting in October 2023

CLAS is committed to proactive, timely and transparent communication with our stakeholders, including potential and existing retail and institutional investors, sell-side analysts and the media. Our commitment is underpinned by our Investor Relations Policy, which states the guiding principles of our approach and can be accessed on CLAS' website (https://investor.capitalandascotttrust.com/investor_relations_policy.html).

CLAS makes disclosures on an immediate basis as required under the Listing Manual, or as soon as possible where immediate disclosure is not practicable. This is to ensure that all stakeholders have the essential knowledge to make informed investment decisions. All announcements, press releases and presentation slides relating to CLAS' latest corporate developments are promptly disclosed via SGXNet and made available on CLAS' website (https://www.capitalandascotttrust.com/). Information such as CLAS' stock data, factsheet, publications, tax refund procedures and a list of frequently asked questions, can be found in the Investor Relations section of the website.

CLAS makes it a practice to release its financial results and business updates within 30 days from the end of each quarter. To provide more comprehensive updates on CLAS' financial and operational performance, post-results briefings are held for the media, analysts and investors.

In 2023, we actively engaged our various stakeholders through more face-to-face engagements, which consisted of both group and one-on-one meetings, which included non-deal roadshows held overseas. In total, we reached out to about 1,300 analysts and investors, across about 90 engagements in 2023.

The meetings provided an effective platform for us to initiate transparent and timely communication on matters such as the financial and operating performance of CLAS, our portfolio reconstitution activities and perspectives on outlook. We also sought feedback from the investment community on our transactions and equity fund raising. Through our outreach, the investment community, including new investors who received CLAS' Stapled Securities as part of CapitaLand Investment Limited's distribution-in-specie exercise in 2023, was able to gain a better understanding of CLAS. These interactions also enabled us to hear the views and concerns of our stakeholders, and continuously improve our disclosures and value proposition to investors.

In 2023, CLAS continued to receive industry recognition for its efforts in investor engagement and corporate governance. Testament to our commitment in upholding high standards on the corporate governance front, CLAS was ranked 1st in the REITs and Business Trusts category of the Singapore Governance and Transparency Index 2023 for the third year running.

▲ Pre-Extraordinary General Meeting Dialogue with SIAS Members

▲ Tour of lyf one-north Singapore with Thai investors

2023 INVESTOR RELATIONS ACTIVITIES

Key Events		2023
1st Quarter	DBS Vickers Pulse of Asia Conference	10 Jan
	FY 2022 post-results briefing to media and analysts	30 Jan
	FY 2022 post-results investor meeting	30 Jan
	FY 2022 briefing to trading representatives	2 Feb
	Tour of lyf one-north Singapore with Thai investors	15 Mar
	Non-deal roadshow in Hong Kong	16-17 Mar
2nd Quarter	Pre-Annual General Meeting with retail investors	3 Apr
	Pre-Annual General Meeting Dialogue with SIAS members	5 Apr
	Annual General Meeting 2023	18 Apr
	1Q 2023 post-results briefing to analysts	26 Apr
	1Q 2023 post-results briefing to investors	26 Apr
	DBS-REITAS Private Banking Luncheon	18 May
	REITs Symposium 2023	20 May
	UBS ASEAN Conference	30 May
	HSBC 7th Annual Asia Credit Conference (Hong Kong)	15 Jun
	Tour of lyf one-north Singapore with Thai Investors	22 Jun
	Non-deal roadshow in Kuala Lumpur	26-27 Jun
3rd Quarter	1H 2023 post-results briefing to media and analysts	28 Jul
	1H 2023 post-results briefings to investors	28 Jul
	1H 2023 post-results briefings to private bankers	31 Jul
	Briefings to media, analysts and investors on CLAS' proposed acquisition, AEI and equity fund raising	2 Aug
	Citi ASEAN Financials and Real Estate Investment Forum	15 Aug
	Meetings with investors on CLAS' proposed acquisition, AEI and equity fund raising	18-23 Aug
	UBS Wealth Management Event	26 Sep
4th Quarter	Meetings with investors on CLAS' proposed acquisition and master lease renewals	2-11 Oct
	Pre-Extraordinary General Meeting Dialogue with SIAS members	11 Oct
	Investor event at The Robertson House by The Crest Collection	12 Oct
	Roadshow in Hong Kong	13 Oct
	Extraordinary General Meeting	24 Oct
	3Q 2023 post-results briefing to analysts	30 Oct
	3Q 2023 post-results briefing to investors	30 Oct
	CLI & REITs Bangkok Conference	24 Nov
	SGX non-deal roadshow with Korean investors	8 Dec

INVESTOR RELATIONS

FINANCIAL CALENDAR

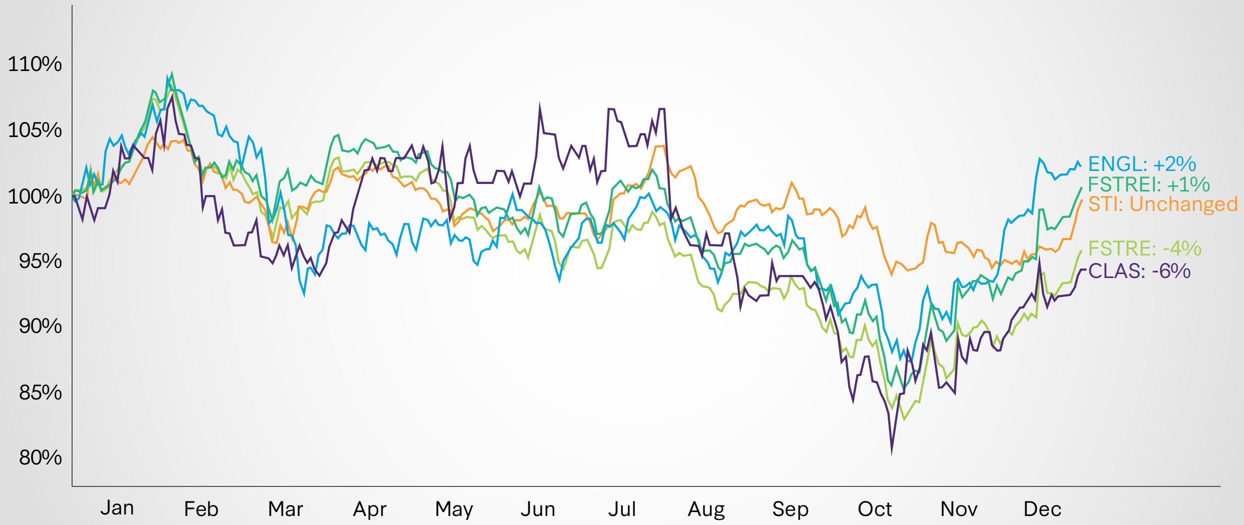
Financial Year Ended 31 December 2023	
1Q 2023 Business Updates	26 Apr 2023
1H 2023 Results Announcement	28 Jul 2023
Payment of Distribution to Stapled Securityholders (six months ended 30 June 2023)	29 Aug 2023
Payment of Advanced Distribution to Stapled Securityholders (period from 1 July 2023 to 13 August 2023)	11 Oct 2023
3Q 2023 Business Updates	30 Oct 2023
FY 2023 Results Announcement	29 Jan 2024
Payment of Distribution to Stapled Securityholders (period from 14 August 2023 to 31 December 2023)	29 Feb 2024
Annual General Meeting	19 Apr 2024

TRADING PRICE PERFORMANCE

Events	2023	2022
Opening price on the first trading day of the year (S$)	1.050	1.030
Closing price on the last trading day of the year (S$)	0.990	1.050
Highest closing price (S$)	1.130	1.180
Lowest closing price (S$)	0.845	0.875
Average closing price (S$)	1.016	1.065
Average daily trading volume (stapled securities)	7,143,531	6,762,695
Total trading volume (stapled securities)	1,771,595,811	1,683,911,162

Source: Bloomberg

COMPARATIVE TRADING PERFORMANCE FOR FY 2023



Source: Bloomberg

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Global Sector Leader
(Listed – Hotel)
GRESB Real Estate Assessment
2021, 2022 and 2023

Ranked 1st
REITs and Business Trusts category
Singapore Governance and Transparency Index
2021, 2022 and 2023

Scored B
CDP Climate
Change 2023

Rated 9.5 – Negligible Risk
Sustainalytics ESG
Risk Rating

Top 10 in Singapore
Equileap Gender
Equality Ranking 2024

Constituent of
- iEdge-UOB APAC Yield Focus Green REIT Index
- iEdge-OCBC Singapore Low Carbon Select 50 Capped Index

Sustainability is at the Core of Everything We Do

Employees
51 : 49
male : female[2]

Directors
3 out of 8
female[4]

49%
of global portfolio[1] achieved green building certification

c.S$551.2M
in sustainable financing raised to date

8.5%
reduction in energy intensity[3] since 2019

Zero
staff work-related fatality and permanent disability incidents

Retained ISO 14001 and ISO 45001 certification in
13 countries
for more than a decade

For more information on our other performance metrics, please refer to pages 80 to 86.

1 Refers to the gross floor area of CLAS' properties by m².
2 Based on employees of CLAS' Ascott-managed properties (including our subsidiaries) and the Managers.
3 Computation of intensity data is for the first nine months of 2023; excludes properties undergoing asset enhancement programmes and third-party operated properties.
4 Based on the board composition as at 31 December 2023.

SUSTAINABILITY MANAGEMENT

BOARD STATEMENT

At CLAS, sustainability is at the core of everything we do. We are committed to growing in a responsible manner, delivering long-term economic value, and contributing to the environmental and social well-being of our communities. CLAS' material environmental, social and governance (ESG) factors are aligned with CapitaLand Investment Limited's (CLI) 2030 Sustainability Master Plan (SMP), which was refreshed in 2023 and endorsed by CLAS' Boards and Management.

The SMP steers our efforts on a common course to maximise impact through building portfolio resilience and resource efficiency, enabling thriving and future-adaptive communities, and stewarding responsible business conduct and governance. Ambitious ESG targets have been set which include carbon emissions reduction targets validated by the Science Based Targets initiative (SBTi). In 2023, the SMP targets were revised to elevate the SBTi-approved targets in line with a 1.5°C scenario, incorporate CLI's Net Zero commitment and enhance its focus on social indicators.

CLAS' Boards are responsible for overseeing CLAS' sustainability efforts, and take ESG factors into consideration in determining its strategic direction and priorities. The Boards also approve the executive compensation framework based on the principle of linking pay to performance. CLAS' business plans are guided by both quantitative and qualitative performance targets, and executed through sustainable corporate practices.

CLAS' sustainability efforts have been recognised by global indices such as GRESB. We will continue to identify and adopt meaningful ESG practices and enhance sustainability in our business.

BOARD, TOP MANAGEMENT AND STAFF COMMITMENT

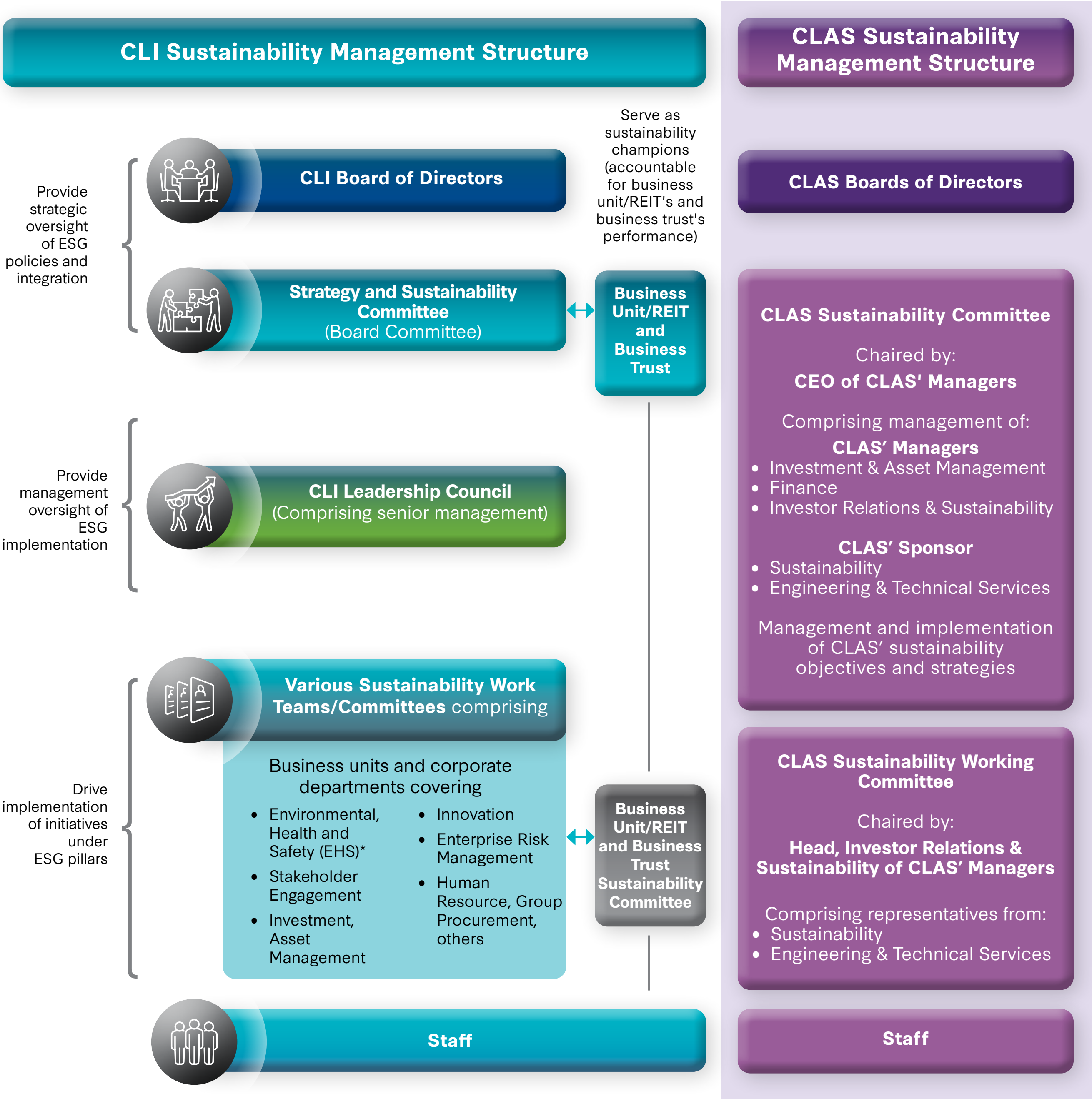
CLAS' Boards recognise the importance of sustainability as a business imperative, and ensure that sustainability considerations are factored into CLAS' strategy development. This enables CLAS to remain competitive and resilient in an increasingly challenging business environment.

The Boards are kept informed of CLAS' sustainability management performance, key material issues identified by stakeholders, and the planned follow-up measures. The Boards are updated quarterly and at ad hoc Board meetings. The Boards discuss matters relating to sustainability risks, and relevant performance metrics, which include carbon emissions and our progress on achieving the reduction targets, green certification, human capital development, as well as stakeholders' expectations on climate change, social impact and/or other matters. The Boards are also informed of any incidents relating to workplace safety, business malpractice and environmental impact, which may include climate-related damage or disruptions.

CLAS' Sustainability Committee is responsible for overseeing CLAS' sustainability strategies and goals, and monitoring the progress of the sustainability initiatives. CLAS' Sustainability Committee comprises the CEO and Heads of Department of CLAS' Managers, and the Heads of Department of the operations and technical teams of its Sponsor. A Sustainability Working Committee, led by the Head, Investor Relations & Sustainability, provides support to the Sustainability Committee.

At CapitaLand Investment Limited (CLI), lead Independent Director Mr Anthony Lim chairs the Strategy and Sustainability Committee (SSC), which is a Board Committee of CLI. The SSC typically meets twice a year, with additional meetings convened as necessary. The CLI Leadership Council makes strategic resource allocation decisions and meets on a regular basis. The CLI Leadership Council comprises the Group CEO, CEOs of the business units and key management officers of the corporate office.

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



MAINTAINING DIVERSITY ON THE BOARD

CLAS' Boards embrace diversity and have in place a Board Diversity Policy which ensures that the Boards comprise talented and dedicated Directors with a wide mix of expertise (including industry, domain and functional expertise), skills, experience (including international experience) and perspectives. This is with due consideration to diversity in gender, age, tenure, ethnicity and culture, and geographical background including nationality, as well as any other relevant aspects of diversity.

Our Board Diversity Policy, targets, plans and progress are detailed under Corporate Governance Board Matters Principle 2 on pages 105 to 107 of this report.

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

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY REPORTING & BENCHMARKING

CLAS is one of the few listed trusts in Singapore to publish a sustainability report which is externally assured since FY 2022. CapitaLand was also one of the first companies in Singapore to voluntarily publish an annual Global Sustainability Report since FY 2009, and to have its entire report externally assured since FY 2010. Benchmarking against international standards and frameworks which are externally validated helps us to overcome the challenges in sustainability reporting that may arise from our portfolio of diverse asset types and geographies.

CLI's global sustainability reporting (GSR) has evolved into a uniquely hybrid model using the Global Reporting Initiative (GRI) Standards and Greenhouse Gas (GHG) Protocol (operational control method) since 2009, GRESB since 2013, Value Reporting Foundation's Integrated Reporting Framework since 2015, UN SDG Reporting since 2016, Taskforce for Climate-related Financial Disclosures (TCFD) framework since 2017, and Sustainability Accounting Standards Board (SASB) Standards since 2020. The GSR covers CLI's global portfolio and employees, including CLAS and CLI's other listed real estate investment trusts and business trusts.

We will continue to enhance our disclosures and work towards preparing for International Sustainability Standards Board (ISSB) standards relating to climate reporting. CLAS' and CLI's reports will continue to be externally assured with reference to the International Standard on Assurance Engagements (ISAE) 3000.

This sustainability chapter references selected GRI standards to report specific information and covers CLAS' properties from 1 January 2023 to 31 December 2023 unless otherwise indicated. The CLI team behind CLAS' Managers and the property managers responsible for property and portfolio operations are identified as employees of CLAS. More information on CLAS' sustainability management practices will be published in the Sustainability Report 2023 by 31 May 2024.

RECOGNITION BY GLOBAL BENCHMARKS

CLI has been a signatory to the United Nations (UN) Global Compact since 2015 and our Communication on Progress for FY 2023 will be published at www.unglobalcompact.org. In February 2023, CLI also became a signatory of the UN-supported Principles for Responsible Investment (UN PRI), as part of its commitment to invest responsibly.

In recognition of our leadership in sustainability, CLAS has been named Global Sector Leader (Listed – Hotel) and ranked first in the Asia Pacific Hotel – Listed category in the 2023 GRESB Real Estate Assessment for the third consecutive year. CLAS was also included as a constituent of iEdge-UOB APAC Yield Focus Green REIT Index during the year. On the S&P Corporate Sustainability Assessment, CLAS is ranked 89th percentile of real estate investment trusts globally, and CLAS' MSCI ESG rating was upgraded from "BB" to "BBB" in 2023.

CLI continues to be listed on the Dow Jones Sustainability World Index and Asia-Pacific Index, GRESB (Global Sector Leader – Listed (Diversified) with the highest 5-star rating), FTSE4Good Index Series, MSCI Global Sustainability Indexes and The Sustainability Yearbook.

▲ Receiving the 2023 Global Sector Leader (Listed - Hotel) award from GRESB

MATERIALITY

CLAS identifies and prioritises the management of material ESG issues that are most relevant and significant to the trust and its stakeholders. CLAS adopts a double materiality approach, considering issues which are material from either the impact perspective or financial perspective[4] or both.

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

In addition, CLAS has a regular review, assessment and feedback process in relation to ESG topics. Identified material issues are reported in our corporate risk register through the annual Group-wide Risk and Control Self-Assessment (RCSA) exercise[5], 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 potential impact of issues affecting the business continuity of CLAS. For external stakeholders, priority is given to issues important to the community and applicable to CLAS. In FY 2023, the material ESG topics that were identified were approved by the SSC and endorsed by CLAS' Boards.

For more information on stakeholder engagement and our sustainability strategy, please refer to the CLAS Sustainability Report 2023 and CLI Global Sustainability Report 2023, which will be published by 31 May 2024.

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 (Boards and staff)	• Risk management[iii] • Business ethics
MODERATE AND EMERGING		
• Waste management • Biodiversity	• Human rights[iv]	

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

4 Taking 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.
5 For more information on CLAS' Enterprise Risk Management and Group-wide Risk and Control Self-Assessment exercise, please refer to pages 87 to 92 of this report.

SUSTAINABILITY MANAGEMENT

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

CLAS' material ESG issues and the value created, aligned to CLI 2030 SMP focus areas and commitments, are mapped to the International Integrated Reporting Commission (IIRC) Framework's six integrated reporting Capitals – Environmental, Manufactured, Human, Social and Relationship, Organisational and Financial. This is further mapped against eight UN SDGs that are most aligned with CLI 2030 SMP focus areas, and where CLAS can achieve the greatest positive impact.

For more information, please refer to the CLAS Sustainability Report 2023 and CLI Global Sustainability Report 2023, which will be published by 31 May 2024.

OUR COMMITMENTS	2023 VALUE CREATED	
Environment • Transit to low-carbon business and reduce energy consumption through improved energy efficiency and increased use of renewable energy • Reduce water consumption, reuse water, and prevent water pollution, especially in countries where the availability of clean water and sanitation are of concern • Green our global operational portfolio by 2030 • Strengthen our portfolio's climate resilience by addressing climate related risks and opportunities throughout the real estate lifecycle • Actively embrace innovation to ensure commercial viability without compromising the environment for future generations • Influence our supply chain to operate responsibly in the area of environmental management through CLI's Supply Chain Code of Conduct	• 0.7% reduction in carbon emissions intensity (per m^2 from 2019 baseline)[i] • 8.5% and 7.8% reduction in energy and water intensity (per m^2 from 2019 baseline) respectively[i] • Achieved green building certifications for 49% of global portfolio[ii] • Publishing CLAS TCFD reporting with climate risk assessment and scenario analysis for our portfolio[iii] • Retained ISO 14001 certification in 13 countries	**Environmental Capital** **Manufactured Capital** 7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 13 CLIMATE ACTION 11 SUSTAINABLE CITIES AND COMMUNITIES 17 PARTNERSHIPS FOR THE GOALS

Social
• CLAS believes staff can make a significant contribution based on their talent, expertise and experience, regardless of ethnicity, age or gender. We adopt consistent, equitable, and fair labour policies and practices in rewarding as well as developing our staff
• CLAS aims to provide a safe work environment that contributes to the general well-being of our staff, tenants, contractors, suppliers and the communities that use our properties
• CLI's Supply Chain Code of Conduct influences its supply chain to operate responsibly in the areas of human rights, and health and safety
	• Global workforce (more than 1,700 employees)[iv]
	  • More than 86 nationalities
	  • Males and females at a ratio of 51:49
	  • About 60% of employees are between 30 and 50 years old
	• 75% of CLAS' key management personnel are women
	• 84% staff engagement score, with 89% survey participation[v]
	• Around 28 training hours per staff[iv]
	• Zero staff work-related fatality and permanent disability incidents
		Human Capital
		
		Social and Relationship Capital
		
		Manufactured Capital
		
		3 GOOD HEALTH AND WELL-BEING
		8 DECENT WORK AND ECONOMIC GROWTH

i Computation of intensity data is for the first nine months of 2023; excludes properties undergoing asset enhancement programmes and third-party operated properties.
ii Refers to the gross floor area of CLAS' properties by m^2.
iii For more information, please refer to the CLAS Sustainability Report 2023, which will be published by 31 May 2024.
iv Based on employees of CLAS' Ascott-managed properties (including our subsidiaries) and the Managers.
v For CLI's Lodging business unit, which the employees of CLAS' Ascott-managed properties and the Managers are a part of.

OUR COMMITMENTS	2023 VALUE CREATED	
• CLAS, as part of CLI, is committed to activities that are aligned with our focus on community investment. We engage our stakeholders to raise awareness in the areas of philanthropy, environment, health and safety, as well as promote sustainability within the tenant community	• Zero contractor work-related fatality and work-related permanent disability incident • No reported incidents relating to discrimination, child labour or forced labour • Retained ISO 45001 certification in 13 countries • CLI contributed more than S$3.1 million to CapitaLand Hope Foundation (CHF) and CHF India[vi]; CHF donated over S$3.5 million[vii] globally in 2023 • More than 1,500 CLI staff tapped on the volunteer service leave to contribute more than 13,500 hours for various activities	
Governance • CLAS adopts a Board Diversity Policy which ensures that the Boards comprise talented and dedicated Directors with a wide mix of expertise (including industry, domain and functional expertise), skills, experience (including international experience) and perspectives, with due consideration to diversity in gender, age, tenure, ethnicity, culture, and geographical background including nationality, as well as any other relevant aspects of diversity • CLAS is committed to meeting high standards of risk management in the way it conducts its business. All employees are required to understand and be responsible for ensuring that risks are managed effectively in their day-to-day work • CLAS requires third-party service providers and vendors to adhere to anti-bribery and anti-corruption provisions • CLI's Supply Chain Code of Conduct influences its supply chain to operate responsibly in the area of anti-corruption	• 3 out of 8 (37.5%) of CLAS' directors are women[viii] • 76% of staff attended Fraud, Bribery & Corruption awareness and whistle blowing online training[iv]	**Organisational Capital** **Human Capital**

vi CHF (India) (CHFI) is a non-government, private, unlisted Section 8 company, incorporated in April 2019 along with necessary registration under Indian Income Tax (IT) Act to carry out CSR activities that qualify as CSR expenditure under Indian Companies Act, 2013. CHF (India) also adopted CLI's corporate governance framework including internal policies, procedures and codes of business conduct (e.g. anti-corruption and whistle-blowing policies) and CHF (India)'s constitution also states that no grant or assistance shall be given in aid of any political organisation or purpose.

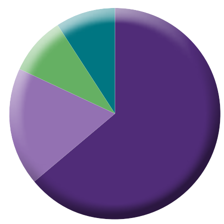
vii This amount included donations made under CHF (India) which is a separate entity from CHF as well as CapitaLand Development.

viii Based on the board composition as at 31 December 2023.

SUSTAINABILITY MANAGEMENT

OUR COMMITMENTS	2023 VALUE CREATED	
Economic • Integrate CLAS' ESG performance with financial metrics	• Please refer to the following sections in this report: • FY 2023 Key Highlights, pages 4-5 • 5-year Financial Summary, page 7 • Financial Review, pages 62-68 • CLAS entered into a sustainability-linked cross currency swap of JPY11.0 billion in FY 2023, bringing the total amount of sustainable financing to date to c.S$551.2 million	**Financial Capital**

TOTAL SUSTAINABLE FINANCING



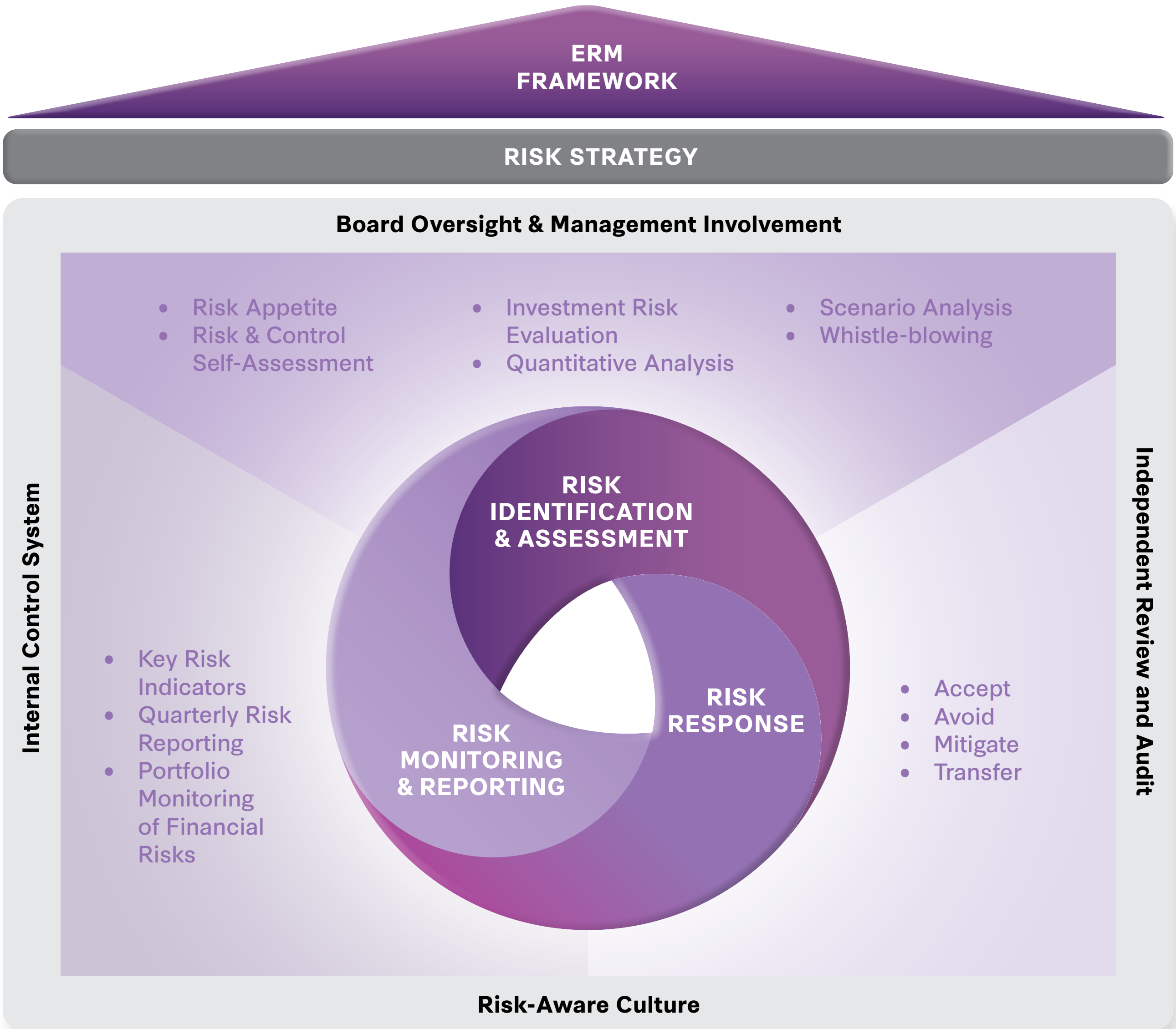
Sustainability-linked bond	64%
Sustainability-linked cross currency swap	18%
Green loan	9%
Sustainability-linked loan	9%

RISK MANAGEMENT

The Managers of CLAS maintain a robust risk management framework to proactively identify, assess and respond to material risks that can impact our objectives of delivering sustainable returns to Stapled Securityholders, and creating long-term value for our stakeholders. We position CLAS 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 Managers' Enterprise Risk Management (ERM) Framework is adapted from the International Organization for Standardization 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 Boards of Directors of the Managers (the Boards) are responsible for the governance of risk and ensure that the Management maintains a sound system of risk management and internal controls, to safeguard the interests of CLAS and its stakeholders. Under our risk management approach, the Boards, assisted by the Audit and Risk Committee (ARC), approve CLAS' risk appetite (risk tolerance) which determines the nature and extent of material risks CLAS is willing to take to achieve its strategic objectives. The Boards also regularly review CLAS' risk profile, material risks and mitigation strategies, and ensure the adequacy and effectiveness of the risk management framework and policies.

The Management supports the Boards and the ARC in terms of risk governance and oversight. Management directs and monitors the implementation and practice of risk management across CLAS, including the monitoring of risk exposure through key risk indicators.

INTERNAL CONTROLS SYSTEM

The ERM Framework operates within a risk governance structure based on three lines of defence.

First Line
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.

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

Third Line
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 to provide reasonable assurance to the ARC and the Boards.

A Strong Culture of Risk Awareness
The fostering of a strong risk culture helps to ensure that risk management practices are implemented effectively and consistently across CLAS.

The first and second lines of defence work closely to ensure risk awareness and accountability are ingrained in our culture.

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

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

CLAS' MATERIAL RISKS AND KEY MITIGATING ACTIONS

The Group-wide Risk and Control Self-Assessment (RCSA) is conducted annually to identify key material risks (which include new and emerging risks) that CLAS faces in delivering our strategic objectives, the mitigating measures and any opportunities that we can leverage on.

In identifying CLAS' key material risks, the likelihood and impact of each risk are assessed. Sensitivity analysis and stress testing are carried out for both financial and non-financial risks where applicable. Material risks and their associated controls are consolidated and reviewed by the Managers before they are presented to the ARC and the Boards.

Based on the 2023 RCSA results, CLAS' key material risks and measures that we have taken to mitigate the risks are set out below:

MATERIAL RISKS	KEY MITIGATING ACTIONS
Business Interruption Exposure to sudden and major disaster events such as pandemics, terrorist attacks, fires, prolonged power outages or other major infrastructure or equipment failures which can cause business interruption and significantly disrupt operations at the properties	› Put in place business continuity plans and standard operating procedures for crisis management at each property to respond to any disruption. › Ensure business interruption insurance coverage is adequately purchased.
Climate Related Physical risks which are a result of climate change and can be acute or chronic in climate patterns, such as rising sea levels, violent storms, long intense heat waves, flash floods and freshwater depletion Transition risks which result from a transition to a lower-carbon economy, and could entail potentially more stringent regulations and increased expectations from customers and stakeholders	› Assessment of physical risks of the existing portfolio and new acquisitions, which could have potential impact such as: increased capital expenditure to construct infrastructure (e.g. for coastal defence, flood control), increased operating costs (e.g. repair costs, business interruption costs). › Incorporate shadow internal carbon price in the evaluation of new investment/capital expenditure decisions. This helps to factor in climate-related costs and opportunities, support low-carbon investments, prepare for stringent climate legislation, and avoid stranded assets. › Regularly review CLAS' 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. › CLI has a well-established Group environmental management system which is externally certified to ISO 14001 in 19 countries. › Take actions to influence decarbonisation, which include engagement with our supply chain (main contractors, vendors, suppliers, creditors) and customers (guests, tenants). › For more information, please refer to CLAS' Sustainability Report 2023, which will be published by 31 May 2024.

RISK MANAGEMENT

MATERIAL RISKS	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 in CLAS. › 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. › Ongoing mandatory e-learning modules to raise awareness and train employees on ways to avoid or prevent non-compliant behaviour.
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 strong safety culture in CLAS and its supply chain through deep safety capabilities, disciplined safety practices and a progressive safety mindset. › CLI has a well-established Group occupational health and safety management system which is externally certified to ISO 45001 in 19 countries. › For more information, please refer to CLAS' Sustainability Report 2023, which will be published by 31 May 2024.
Competition Keen industry competition from established real estate investment managers 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 our peers by adapting CLAS' business and products to the evolving needs of our customers, delivering exceptional products and services, and engaging customer-centric initiatives and loyalty programmes. › Leverage on the extensive network and capabilities of CLAS' Sponsor and third-party operators such as Accor, IHG and Marriott for our hospitality assets. › Leverage on strong network of property management professionals with deep knowledge in rental housing and student accommodation properties. › Incorporate ESG considerations and align CLAS' business with recognised industry standards, to reinforce our leading position as a sustainable trust. › Enhance our product offerings through asset enhancement initiatives and refresh of brands. › Leverage in-house team of industry analysts to keep CLAS on top of latest market trends.

MATERIAL RISKS	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 the CLAS' information assets and/or systems	› The outsourced information technology (IT) function from CLI executes its Cyber Security Strategy through ongoing review against existing/evolving threat landscapes, and institute measures to minimise vulnerability exposure and manage threat vectors. › Ongoing 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 testing and annual Disaster Recovery Plan exercise to ensure IT infrastructure/management system security and timely recoverability of business-critical IT systems. › Put in place enhanced protection controls for systems that hold personal data. › Board oversight with regular updates to the ARC on the state of Cyber Security risk activities and key control improvements.
Economic Economic instability or changes in macroeconomic factors such as inflation or unemployment, which results in challenging business conditions	› Adopt a disciplined approach to financial management. › Diversify our portfolio across asset classes and geographies in accordance with Board-approved country limits. › Focus on markets where CLAS or its Sponsor, The Ascott Limited (Ascott), has operational scale and where the underlying economic fundamentals are more robust. › Actively monitor macroeconomic trends, policies and regulatory changes in key markets. › To mitigate inflationary pressures and rising operating costs, enter into fixed-rate utility contracts, employ energy-saving technology or go-green initiatives where possible. › CLAS' predominantly long-stay properties have lower manning requirements and leaner cost structures compared to the typical full-service hospitality property. › Properties under master leases receive stable rent and are not directly impacted by rising costs, while utility costs are passed through to rental housing and student accommodation tenants.
Financial Exposure to financial risks involving liquidity, foreign currency and interest rates given CLAS' diversified portfolio of businesses Volatility of cash flow negatively impacting planned cash generation and cash usage profile Volatility of foreign currencies and interest rates resulting in realised/unrealised losses	› Actively monitor CLAS' 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 CLAS' operations. › Access to various sources of funds from both banks and capital markets to minimise over-reliance on a single source of funds for any funding or refinancing requirements. › Adopt natural hedging, where possible, by borrowing in the same currency as the revenue streams generated from CLAS' investments. › Actively review and maintain an optimal mix of fixed and floating interest rate borrowings, taking into consideration the investments' holding period and nature of the assets. › For more details, please refer to the Financial Risk Management section on page 265 of this Annual Report.

RISK MANAGEMENT

MATERIAL RISKS	KEY MITIGATING ACTIONS
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 value creation and DPS accretion, review key financial assumptions and perform sensitivity analysis on key variables. All proposals are subject to a robust approval process and undergo comprehensive due diligence by engaging the support of an inter-disciplinary internal team, and/or local independent consultants to advise on the following aspects: legal, tax, building design, quality, environmental, health & safety and security, and compliance with local laws and regulations. › The Boards review and approve all major investment and divestment decisions. › Identify potential risks associated with proposed projects and the issues that may prevent 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 the real estate life cycle, from the earliest stage of our investment, redevelopment and divestment processes.
Geopolitical Instability or political changes in a country, changes in international policies or relations between countries that could lead to sudden changes in real estate related regulations and sentiment in major economies and key markets where CLAS operates	› Actively monitor the geopolitical environment, government policies and regulatory changes to anticipate shifts in trade, growth and innovation in our key markets. › Local management teams establish good working relationship with local authorities to keep abreast of regulatory and policy changes, and lobby or engage with local authorities.
Regulatory & Compliance Non-compliance with applicable laws, regulations and rules, relating to tax, data protection and privacy, financial crimes and sanctions in the key markets where CLAS operates	› Maintain a framework that proactively identifies the applicable laws, regulations and rules, assesses the regulatory and compliance risks, and embeds compliance risk mitigation measures into day-to-day operations. › Leverage in-house specialised teams such as legal, compliance and tax, and external consultants to provide advisory services and updates on changes to laws, regulations and rules. › Establish 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. › Ongoing mandatory e-learning modules to raise awareness and train employees on ways to avoid or prevent non-compliant behaviour.

CORPORATE GOVERNANCE

OUR ROLE

CapitaLand Ascott Trust (CLAS) is a stapled group comprising CapitaLand Ascott Real Estate Investment Trust (CapitaLand Ascott REIT) and CapitaLand Ascott Business Trust (CapitaLand Ascott BT) pursuant to a stapling deed dated 9 September 2019 (as amended) and each stapled security consists of one CapitaLand Ascott REIT Unit and one CapitaLand Ascott BT Unit and is treated as a single instrument (Stapled Security).

CapitaLand Ascott Trust Management Limited (REIT Manager) was appointed manager of CapitaLand Ascott REIT in accordance with the terms of the trust deed dated 19 January 2006 (as amended) between the REIT Manager and DBS Trustee Limited, as the trustee of CapitaLand Ascott REIT (Trustee). CapitaLand Ascott Business Trust Management Pte. Ltd. (Trustee-Manager) (collectively with the REIT Manager, the Managers) was appointed the trustee-manager of CapitaLand Ascott BT in accordance with the terms of the trust deed constituting CapitaLand Ascott BT dated 9 September 2019 (as amended) (collectively, Trust Deeds)[1].

We, as the Managers, set the strategic direction of CLAS on any investment or divestment opportunities and asset enhancements in accordance with the stated investment strategy of CLAS. The research, evaluation and analysis required for this purpose are coordinated and carried out by us as the Managers.

As the Managers, we have general powers of management over the assets of CLAS. Our primary responsibility is to manage the assets and liabilities of CLAS for the benefit of the stapled securityholders of CLAS (Stapled Securityholders). 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 Stapled Securityholders.

Our other functions and responsibilities as the Managers include:

(a) using our best endeavours to conduct CLAS' business in a proper and efficient manner;

(b) preparing annual business plans for review by the directors of the Managers (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 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 Business Trusts Act 2004 (BTA), the Business Trusts Regulations 2005 (BTR), the Securities and Futures Act 2001 (SFA), written directions, notices, codes and other guidelines that the MAS may issue from time to time, the tax rulings issued by the Inland Revenue Authority of Singapore on the taxation of CLAS and Stapled Securityholders, and the United Kingdom's Alternative Investment Fund Managers Regulations 2013 (as amended) (AIFMR);

(d) attending to all regular communications with Stapled Securityholders; and

(e) supervising the relevant property manager which performs the day-to-day property management functions (including leasing, marketing, promotion, operations coordination and other property management activities) for CLAS' properties.

The Managers also consider sustainability issues (including environmental and social factors) as part of our responsibilities. CLAS' environmental sustainability and community outreach programmes can be found in CLAS' Sustainability Report 2023, which will be published in May 2024.

CLAS is externally managed by the Managers. The Managers appoint experienced and well qualified personnel to run their day-to-day operations.

1 Copies of the Trust Deeds for the time being in force shall be made available for inspection at the registered offices of the REIT Manager and the Trustee-Manager at all times during usual business hours. Prior appointment would be appreciated.

CORPORATE GOVERNANCE

The Managers were appointed in accordance with the terms of the Trust Deeds. The Trust Deeds outline certain circumstances under which the Managers can be removed. In the case of CapitaLand Ascott REIT, by resolution passed by a simple majority, and in the case of CapitaLand Ascott BT, by 75% of Stapled Securityholders present and voting at a meeting of Stapled Securityholders duly convened and held in accordance with the provisions of the Trust Deeds.

The Managers are wholly owned subsidiaries of CapitaLand Investment Limited (CLI) which holds a significant stapled securityholding interest in CLAS. CLI is a leading global real estate investment manager, with a vested interest in the long-term performance of CLAS. CLI's significant stapled securityholding interest in CLAS demonstrates its commitment to CLAS and as a result, CLI's interest is aligned with that of other Stapled Securityholders. The Managers' association with CLI provides the following benefits, among other things, to CLAS:

(a) strategic pipelines of property assets through CapitaLand Group;

(b) wider and better access to banking and capital markets on favourable terms;

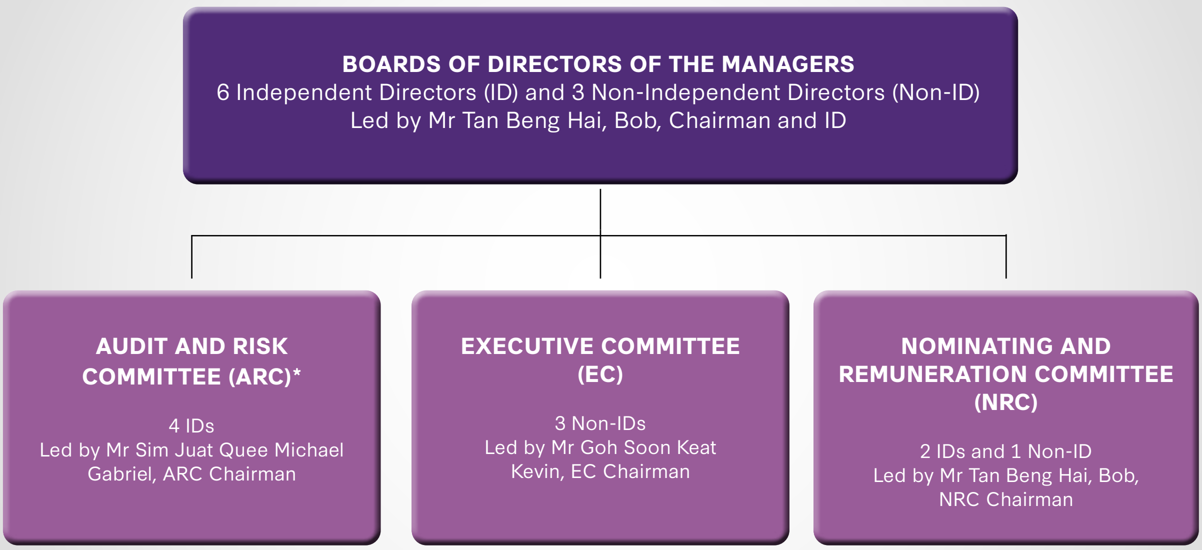
(c) fund raising and treasury support; and

(d) access to a bench of experienced management talent.

OUR CORPORATE GOVERNANCE FRAMEWORK AND CULTURE

The Managers embrace the tenets of good corporate governance, including accountability, transparency and sustainability. We are committed to enhancing long-term stapled securityholder value and have appropriate people, processes and structure to direct and manage the business and affairs of the Managers with a view to achieving operational excellence and delivering CLAS' long-term strategic objectives. The policies and practices developed by the Managers to meet the specific business needs of CLAS provide a firm foundation for a trusted and respected business enterprise.

Our corporate governance framework as at the date of this corporate governance report (Report) is set out below:



* The Audit Committee was renamed the Audit and Risk Committee with effect from 1 January 2024

The Boards of Directors of the Managers (Boards) set the tone from the top and are responsible for the Managers' corporate governance standards and policies, underscoring their importance to CLAS.

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

Throughout FY 2023, the Managers have complied with the principles of corporate governance laid down by the Code and also complied, 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 Managers which are not provided in the Code.

CLAS has received multiple accolades for its excellence in corporate governance and efforts to uphold high standards of transparency in its disclosures. In FY 2023, CLAS was conferred the top spot in the Singapore Governance and Transparency Index within the REITs and Business Trusts category for the third consecutive year, and in FY 2022, CLAS was named "Best Investor Relations – Gold" in the Singapore Corporate Awards. CLAS has been included by the SGX-ST in the Fast Track Programme list. The scheme recognises listed companies with good governance standards and compliance practices, and accords prioritised clearance for selected corporate-action submissions.

Board Changes

As part of the Boards' renewal process, Mr Ong Su Kiat Melvyn stepped down from the Boards with effect from 1 January 2024 while Mr Max Loh Khum Whai and Mr Lui Chong Chee were appointed as Independent Directors (IDs) on 23 November 2023 and 1 February 2024 respectively.

Directors who are appointed to the Boards from time to time either have prior experience as a director of an issuer listed on the SGX-ST or will undergo further training required under Rule 210(5)(a) of the Listing Manual. Mr Max Loh Khum Whai, being a first-time director, is or will be undergoing the requisite training under Rule 210(5)(a) of the Listing Manual before 22 November 2024 (being one year from the date of his appointment to the Boards). As at the date of this Report, Mr Max Loh Khum Whai has attended and completed some but not all of the relevant modules under the Listed Entity Directors (LED) Programme conducted by the Singapore Institute of Directors. Arrangements have been made for Mr Loh to attend the remaining modules under the LED Programme to complete the mandatory training requirements under Practice Note 2.3 of the Listing Manual, with the target date of completion being end March 2024.

BOARD MATTERS

Principle 1: The Boards' Conduct of Affairs

Boards' Duties and Responsibilities

The Boards oversee the strategic direction, performance and affairs of the Managers, in furtherance of the Managers' primary responsibility to foster the success of CLAS so as to deliver sustainable value over the long term to Stapled Securityholders. The Boards provide overall guidance to the management team (Management), led by the Chief Executive Officer (CEO). The Boards work with Management to achieve CLAS' objectives and long-term success and Management is accountable to the Boards for its performance. Management is responsible for the execution of the strategy for CLAS and the day-to-day operations of CLAS' business.

The Boards establish goals for Management and monitor the achievement of these goals. The Boards ensure 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. The Boards also set the disclosure and transparency standards for CLAS and ensure that obligations to Stapled Securityholders and other stakeholders are understood and met.

CORPORATE GOVERNANCE

The Boards have 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 Boards have reserved authority to approve certain matters including:

(a) material acquisitions, investments and divestments;

(b) issue of new stapled securities in CLAS (Stapled Securities);

(c) income distributions and other returns to Stapled Securityholders; and

(d) matters which involve a conflict of interest for a controlling Stapled Securityholder or a Director.

Apart from matters that specifically require the Boards' approval, the Boards delegate authority for transactions below the Boards' approval limits to Board committees (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 CLAS. Consistent with this principle, the Boards are committed to ethics and integrity of action and have 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 from the top in respect of the desired organisational culture, and assists the Boards in ensuring proper accountability within the Managers. In line with this, the Boards have 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 CLAS and his or her own interests. Where a Director has a conflict of interest in a particular matter, he or she will be required to disclose his or her interest to the Boards, recuse himself or herself from deliberations on the matter and abstain from voting on the matter. Every Director has complied with this policy, and where relevant, such compliance has been duly recorded in the minutes of meeting or 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 CLAS and the environment in which CLAS 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 Boards, except if unusual circumstances make attendance impractical.

Sustainability

The Managers place sustainability at the core of everything we do. We are committed to growing our business in a responsible manner, delivering long-term economic value, and contributing to the environmental and social well-being of the communities in which we have a presence. In keeping with this commitment, sustainability-related considerations are key aspects of the Boards' strategic formulation.

At the board level, in recognition of the importance of sustainability as a business imperative and consistent with the principle that the Boards play an important role in considering and incorporating sustainability considerations as part of its strategy development, an important consideration is ensuring that Environmental, Social and Governance (ESG) risks and opportunities are holistically integrated into and form the Managers' long-term strategy. This also sets the tone at the top to ensure the alignment of the Managers' activities with its purpose and stakeholder interests.

The Boards and the Managers are committed to ensuring environmental and workplace health and safety for their stakeholders, including employees and customers. CapitaLand's Environmental, Health and Safety Management System is audited by a third-party accredited certification body to ISO 14001 and ISO 45001 standards, internationally recognised standards for the environmental management of businesses and occupational health and safety management of businesses respectively. CLAS' health and safety practices are also aligned with the Code of Practice on Chief Executives' and Board of Directors' Workplace Safety and Health Duties which was gazetted in October 2022. CapitaLand's Environmental, Health and Safety policy is readily available to employees on CLI Group's intranet and to all suppliers, service providers and partners.

All the members of the Boards attended or will attend the sustainability training as prescribed by the SGX-ST. New Directors who are appointed to the Boards from time to time who have not undergone training on sustainability matters as prescribed by the SGX-ST will either have expertise in sustainability matters or will undergo further training required under Rule 720(7) of the Listing Manual. Arrangements have been made for Mr Max Loh Khum Whai and Mr Lui Chong Chee, who were appointed as Directors in November 2023 and February 2024 respectively, to attend such mandatory sustainability training in FY 2024.

More details of CLAS' sustainability approach, environmental policies, anti-corruption efforts, training and development can be found on pages 79 to 86 of this Annual Report and in CLAS' Sustainability Report 2023 which will be published in May 2024.

Directors' Development

In view of the increasingly demanding, complex and multi-dimensional role of a director, the Boards recognise the importance of continual training and development for their Directors so as to equip them to discharge the duties and responsibilities of their office as directors to the best of their abilities. This is even if the Directors are generally experienced professionals in their own right, and takes into account the specific role a Director plays and the specific skills a Director should possess in relation to that role he or she has to perform. The Boards ensure that the Managers have in place a training and professional development framework to guide and support the Managers towards meeting the objective of having Boards which comprise individuals who are competent and possess up-to-date knowledge and skills necessary to discharge their duties and responsibilities. The costs of training are borne by the Managers. The induction, training and development provided to new and existing Directors are set out below.

Each newly-appointed Director is provided with a formal letter of appointment setting out the key terms of appointment, the time commitment expected and other relevant matters pertaining to the appointment. He or she also has access to the Director's Manual which includes information on a broad range of matters relating to the role, duties and responsibilities of a Director and CLAS' policies relating to disclosure of interests in securities, conflicts of interests and securities trading restrictions. All Directors upon appointment also undergo an induction or orientation programme which focuses on orientating the Director to CLAS' 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 Managers (key management personnel), and financial and governance practices. Conducted by the CEO and key management personnel, the induction programme may include visits to CLAS' properties. Through the induction programme, the new Directors also get acquainted with members of Management which facilitates their interaction at Board meetings. Where a newly appointed Director has no prior experience as a director of an issuer listed on SGX-ST, such Director will undergo training on the roles and responsibilities of a director of a listed issuer, as prescribed by SGX-ST. Mr Max Loh Khum Whai, being a first-time director, will undergo training in the roles and responsibilities of a director of a listed issuer, as prescribed by the SGX-ST, the details of which are set out above in the Board Changes section on page 95 of this Report.

Following appointment, the Directors are provided with opportunities for continuing education in areas such as director's duties and responsibilities, changes to regulations, risk management and accounting standards, and industry-related matters, so as to be updated on matters that affect or may enhance their performance as Directors or Board Committee members. Directors can also request for further information on any aspect of CLAS' business from Management. Directors may also contribute by recommending to the Boards specific training and development programmes which he or she believes would benefit Directors or the Boards as a whole. The Directors are regularly kept informed by the Company Secretary of the availability of appropriate courses, conferences and seminars including those conducted by the Singapore Institute of Directors, and the Directors are encouraged to attend such training at the Managers' expense. Bespoke arrangements as required and catered to address the needs of particular members of the Boards may also be organised from time to time. These would also facilitate Board-Management interaction and feedback.

During the year, the training programmes attended by the Directors included the Sustainability Training for Directors of REIT manager organised by REITAS, as well as various seminars organised by business partners in relation to board matters, audit and risk committee matters including Business Interruption Risk, Cybersecurity, Environmental Health and Safety and Global Sanctions Compliance Policy.

Board Committees

The Boards have established various Board Committees to assist them in the discharge of their functions. These Board Committees are the Audit and Risk Committee (ARC), the Executive Committee (EC) and the Nominating and Remuneration Committee (NRC).

Each Board Committee is formed with clear written terms of reference (setting out their composition, authorities and duties, including reporting back to the Boards) and operates under delegated authority from the Boards with the Boards retaining overall oversight. The chairpersons of these Board Committees report on the decisions and significant matters discussed at the respective Board Committees meetings to the Boards on a periodic basis. The minutes of the Board Committee meetings which record the deliberations and decisions taken during these meetings are also circulated to all members of the Boards for their information. The composition of the various Board Committees is set out on page 134 of this Annual Report and the inside back cover of this Annual Report. The duties and responsibilities of the Board Committees are set out in this Report.

The Boards may form other Board Committees from time to time. The composition of each Board Committee is also reviewed by the Boards, through the NRC, and as and when there are changes to membership of the Boards. Considerations include leveraging on the respective Directors' leadership and governance backgrounds and expertise to optimise the overall effectiveness of the Board Committees, ensuring continuity of experience in the respective Board Committees and an equitable and balanced distribution of duties among members of the Boards whilst providing members of the Boards the opportunity to focus on specific areas and develop expertise over time to benefit CLAS.

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 Constitutions of the Managers permit 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 Boards and Board Committees may also make decisions by way of written resolutions.

The IDs, led by the independent Chairman or other IDs as appropriate, also meet regularly at least once a year without the presence of Management. The chairman of such meetings will provide feedback to all members of the Boards and/or Management as appropriate. In FY 2023, the IDs met four times without the presence of Management.

At each scheduled Board meeting, the Boards are 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 CLAS' 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 CLAS' 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 CLAS' operations or financial performance;

(g) updates on key Stapled Securityholder engagements in the period under review, as well as analyst views and market feedback;

(h) prospective transactions which Management is exploring; and

(i) updates on CLAS' sustainability efforts and performance, including but not limited to environmental and climate change related initiatives, as well as workplace health and safety.

All of the above allow the Boards to develop a good understanding of the progress of CLAS' business as well as the issues and challenges faced by CLAS, and also promote active engagement with Management.

The Managers adopt and practise 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 Boards benefit from a culture of frank and rigorous discussions. Such discussions conducted on a professional basis contribute to the dynamism and effectiveness of the Boards. The Boards' composition is such that there is diversity in views and perspectives which enriches deliberations and contributes to better decision-making of the Boards in the best interests of CLAS. 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 working 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 Managers' ongoing commitment to minimise paper wastage and reduce their carbon footprint, the Managers do 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 seven Board meetings, five ARC meetings and two NRC meetings were held in FY 2023. The key deliberations and decisions taken at Board and Board Committee meetings are minuted.

A record of the Directors' attendance at Board and Board Committee meetings for FY 2023 is set out on page 134 of this Annual Report. The CEO who is also a Director attends all Board meetings. She also attends all ARC and NRC meetings on an ex officio basis. Other members of Management attend Board and Board Committee meetings as required to brief the Boards 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 Boards 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 Managers (Company Secretary). The Company Secretary keeps herself abreast of relevant developments. She has oversight of corporate secretarial administration matters and advises the Boards 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 undertakes the administration work relating to professional development for the Directors. The Company Secretary is legally trained and the appointment and removal of the Company Secretary is subject to the Boards' approval.

The Directors, whether individually or collectively as the Boards, are entitled to have access to independent external professional advice where necessary, at the Managers' expense.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

Board Independence

The Boards have a strong independent element given that six out of nine directors, including the Chairman, are non-executive IDs[1]. Other than the CEO who is the only executive Director on the Boards, non-executive Directors make up the rest of the Boards. None of the Directors have served on the Boards 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 13 to 17 of this Annual Report. Key information on the Directors is also available on CLAS' website at https://www.capitalandascotttrust.com (Website). The statement on the Composition of the Board of Directors of the Trustee-Manager pursuant to Regulation 12(8) of the BTR can be found on pages 141 to 142 of this Annual Report.

The Boards, through the NRC, review from time to time the size and composition of the Boards and each Board Committee, with a view to ensuring that the size is appropriate in facilitating effective decision-making, and the composition reflects a strong independent element as well as balance and diversity of thought and background. The review takes into account the scope and nature of CLAS' operations, the evolving external environment and the competition that the Stapled Group faces.

1 For FY 2023 and as at the date of this Report.

The Boards, with the recommendation of the NRC, assess and determine 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), the BTR 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 Managers, their related corporations, their substantial shareholders, CLAS' substantial Stapled Securityholders (being Stapled Securityholders who have interests in voting Stapled Securities with 5% or more of the total votes attached to all voting Stapled Securities) or the Managers' 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 CLAS;

(b) is independent from the management of the Managers and CLAS, from any business relationship with the Managers and CLAS, and from every substantial shareholder of the Managers and every substantial Stapled Securityholder of CLAS;

(c) is not a substantial shareholder of the Managers or a substantial Stapled Securityholder of CLAS;

(d) is not employed and has not been employed by the Managers or CLAS 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 Managers or CLAS or their related corporations in the current or any of the past three financial years and whose remuneration is or was determined by the Boards; and

(f) has not served on the Boards for a continuous period of nine years or longer.

There is a rigorous process to evaluate the independence of each ID. As part of the process:

(a) each ID 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 Stapled Securityholders as a whole, and such information is then reviewed by the Boards; and

(b) the Boards also reflect on the respective IDs' conduct and contributions at Board and Board Committee meetings, in particular, whether the relevant ID has exercised independent judgement in discharging his or her duties and responsibilities.

Each ID is required to recuse himself or herself from the Boards' 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 Boards for its consideration and determination. In this regard, an ID is required to report to the Managers when there is any change of circumstances which may affect his or her independence. Thereafter, the NRC's recommendation is presented to the Boards for approval.

The Boards have carried out the assessment of the independence of the IDs for FY 2023 and the paragraphs below set out the outcome of the assessment. Each of the IDs had recused himself or herself from the deliberations of the Boards and NRC on his or her independence.

Mr Tan Beng Hai, Bob
Mr Tan is a non-executive director (NED) of Singapore Post Limited (SingPost), an associated company of Temasek Holdings (Private) Limited (Temasek), which provides postal services to CLI and its subsidiaries (CLI Group). In addition, SingPost engages CLI Group to manage SingPost Centre. The decision to procure or provide the services was made by the management of CLI in the ordinary course of business, on arm's length basis and based on normal commercial terms and/or market rates. He was also a NED of Sembcorp Marine Ltd (Sembcorp) before he stepped down on 28 February 2023. Sembcorp was a subsidiary of Temasek until 28 February 2023. Temasek is deemed to be a substantial Stapled Securityholder and a substantial shareholder of the Managers. Mr Tan is therefore considered as connected to Temasek. Mr Tan's role in these corporations is non-executive in nature and he is not involved in the day-to-day conduct of the business of these corporations.

Mr Tan has confirmed that he serves on the Managers' board in his personal capacity and not as a representative of Temasek and he is not under any obligation, whether formal or informal, to act in accordance with the directions of Temasek in relation to the affairs of the Managers and CLAS.

The Boards also considered the conduct of Mr Tan in the discharge of his duties and responsibilities as a Director, and are of the view that the relationships set out above did not impair his ability to act with independent 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, BTR and Listing Manual, or any other relationships which may affect his independent judgement. The Boards are therefore of the view that Mr Tan has exercised independent judgement in the discharge of his duties and responsibilities. Based on the above, the Boards arrived at the determination that Mr Tan is an ID.

Mr Sim Juat Quee Michael Gabriel
Mr Sim serves as a board member of Jurong Town Corporation (JTC), a statutory board under the Ministry of Trade and Industry. CLI Group had made payments to JTC for JTC leases and the subletting thereof. Mr Sim has confirmed that he has no involvement in the process or approval of the lease arrangements between CLI Group and JTC. The leases signed are conducted in the ordinary course of business, on arm's length basis and based on normal commercial terms and/or market rates. Mr Sim's role in JTC is non-executive in nature and he is not involved in the day-to-day business operations of JTC.

The Boards also considered the conduct of Mr Sim in the discharge of his duties and responsibilities as a Director, and are of the view that the relationships set out above did not impair his ability to act with independent judgement in the discharge of his duties and responsibilities as a Director. Save for the relationships stated above, Mr Sim does not have any other relationships and is not faced with any of the circumstances identified in the Code, SFR, BTR and Listing Manual, or any other relationships which may affect his independent judgement. The Boards are therefore of the view that Mr Sim has exercised independent judgement in the discharge of his duties and responsibilities. Based on the above, the Boards arrived at the determination that Mr Sim is an ID.

Mr Chia Kim Huat
Mr Chia is the Regional Head, Corporate and Transactional Group of Rajah & Tann Singapore LLP (Rajah & Tann), which provides legal services to some of the subsidiaries of CLI Group. Mr Chia is considered as having a business relationship with the related corporations of the Managers. The engagement of Rajah & Tann to provide legal services to CLI Group was made by the management teams within the CLI Group and Mr Chia is not involved in the process or approval of such engagement. These services were provided in the ordinary course of business, on arm's length basis and based on normal commercial terms and/or market rates.

Mr Chia is also a director of SATS Ltd (SATS), an associated company of Temasek. Temasek is deemed to be a substantial Stapled Securityholder and a substantial shareholder of the Managers. Mr Chia's role in SATS is non-executive in nature and he is not involved in the day-to-day conduct of the business of SATS. Mr Chia has confirmed that he serves on the Managers' Board in his personal capacity and not as a representative of Temasek and he is not under any obligation, whether formal or informal, to act in accordance with the directions of Temasek in the affairs of the Managers and CLAS.

The Boards also considered the conduct of Mr Chia in the discharge of his duties and responsibilities as a Director, and are of the view that the relationships set out above did not impair his ability to act with independent judgement in the discharge of his duties and responsibilities as a Director. Save for the relationships stated above, Mr Chia does not have any other relationships and is not faced with any of the circumstances identified in the Code, SFR, BTR and Listing Manual, or any other relationships which may affect his independent judgement. The Boards are therefore of the view that Mr Chia has exercised independent judgement in the discharge of his duties and responsibilities. Based on the above, the Boards arrived at the determination that Mr Chia is an ID.

Ms Deborah Lee Siew Yin

Ms Lee is not faced with any of the circumstances identified in the Code, SFR, BTR and Listing Manual and does not have any other relationships which may affect her independent judgement.

The Boards also considered the conduct of Ms Lee in the discharge of her duties and responsibilities as a Director. The Boards are of the view that Ms Lee has exercised independent judgement in the discharge of her duties and responsibilities. Based on the above, the Boards arrived at the determination that Ms Lee is an ID.

Mr Ong Su Kiat Melvyn

Mr Ong stepped down from the Boards with effect from 1 January 2024. He is a Board member of JTC, a statutory board under the Ministry of Trade and Industry. CLI Group had made payments to JTC for JTC leases and the subletting thereof. Mr Ong has confirmed that he had no involvement in the process or approval of the lease arrangements between CLI Group and JTC and that the leases signed were conducted in the ordinary course of business, on arm's length basis and based on normal commercial terms and/or market rates. His role in JTC is non-executive in nature and he is not involved in the day-to-day business operations of JTC.

Mr Ong is also a NED of Singapore Technologies Engineering Ltd (STE), a subsidiary of Temasek. Temasek is deemed to be a substantial Stapled Securityholder and a substantial shareholder of the Managers. Mr Ong's role in STE is non-executive in nature and he is not involved in the day-to-day conduct of the business of STE. He was also not under any obligation, whether formal or informal, to act in accordance with the directions of Temasek in the affairs of the Managers and CLAS.

The Boards also considered the conduct of Mr Ong in the discharge of his duties and responsibilities as a Director, and are of the view that the relationships set out above did not impair his ability to act with independent judgement in the discharge of his duties and responsibilities as a Director. Save for the relationships stated above, Mr Ong did not have any other relationships and was not faced with any of the circumstances identified in the Code, SFR, BTR and Listing Manual, or any other relationships which may affect his independent judgement. The Boards are therefore of the view that Mr Ong has exercised independent judgement in the discharge of his duties and responsibilities. Based on the above, the Boards arrived at the determination that Mr Ong was an ID.

Mr Max Loh Khum Whai

Mr Loh was a managing partner of Ernst & Young LLP, Singapore (EY LLP) and a director of EY Corporate Advisors Pte. Ltd. (EY CAPL) and a few other companies affiliated with EY LLP. CLAS and its subsidiaries (CLAS Group), and CLI Group have business relationships with EY CAPL for tax consultancy and compliance services provided by EY CAPL. In addition, several member firms of Ernst & Young Global Limited established outside Singapore (EY Overseas Firms) have provided tax consultancy and compliance services to CLAS Group and CLI Group. EY LLP and related entities have made short term apartment bookings at the properties of CLAS and/or CLI Group for their employees' accommodation requirements. Mr Loh has confirmed that he had no involvement in the process or approval of such engagements and that such transactions were conducted in the ordinary course of business, on arm's length basis and based on normal commercial terms and/or market rates.

Mr Loh is a NED of SPH Media Holdings Pte. Ltd. (SPH Media). CLI Group has business relationships with SPH Media for the subscription of newspapers, placement of advertisements in the newspapers and provision of sponsorships for a yearly campaign organised by SPH Media. SPH Media has also made short-term apartment bookings at the properties of CLAS and/or CLI Group for their employees' accommodation requirements. Mr Loh's role in SPH Media is non-executive in nature and he is not involved in the day-to-day conduct of the business of these corporations. Mr Loh has confirmed that he had no involvement in the process or approval of such engagements and that such transactions were conducted in the ordinary course of business, on arm's length basis and based on normal commercial terms and/or market rates.

The Boards also considered the conduct of Mr Loh in the discharge of his duties and responsibilities as a Director, and are of the view that the relationships set out above did not impair his ability to act with independent judgement in the discharge of his duties and responsibilities as a Director. Save for the relationships stated above, Mr Loh does not have any other relationships and is not faced with any of the circumstances identified in the Code, SFR, BTR and Listing Manual, or any other relationships which may affect his independent judgement. The Boards are therefore of the view that Mr Loh has exercised independent judgement in the discharge of his duties and responsibilities. Based on the above, the Boards arrived at the determination that Mr Loh is an ID.

Mr Lui Chong Chee
Mr Lui was appointed to the Boards on 1 February 2024. He was a non-executive independent chairman of the board of CapitaLand Malaysia REIT Management Sdn. Bhd. (CMRM), the manager of CapitaLand Malaysia Trust, before he stepped down on 1 February 2024. CMRM is a wholly owned subsidiary of CLI, which is a substantial Stapled Securityholder of CLAS. Thus, CMRM is a related corporation of the Managers. CLI Group has business relationships with CMRM for various matters.

Mr Lui's role in CMRM was non-executive in nature and he has confirmed that he was not involved in the day-to-day conduct of CMRM's business including the business relationship with CLI Group.

As a NED of CMRM, Mr Lui was paid/will be paid director's fees for his services as chairman of the board of CMRM (as well as member of the NRC). The framework for remuneration of directors is reviewed and determined by CMRM, taking into account compensation benchmarks within the industry and professional advice from independent remuneration consultants.

Mr Lui was deemed a person connected to CLI by virtue of his directorship in CMRM. This deemed relationship ceased when he stepped down as a director of CMRM on 1 February 2024. Mr Lui has confirmed that he is not under any obligation, whether formal or informal, to act in accordance with the direction of CLI in the affairs of the Managers and CLAS.

Save for the relationship stated above which ceased with effect from 1 February 2024, Mr Lui does not have any other relationships and is not faced with any of the circumstances identified in the Code, SFR, BTR and Listing Manual, or any other relationships which may affect his independent judgement. The Boards are therefore of the view that Mr Lui is able to exercise independent judgement and act in the best interests of all Stapled Securityholders, in the discharge of his duties and responsibilities. Based on the above, the Boards arrived at the determination that Mr Lui is an ID.

The Boards are of the view that as at the last day of FY 2023, each of Mr Tan, Mr Sim, Mr Chia, Ms Lee, Mr Loh and Mr Ong was able to act in the best interests of all Stapled Securityholders in respect of the period in which they served as Directors in FY 2023.

In addition, under Regulation 13H(1) of the SFR, where a substantial shareholder of a manager of a real estate investment trust (REIT) is a corporation, a person would be considered to be connected to that substantial shareholder if he is, inter alia, a director of the substantial shareholder or a director of a related corporation or an associated company of the substantial shareholder. Such person will prima facie not be deemed to be independent unless the directors nevertheless regard him to be independent.

The Trustee-Manager is a related corporation of the REIT Manager as both the Trustee-Manager and the REIT Manager are directly held by CLI Group and as CapitaLand Ascott BT and CapitaLand Ascott REIT are stapled, the directors of the Managers are identical to avoid any differences or deadlock in the operation of the Stapled Group. As a result, all independent directors of the REIT Manager, namely Mr Tan Beng Hai, Bob, Mr Sim Juat Quee Michael Gabriel, Mr Chia Kim Huat, Ms Deborah Lee Siew Yin, Mr Ong Su Kiat Melvyn, Mr Max Loh Khum Wai and Mr Lui Chong Chee will prima facie be deemed to be connected to a substantial shareholder of the REIT Manager and hence not independent pursuant to Regulation 13H of the SFR.

Against the foregoing, the board of directors of the REIT Manager (REIT Manager Board) has reviewed and assessed the independence of each of the IDs of the REIT Manager in relation to Regulation 13H of the SFR and has pursuant to Regulation 13D(8) of the SFR, resolved that notwithstanding that each of the IDs is a director of both the REIT Manager and the Trustee-Manager, the REIT Manager Board is satisfied that the IDs' independent judgement and ability to act with regard to the interests of all the Stapled Securityholders of CLAS as a whole will not be impaired, on the basis that:

(a) for so long as CapitaLand Ascott BT is stapled to CapitaLand Ascott REIT, there will be no real prejudice to the interests of the holders of CapitaLand Ascott REIT Units for the Trustee-Manager and the REIT Manager to have the same board of directors as CapitaLand Ascott REIT Units and the CapitaLand Ascott BT Units will be stapled together and held by the same investors. The stapling together of CapitaLand Ascott REIT Units and CapitaLand Ascott BT Units means that the holders of CapitaLand Ascott REIT Units are at the same time the investors of the Stapled Securities, who stand to benefit as a whole; and

(b) since the CapitaLand Ascott BT Units and CapitaLand Ascott REIT Units are held by the same pool of investors in the same proportion, concerns and potential abuses applicable to interested party transactions will be absent in transactions between CapitaLand Ascott REIT and CapitaLand Ascott BT.

The remaining non-executive Directors, namely, Mr Goh Soon Keat Kevin and Ms Beh Siew Kim are employees of CLI Group and are not considered to be independent.

Board Diversity

The Boards embrace diversity and have formally adopted a Board Diversity Policy. The Board Diversity Policy provides for the Boards 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 age and gender.

The Boards believe in diversity and value the benefits that diversity can bring to the Boards in their deliberations by avoiding groupthink and fostering constructive debate. Diversity enhances the Boards' decision-making capability and ensures that the Managers have the opportunity to benefit from all available talent and perspectives, which is essential to effective business governance and for ensuring long-term sustainable growth.

The 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 Boards during the period leading up to 2025. The Managers believe in achieving an optimum mix of men and women on the Boards to provide different approaches and perspectives.	**Achieved** – As at the end of FY 2023 and as at the date of this Report, 3 out of 9 Directors are female. This represents 33.3% of the Boards.
Age	
To ensure that the Boards comprise Directors across the following age groups: (a) 50 and below; (b) 51 to 60; and (c) 61 and above, and to maintain such level of age diversity during the period leading up to 2025. The Managers believe that age diversity would provide a broad spectrum of thoughts and views in deliberations of the Boards and Board Committees.	**Achieved** – As at the end of FY 2023, the Boards comprise Directors across all 3 age groups. In particular: (a) 50 and below – 3 Directors (b) 51 to 60 – 2 Directors (c) 61 and above – 4 Directors Following the retirement of Mr Melvyn Ong with effect from 1 January 2024 and the appointment of Mr Lui Chong Chee with effect from 1 February 2024, as at the date of this Report, there are 2 Directors in each of the age group 50 and below and 51 to 60, and 5 Directors in the age group 61 and above.

<table>
<tr><th>DIVERSITY TARGETS, PLANS AND TIMELINES</th><th>TARGETS ACHIEVED / PROGRESS TOWARDS ACHIEVING TARGETS</th></tr>
<tr><td colspan="2">Tenure</td></tr>
<tr><td>To ensure that the Boards comprise Directors across the following tenure groups:

(a) less than 3 years;
(b) 3 to 6 years; and
(c) more than 6 years,

and to maintain such level of tenure diversity during the period leading up to 2025.

The Managers believe that tenure diversity would facilitate renewal of the Boards progressively and in an orderly manner, whilst ensuring knowledge continuity about the Managers and CLAS and their business operations and sustainability of corporate performance.</td><td>Achieved – As at the end of FY 2023 and as at the date of this Report, the Boards comprise Directors across all 3 tenure groups. In particular:

(a) less than 3 years – 3 Directors
(b) 3 to 6 years – 3 Directors
(c) more than 6 years – 3 Directors</td></tr>
<tr><td colspan="2">Skills & Experience</td></tr>
<tr><td>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 Managers believe that diversity in skill sets would support the work of the Boards and Board Committees and needs of the Managers, and that an optimal mix of experience would help shape the Managers' strategic objectives and provide effective guidance and oversight of Management and the Managers' operations. The Managers continually endeavour to deepen the bench strength of the Boards with complementary and relevant expertise, including in the areas of lodging, hospitality and sustainability.</td><td>Achieved / Achieving Targets – As at the end of FY 2023 and as at the date of this Report, the Boards comprise Directors who, as a group, possess a significant majority of the identified core skills and experience. The Boards will continue to look for opportunities to strengthen certain skill sets.

In terms of skill sets, the Boards comprise Directors with a variety of skills and expertise in areas including hospitality, investment management, real estate, accounting, finance, governance, banking and capital markets and sustainability.

In terms of experience, the Boards comprise 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.</td></tr>
</table>

The NRC, in carrying out its duties of determining the optimal composition of the Boards in their 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 Boards, the NRC considers, among others, achieving an appropriate level of diversity in the Boards' composition having regard to diversity factors such as age, educational, business and professional backgrounds of their members.

Gender diversity is also considered an important aspect of diversity. The current Boards have three female members, one of whom is also the CEO, and the current female representation on the Boards is 33.3%. It is noted that the Council for Board Diversity has a target of women making up 25% of the boards of SGX-ST listed companies by 2025.

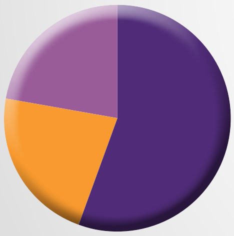
BOARD INDEPENDENCE

	No. of Directors
Independent Director	6
Non-Independent Director	3

BOARD GENDER DIVERSITY

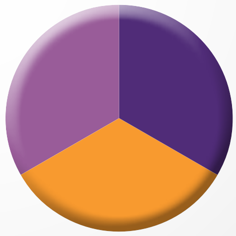
	No. of Directors
Male	6
Female	3

AGE SPREAD



	No. of Directors
61 years and above	5
51-60 years	2
50 years and below	2

TENURE MIX



	No. of Directors
0 to 3 years	3
>3 to 5 years	3
>5 to 7 years	3

Note: Based on the board composition as at the date of this Report

The NRC has reviewed the size and composition of the Boards and is of the opinion that the Boards' current size is appropriate with an appropriate balance and diversity of skills, talents, experience and backgrounds, taking into account the objectives of the Board Diversity Policy and CLAS' business needs and plans, for effective decision-making and constructive debate. In line with the Board Diversity Policy, the current Boards comprise members who are corporate and business leaders, and are professionals with varied backgrounds, expertise and experience including in accounting and finance, banking and capital markets, investment, real estate, legal and compliance, technology and leadership and governance, and sustainability. The Boards also have a few members with prior working experience in the industry in which CLAS operates. The members of the Boards bring with them the combination of skills, talents, experience and diversity required to serve the needs of CLAS.

For further information on the Boards' work in this regard, please refer to "Board Membership" under Principle 4 in this Report.

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 Boards and Management and that no one individual has unfettered powers of decision-making. The non-executive independent Chairman is Mr Tan Beng Hai, Bob, whereas the CEO is Ms Teo Joo Ling, Serena. 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 Boards and facilitates the conditions for the overall effectiveness of the Boards, Board Committees and individual Directors. This includes setting the agenda of Board meetings, ensuring that there is sufficient information and time at meetings to address all agenda items, and promoting open and constructive engagement among the Directors as well as between the Boards and the CEO on strategic issues.

The Chairman devotes considerable time to understanding the business of CLAS, as well as the issues and the competition that CLAS faces. He plays a significant leadership role by providing clear oversight, direction, advice and guidance to the CEO. He 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 Annual General Meeting (AGM) each year and other general meetings where he plays a crucial role in fostering constructive dialogue between the Stapled Securityholders, the Boards and Management.

The CEO has full executive responsibilities to manage the Stapled Group's business and to develop and implement policies approved by the Boards.

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 Boards and Management, facilitate robust deliberations on CLAS' 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 Boards 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 Boards have 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 Boards have a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Boards. The Boards have established the NRC, which makes recommendations to the Boards on all appointments to the Boards and Board Committees. All Board appointments are made based on merit and approved by the Boards.

The NRC comprises three NEDs, two of whom (including the chairman of the NRC) are IDs. As at the date of this Report, the three members on the NRC are Mr Tan Beng Hai, Bob (NRC Chairman), Ms Deborah Lee Siew Yin[1] and Mr Goh Soon Keat Kevin.

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 nomination and appointment of directors includes:

(a) reviewing and making recommendations to the Boards on the structure, size and composition of the Boards and the Board Committees, formulating, reviewing and making recommendations to the Boards on succession plans for Directors, in particular, the appointment and/or replacement of the Chairman and the CEO;

(b) reviewing and making recommendations to the Boards on the process and criteria for the evaluation of the performance of the Boards, 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 Boards on the appointment and re-appointment of Directors (including alternate directors, if any)[2].

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.

1 Mr Ong Su Kiat Melvyn relinquished his role, and Ms Deborah Lee Siew Yin was appointed as NRC member with effect from 1 January 2024.
2 For the avoidance of doubt, there are no alternate directors appointed for FY 2023.

In addition to the above, the NRC and/or the Boards as a whole are 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 deviation from Provision 4.1(a) of the Code which requires the NRC to make recommendations to the Boards on relevant matters relating to the review of succession plans, in particular the appointment and/or replacement of the key management personnel, the Boards are of the view that such matters could be considered either by the NRC or by the Boards 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 Boards and the Directors, the Boards are of the view that this should be a matter involving the views and feedback of all members of the Boards. Hence, any Director may contribute by recommending to the Boards specific training and development programmes which he or she believes would benefit Directors or the Boards as a whole. The review of training and professional development programmes for the Boards and their Directors is done by the Boards 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 Boards on such matters. For further information on the training and professional development programmes for the Boards and their Directors, please refer to "Directors' Development" under Principle 1 in this Report.

The NRC's duties and responsibilities in relation to remuneration matters are set out on page 112 of this Annual Report.

Board Composition and Renewal
The Boards, through the NRC, strive to ensure that there is an optimal blend in the Boards of backgrounds, experience and knowledge in business and general management, expertise relevant to the Stapled Group's business and track record, and that each Director can bring to the Boards an independent and objective perspective to enable balanced and well-considered decisions to be made in the interests of the Stapled Group. The Boards comprise members who have experience in the sector that CLAS operates in. 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 Boards appointment recommendations to the Boards, the NRC considers different time horizons for purposes of succession planning. The NRC evaluates the Boards' competencies on a long-term basis and identifies competencies which may be further strengthened in the long term to achieve CLAS' strategy and objectives. As part of medium-term planning, the NRC seeks to refresh the membership of the Boards 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 CLAS' strategic priorities and the factors affecting the long-term success of CLAS. Board succession planning takes into account the need to maintain flexibility to effectively address succession planning and to ensure that the Managers continue to attract and retain highly qualified individuals to serve on the Boards. The NRC aims to maintain the optimal composition of the Boards by considering the trends affecting CLAS, 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 Boards have capabilities and experience which are aligned with CLAS' strategy and environment, and includes the following considerations: (a) the current size of the Boards 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 Boards 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 Boards, which would provide an appropriate balance and contribute to the collective skill of the Boards.

The Boards support the principle that board renewal is a necessary and continual process, for good governance and ensuring that the Boards have the skills, expertise and experience which are relevant to the evolving needs of CLAS' business.

Board succession planning is carried out through the annual review by the NRC of the Boards' 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 Boards. The Boards seek to refresh their membership progressively and in an orderly manner, whilst ensuring continuity and sustainability of corporate performance. The Boards also have 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 Boards.

The NRC identifies suitable candidates for appointment to the Boards. Searches for possible candidates are conducted through contacts and recommendations. In this regard, the Managers may rely on external consultants from time to time to assist the NRC in identifying candidates. Candidates are identified based on the needs of CLAS 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). The NRC also considers the qualities of the candidates, in particular whether they are aligned to the strategic directions and values of CLAS. In addition, the NRC assesses the candidates' ability to commit time to the affairs of CLAS, taking into consideration their other current appointments. The NRC uses a skills matrix to determine the skills gaps of the Boards and if the expertise and experience of a candidate would complement those of the existing members of the Boards.

The NRC also determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1 of the Code. Directors disclose their relationships with the Managers, their related corporations, their substantial shareholders or their officers, if any, which may affect their independence, to the Boards. For further information on the Boards' determination in this regard, please refer to "Board Independence" under Principle 2 in this Report.

Board Changes
The changes to the Boards have been set out above in the "Board Changes" section on page 95 of this Report.

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 conducts a review of the other appointments and commitments of each Director on an annual basis and as and when there is a change of circumstances involving a Director which may affect his or her ability to commit time to the Managers. In this regard, Directors are required to report to the Boards any changes in their other appointments.

In respect of the Directors' other appointments and commitments, no limit is set as to the number of listed company board appointments. The Boards take 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 individual 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 expected to ensure that he or she can devote sufficient time and attention to the affairs of the Managers. IDs are also required to inform the Chairman before accepting any invitation for appointment as a director of another entity's board or governing body, or offer of a full-time executive appointment or other principal commitment, to enable any concerns relating to potential conflicts of interest or the ability to commit time, to be shared and addressed.

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 Managers, the NRC 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 own self-assessment and confirm that he or she is able to devote sufficient time and attention to the affairs of the Managers. For FY 2023, all non-executive Directors had undergone the self-assessment and provided the confirmation.

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

The Directors' listed company directorships and principal commitments are disclosed on pages 13 to 17 of this Annual Report and their attendance record for FY 2023 is set out on page 134 of this Annual Report. In particular, the CEO does not serve on any listed company board outside of the Stapled 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 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 Boards, taking into consideration the NRC's assessment, have noted that each Director has been adequately carrying out his or her duties and responsibilities as a Director.

Principle 5: Board Performance

The Managers believe that oversight from strong and effective Boards goes a long way towards guiding a business enterprise to achieving success.

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

The NRC recommends for the Boards' approval the objective performance criteria, and the Boards undertake, with the assistance of the Company Secretary, a process to evaluate the effectiveness of the Boards 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 by the Company Secretary, who aggregates and reports the evaluation results to the NRC, and thereafter the Boards. Management's feedback is also sought in areas including Board structure, developing strategy, performance and governance, board functions and practices. The findings are considered by the Boards and follow up action is taken where necessary with a view to enhancing the effectiveness of the Boards, Board Committees and individual Directors in the discharge of their duties and responsibilities. As and when required, external facilitators may be appointed to assist in the evaluation process of the Boards, Board committees and the individual Directors. 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 Boards also consider whether the creation of value for Stapled Securityholders has been taken into account in the decision-making process. For FY 2023, the outcome of the evaluation was satisfactory and the Boards 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 Boards also recognise 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.

Each Director has objectively discharged his or her duties and responsibilities at all times as fiduciaries in the interests of the Managers and CLAS.

Board Evaluation as an Ongoing Process
The Boards believe that performance evaluation should be an ongoing process and the Boards achieve 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 their members, the Boards also benefit from an understanding of shared norms between Directors which also contributes to a positive board culture. The collective Boards performance and the contributions of individual Directors are also reflected in, and evidenced by, the synergistic performance of the Boards in discharging their responsibilities as a whole by providing proper guidance, diligent oversight and able leadership, and lending support to Management in steering CLAS in the appropriate direction, as well as the long-term performance of CLAS 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 Managers are paid by the Managers.

The Boards have 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 Boards have established the NRC and under its terms of reference, the scope of duties and responsibilities of the NRC in relation to remuneration matters include reviewing and making recommendations to the Boards on:

(a) the Boards' remuneration framework and the specific remuneration packages for the Directors; and

(b) 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 Boards on such matters, the Boards are of the view that such matters are best decided 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 Boards. 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 CLAS' business strategy and deliver sustainable returns to Stapled Securityholders. The principles governing the remuneration policies of the Managers' key management personnel are as follows:

Business Alignment
› Focus on generating recurring income and enhancing asset value over time so as to maximise returns from investments and ultimately the distributions and total returns to Stapled Securityholders
› 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 Stapled Group
- Significant and appropriate portion of pay-at-risk, taking into account risk policies of the Stapled 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 CLAS' 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 Managers are subsidiaries of CLI which also holds a significant stake in CLAS. The association with the CLI Group puts the Managers in a better position to attract and retain better qualified management talent. Additionally, it provides an intangible benefit to the Managers in that it allows the 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 Managers, their controlling shareholder, their related corporations or any of their Directors.

Remuneration of Key Management Personnel

The remuneration of key management personnel comprises fixed components, a variable component, long-term components and employee benefits. A significant proportion of key management personnel's remuneration is in the form of variable compensation, awarded in a combination of short-term, deferred and long-term incentives, in keeping with the principle that the interests of the key management personnel should be aligned with those of Stapled Securityholders and that the remuneration framework should link rewards to business and individual performance and promote the long-term success of CLAS.

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 from 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 (BSC).

Under the Balanced Scorecard framework, CLAS' 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, capital structure, financial and risk management, as well as investor engagement;

- **Preparing for Future:** This includes targets relating to asset enhancement initiatives and portfolio reconstitution, asset performance and renewal of master leases and management contracts;

- **Sustainability:** This includes targets relating to talent retention, succession planning and sustainable corporate practices (including workplace safety); and
- **Managers' Financial Health:** This includes targets relating to the Managers' financial viability and efficiency.

These Balanced Scorecard targets are approved by the Boards and cascaded down throughout the organisation, thereby creating alignment across CLAS.

After the close of each financial year, the Boards review CLAS' achievements against the targets set in the Balanced Scorecard and determine 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 Managers. The PBP is delivered in a combination of cash and deferred Stapled Securities with employees in senior management grades receiving a greater proportion of their PBP payout in deferred Stapled Securities. These time-based Stapled Securities are awarded pursuant to the Managers' Restricted Stapled Security Plan (RSSP) and will vest in three equal annual tranches without further performance conditions. Recipients will receive fully paid Stapled Securities, their equivalent cash value or combinations thereof, at no cost. These Stapled Securities awards ensure ongoing alignment between remuneration and sustainable business performance.

C Long-term Components:

Stapled Security awards were granted in FY 2023 pursuant to the Managers' Performance Stapled Security Plan (PSSP). The Managers believe that the Stapled Security-based components of the remuneration for key management personnel serve to align the interests of such key management personnel with that of Stapled Securityholders and CLAS' long-term growth and value. The obligation to deliver the Stapled Securities is satisfied out of existing Stapled Securities held by the Managers.

To promote the alignment of Management's interests with that of Stapled Securityholders in the longer term, senior members of Management are subject to Stapled Security ownership guidelines to instill stronger identification with the longer-term performance and growth of the Stapled Group. Under these guidelines, senior members of Management are required to retain a prescribed proportion of Stapled Securities received under the Stapled Security Plans worth up to at least one year of basic salary.

Stapled Securities vested pursuant to the Stapled Security 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 Stapled Group.

Managers' Performance Stapled Security Plan (PSSP)

In FY 2023, the NRC granted awards which are conditional on targets set for a three-year performance period. A specified number of Stapled Securities 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 PSSP, an initial number of Stapled Securities (PSSP baseline award) is allocated conditional on the achievement of pre-determined targets for Stapled Securityholder returns and sustainability (included with effect from the FY 2023 award). In respect of Stapled Securityholder returns, Management is measured by the Relative Total Stapled Securityholder Return (TSSR) of the Stapled Group, based on the percentile ranking of the TSSR of the Stapled 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 Stapled Securityholders and the commitment of the Stapled Group towards sustainability. The final number of Stapled Securities to be released will depend on the Stapled 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 Stapled Securityholders in the longer term and to deter short-term risk taking. No Stapled Securities 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 Stapled Securities than the PSSP baseline award can be delivered, up to a maximum of 200% of the PSSP baseline award. The NRC has the discretion to adjust the number of Stapled Securities released taking into consideration other relevant quantitative and qualitative factors. Recipients will receive fully paid Stapled Securities, their equivalent cash value or combinations thereof, at no cost.

For FY 2023, the relevant award for assessment of the performance achieved by CLAS 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 CLAS has exceeded the pre-determined performance targets for such performance period, the resulting number of Stapled Securities released has been adjusted accordingly to reflect the performance level.

In respect of the Stapled Security awards granted under the PSSP in FY 2022 and FY 2023, the respective qualifying performance periods have not ended as at the date of this Report.

Managers' Restricted Stapled Security Plan (RSSP)
Prior to FY 2023, the NRC granted awards which are conditional on targets set for a one-year performance period. A specified number of Stapled Securities will only be released to recipients at the end of the qualifying performance period, provided that minimally the threshold targets are achieved.

Under the RSSP, an initial number of Stapled Securities (RSSP baseline award) is allocated conditional on the achievement of pre-determined targets in respect of the following performance conditions:

(a) Profit After Tax & Minority Interest of the Stapled Group; and

(b) Distribution per Stapled Security of the Stapled Group.

The above performance measures have been selected as they are the key drivers of business performance and are aligned to Stapled Securityholder value. The final number of Stapled Securities to be released will depend on the Stapled Group's performance against the pre-determined targets at the end of the one-year qualifying performance period. The Stapled Securities will be released in equal annual tranches over a vesting period of three years. No Stapled Securities 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 Stapled Securities than the RSSP baseline award can be delivered, up to a maximum of 150% of the RSSP baseline award. The NRC has the discretion to adjust the number of Stapled Securities released taking into consideration other relevant quantitative and qualitative factors. Recipients will receive fully paid Stapled Securities, their equivalent cash value or combinations thereof, at no cost.

There were no performance-based awards granted under the RSSP 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 CLAS for the long term. The CEO does not attend discussions relating to her own performance and remuneration.

The Boards, together with the NRC, seek 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 Boards have considered carefully and decided that such disclosure would not be in the interests of the Managers or Stapled Securityholders due to:

(a) the intense competition for talents in the REIT management industry, the Managers are of the view that it is in the interests of Stapled Securityholders to not make such disclosures so as to minimise potential staff movement and undue disruption to its key management team;

(b) the need to balance the confidential and commercial sensitivities associated with remuneration matters, the Managers are of the view that such disclosures could be prejudicial to the interests of Stapled Securityholders;

(c) the importance of retaining competent and experienced staff to ensure CLAS' stability and continuity of business operations, the Managers are of the view that such disclosures may subject the Managers to undue risks, including unnecessary key management turnover; and

(d) there being no misalignment between the remuneration of the CEO and key management personnel and the interest of Stapled Securityholders. Their remuneration is not borne by CLAS as they are paid out of the fees that the Managers receive (the quantum and basis of which have been disclosed on page 260 of this Annual Report).

The Managers are of the view that despite the partial deviation from Provision 8.1 of the Code, the disclosures in this Annual Report are consistent with the intent of Principle 8 of the Code and would provide sufficient information and transparency to the Stapled Securityholders on the Managers' remuneration policies and the level and mix of remuneration accorded to the key management personnel, and enable the Stapled Securityholders to understand the relationship between CLAS' performance, value creation and the remuneration of key management personnel. For the above reasons, the Managers are of the view that the interests of Stapled Securityholders are not prejudiced by the partial deviation.

Apart from the key management personnel and other employees of the Managers, the Managers outsource 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 CLAS 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 Boards 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 Managers 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 Managers) 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 CLAS as CLAS is a key part of CLI's business and ecosystem (and it is also the largest Stapled Securityholder of CLAS), and Management's actions to grow CLAS and drive CLAS' performance will also have a positive impact on CLI, thus reinforcing the complementary nature of the linked performance between CLAS and CLI. The cost of this one-time award will be borne by the Managers and it is not expected to form a significant part of the key management personnel's remuneration over a five-year period. In addition, a proportion of the Management's remuneration is paid in the form of Stapled Securities, which further incentivises the Management to take actions which are beneficial to the Stapled Securityholders. Accordingly, the Special PSP Award will not result in the Management prioritising the interest of CLI over that of CLAS given that the bulk of their remuneration is determined based on the evaluation of the performance of CLAS and a proportion of their remuneration comprises Stapled Securities. In addition, it should be further noted that under the SFA, the REIT Manager and the Directors of the REIT Manager are required to act in the best interest of CLAS and give priority to the interest of CLAS over the interests of the shareholders of the REIT Manager and under the BTA, the Trustee-Manager is required to also act in the best interest of CLAS and give priority to the interest of CLAS over its own interest, 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 CLAS. Accordingly, the Managers are 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 Stapled Securityholders. 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 Managers who were substantial shareholders of the Managers, substantial Stapled Securityholders of CLAS or immediate family members of a Director, the CEO, any substantial shareholder of the Managers or any substantial Stapled Securityholder of CLAS. "Immediate family member" refers to the spouse, child, adopted child, step-child, sibling or parent of the individual.

Remuneration Disclosures under AIFMR
The Managers are required under the AIFMR to make quantitative disclosures of remuneration. Disclosures are provided in relation to (a) the staff of the Managers; (b) staff who are senior management; and (c) staff who have the ability to materially affect the risk profile of CLAS.

All individuals included in the aggregated figures disclosed are rewarded in line with the Managers' remuneration policies described in this Report.

The aggregate amount of remuneration awarded by the Managers to its staff (including CEO and non-executive Directors) in respect of FY 2023 was approximately S$4.20 million. This figure comprised fixed pay of S$2.30 million, variable pay of S$1.71 million (including Stapled Securities issued under the Stapled Security Plans, where applicable) and allowances and benefits-in-kind of S$0.19 million. There were a total of 19 beneficiaries of the remuneration described above. In respect of FY 2023, the aggregate amount of remuneration awarded by the Managers to its senior management (which are also members of staff whose actions have a material impact on the risk profile of CLAS) was approximately S$2.52 million, comprising 4 individuals having considered, among others, their roles and decision-making powers.

Remuneration for Non-Executive Directors
The non-executive Directors' fees are paid by the Managers and the FY 2023 fees, together with a breakdown of the components, are set out in the Non-Executive Directors' Remuneration Table on page 135 of this Annual Report.

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, appropriate to the level of contribution 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 Stapled 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 Managers and CLAS.

The CEO, who is an executive Director, is remunerated as part of the key management personnel of the Managers and does not receive any Director's fees for her 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 Stapled Securities (about 20%), save that (i) a non-executive Director (not being an employee of the CLI Group) who steps down from the Boards during a financial year will be paid fees fully in cash and; (ii) Mr Ong Su Kiat Melvyn's fees are paid fully in cash to a government agency, The Directorship & Consultancy Appointments Council. The Managers believe that the payment of a portion of the non-executive Directors' fees in Stapled Securities will serve to align the interests of non-executive Directors with the interests of Stapled Securityholders and CLAS' long-term growth and value. The payment of non-executive Directors' fees in Stapled Securities is satisfied out of the Stapled Securities held by the Managers. 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 Stapled Securityholders, a non-executive Director is required to hold the number of Stapled Securities worth at least one year of the basic retainer fee or the total number of Stapled Securities awarded to him or her, 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.

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Managers maintain adequate and effective systems of risk management and internal controls (including financial, operational, compliance, information technology (IT) and sanctions-related controls) to safeguard Stapled Securityholders' interests and CLAS' assets.

The Boards have overall responsibility for the governance of risk and oversee the Managers in the design, implementation and monitoring of the risk management and internal controls systems. The ARC assists the Boards in carrying out the Boards' responsibility of overseeing the risk management framework and policies for CLAS and ensuring that Management maintains sound systems of risk management and internal controls.

Under its terms of reference, the scope of the ARC's duties and responsibilities includes:

(a) making recommendations to the Boards on the Risk Appetite Statement (RAS) for CLAS and CLAS' risk profile;

(b) assessing the adequacy and effectiveness of the risk management and internal controls systems established by the Managers 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 CLAS' risk appetite and reports to the Boards on its decisions on any material matters concerning the aforementioned;

(d) making the necessary recommendations to the Boards such that an opinion regarding the adequacy and effectiveness of the risk management and internal controls systems can be made by the Boards in the Annual Report in accordance with the Listing Manual and the Code; and

(e) considering and advising on risk matters referred to it by the Boards or Management, including reviewing and reporting to the Boards on any material breaches of CLAS' RAS, any material non-compliance with the approved framework and policies and the adequacy of any proposed action.

The Managers adopt 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 Managers undertake and perform 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 Boards, 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.

CLAS' RAS, which incorporates CLAS' limits, addresses the management of material risks faced by CLAS. Alignment of CLAS' risk profile to CLAS' 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 Managers.

More information on the Managers' ERM Framework including the material risks identified can be found in the Risk Management section on pages 87 to 92 of this Annual Report.

The internal and external auditors conduct reviews of the adequacy and effectiveness of the material internal controls (including financial, operational, compliance, IT and sanctions-related 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. In the course of their statutory audit, the external auditors had considered the risk assessment conducted by the internal auditors. Any material non-compliance and weakness in internal controls, together with the internal auditors' recommendations to address them, are reported to the ARC. The ARC also reviews the adequacy and effectiveness of the measures taken by the Managers on the recommendations made by the internal and external auditors in this respect.

The Boards have received assurance from the CEO and the Chief Financial Officer (CFO) of the Managers that the financial records of CLAS have been properly maintained and the financial statements for FY 2023 give a true and fair view of CLAS' operations and finances. They have 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 CLAS are adequate and effective to address the risks (including financial, operational, compliance, IT and sanctions-related risks) that the Managers consider relevant and material to the current business environment.

The CEO, the CFO and the relevant key management personnel of the Managers have obtained similar assurances from the respective risk and control owners. In addition, for FY 2023, the Boards received half-yearly certification by Management on the integrity of financial reporting and the Boards provided a negative assurance confirmation to Stapled Securityholders 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 Boards are of the opinion that the systems of risk management and internal controls (including financial, operational, compliance, IT and sanctions-related controls) are adequate and effective to address the risks (including financial, operational, compliance, IT and sanctions-related risks) which CLAS considers relevant and material to its current business environment as at 31 December 2023. The ARC concurs with the Boards in their opinion.

No material weaknesses in the systems of risk management and internal controls were identified by the Boards or the ARC in the review for FY 2023. The Boards note that the systems of risk management and internal controls established by the Managers provide reasonable assurance that CLAS, 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 Boards also note 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

At present, the ARC comprises four non-executive Directors, all of whom (including the chairman of the ARC) are IDs. The four members on the ARC are Mr Sim Juat Quee Michael Gabriel (ARC Chairman), Mr Chia Kim Huat, Ms Deborah Lee Siew Yin and Mr Max Loh Khum Whai. The ARC Chairman is a Director other than the Chairman of the Boards. 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 are CLAS' incumbent external auditors and will hold office until the conclusion of the upcoming AGM. It is proposed that Deloitte & Touche LLP be appointed as CLAS' external auditors commencing from FY 2024 at the upcoming AGM. The ARC does not comprise former partners of CLAS' incumbent external auditors, KPMG LLP, and its incoming external auditors, Deloitte & Touche LLP, 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 the Stapled Group and any announcements relating to the Stapled Group's financial performance;

(b) reviewing and reporting to the Boards at least annually the adequacy and effectiveness of the Managers' internal controls (including financial, operational, compliance and IT controls) and risk management systems;

(c) reviewing the assurances from the Management (including the CEO and the CFO) on the financial records and financial statements;

(d) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the independence and objectivity of the external auditors;

(e) reviewing the adequacy, effectiveness, independence, scope and results of the internal audit and the adequacy and effectiveness of the Managers' internal audit and compliance functions;

(f) making recommendations to the Boards on the proposals to Stapled Securityholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;

(g) 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 CLAS 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 CLAS and its minority Stapled Securityholders. 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 Managers have reviewed the property manager's compliance with the terms of the property management agreement and has taken remedial actions where necessary; and

(h) 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.

The ARC undertook a review of the independence of the external auditors, taking into consideration, among other factors, the non-audit services provided, CLAS' relationships with the external auditors in FY 2023, as well as the processes and safeguards adopted by the Managers 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 amount of fees paid or payable to the external auditors for FY 2023 amounted to S$3,862,000, of which audit (and audit-related) fees amounted to S$3,658,000 and non-audit fees amounted to S$204,000.

KPMG LLP was appointed as the external auditors for CLAS and its Singapore-incorporated subsidiaries and significant associated companies. Stapled Securityholders' approval was obtained for their re-appointment at the last AGM on 18 April 2023. KPMG LLP will hold office until the conclusion of the upcoming AGM. The ARC has assessed the performance of the external auditors based on factors such as the performance and quality of their audit and the independence of the auditor.

As part of CLAS' ongoing good corporate governance initiatives, the Board has concurred with the ARC's recommendation for the proposed appointment of Deloitte & Touche LLP as the independent external auditors of CLAS at the upcoming AGM of the Stapled Securityholders. Further details on the proposed change of external auditors is set out in the Managers' notice of AGM dated 28 March 2024 and the Letter to Stapled Securityholders dated 28 March 2024 (in relation to the proposed change of external auditors). The incumbent external auditors, KPMG LLP, will be retiring and will not be seeking re-appointment as external auditors for FY 2024.

The ARC holds at least four scheduled meetings in a year and met five times in FY 2023. At all scheduled ARC meetings in FY 2023, the CEO and the CFO were in attendance. CLAS announces 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 in January 2023 and July 2023, among other things, the ARC reviewed the half-yearly financial statements, including the relevance and consistency of the accounting principles adopted and any significant financial reporting issues, and recommended the half-yearly financial statements and corresponding announcements to the Boards for approval. During the ARC meetings in April 2023 and October 2023, the ARC reviewed, among other things, the quarterly business and financial updates presented by Management. Such business updates contain, among other things, information on CLAS' 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 Managers to manage risks, 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 with the 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 once 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 Matters

In the review of the financial statements of CLAS 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, land and buildings and investment properties under development	The ARC considered the valuation methodologies and key assumptions applied by the valuers for investment properties, land and buildings and investment properties under development 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 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 discount rates, terminal capitalisation rates, capitalisation rates, revenue per available unit and gross development costs adopted by the valuers. The valuation of investment properties, land and buildings and investment properties under development 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. The ARC was satisfied with the valuation process, the methodologies used and the valuation of the investment properties, land and buildings and investment properties under development.

The Managers confirm, on behalf of CLAS, that CLAS complies with Rules 712 and 715 of the Listing Manual in relation to the appointment of its external auditors as KPMG LLP is registered with the Accounting and Corporate Regulatory Authority.

Internal Audit

The Managers have in place an internal audit function supported by CLI's Internal Audit Department (CLI IA). The head of the CLI IA is Ms Jenny Tan. CLI IA is independent of the activities it audits and has unfettered access to CLAS' documents, records, properties and employees, including access to the ARC, and has appropriate standing with respect to the Managers. The primary reporting line of CLI IA in respect of the Stapled 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 of the Code 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 Boards 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 Managers and CLAS' business, and that an adequate budget is allocated to the internal audit function to assure its proper functioning. In FY 2023, the ARC carried out a review of the internal audit function and was satisfied that the internal audit function performed by CLI IA is adequately resourced, effective and independent.

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 CLI Group's and CLAS' business. The reviews performed by CLI IA are focused on assisting the Boards 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 CLI Group and CLAS. CLI IA also reviews compliance with the CLI Group's and CLAS' 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 significant findings are reported to Management and the ARC. 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 CLAS and its minority Stapled Securityholders. This is pursuant to procedures established by the Managers to comply with the Listing Manual requirements relating to interested person transactions. All interested person transactions are reported to and monitored by the Finance department which also keeps tab on the aggregate value, prior to the review by CLI IA. Legal advice is sought, if required, in respect of any issues relating to any specific interested person transaction. In the year under review, save for the Acquisition, there were no significant interested person transactions involving controlling Stapled Securityholders, controlling shareholders of each of the Managers or Directors requiring approval of the Stapled Securityholders.

The ARC notes that the CLI IA is independent, effective, 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.

STAPLED SECURITYHOLDER RIGHTS AND ENGAGEMENT

Principles 11, 12 and 13: Shareholder Rights and Conduct of General Meetings, Engagement with Shareholders, Managing Stakeholder Relationships

The Managers are committed to treating all Stapled Securityholders fairly and equitably. All Stapled Securityholders enjoy specific rights under the Trust Deeds and the relevant laws and regulations. These rights include, among other things, the right to participate in profit distributions.

General Meetings

In FY 2023, CLAS convened and held a physical AGM on 18 April 2023 (AGM 2023).

A live webcast of AGM 2023 was made available for Stapled Securityholders who were unable to attend the AGM 2023 in person but wished to view the AGM 2023 proceedings. Although Stapled Securityholders were not able to submit questions or vote remotely via the live webcast of the AGM proceedings, they were allowed to (a) submit questions in advance of and/or live at the AGM 2023 itself and (b) vote at the AGM 2023 by themselves or appoint proxy(ies) (other than the chairman of the meeting) or the chairman of the meeting as proxy to attend and vote on their behalf at the AGM 2023. Substantial and relevant questions received from Stapled Securityholders prior to the AGM 2023 were addressed before the AGM 2023 via publication on the Website and on the SGXNet.

In FY 2023, CLAS also convened and held a hybrid extraordinary general meeting on 24 October 2023 (EGM) physically and by way of electronic means pursuant to the amendments to Practice Note 7.5 of the Listing Manual, which permitted Stapled Securityholders to attend the physical meeting or the virtual meeting. This provided Stapled Securityholders with the opportunity to participate effectively in and vote at the EGM and facilitated the interaction by the Directors and Management with the Stapled Securityholders at and after the EGM.

The hybrid arrangements put in place for the conduct of the EGM included attendance at the EGM via electronic means under which Stapled Securityholders could observe and/or listen to the EGM proceedings via live audio-visual webcast or live audio-only stream, submission of questions in advance of or live at the EGM, addressing of substantial and relevant questions prior to or live at the EGM and voting at the EGM live by themselves or their duly appointed proxy(ies) (other than the chairman of the meeting) via electronic means or by appointing the chairman of the meeting as proxy to vote on their behalf at the EGM.

All Directors (including the CEO who is also a Director) attended both the AGM 2023 and the EGM either in person or via electronic means except Mr Chia Kim Huat who was absent with apologies at the EGM. A record of the Directors' attendance at the AGM 2023 and the EGM can be found in the record of their attendance at general meetings and Board and Board Committee meetings for FY 2023 set out on page 134 of this Annual Report.

The upcoming AGM to be held on 19 April 2024 (AGM 2024) will also be held in a hybrid format similar to the EGM as described above. Further information on the arrangements relating to the conduct of the AGM 2024 is set out in the Managers' notice of AGM dated 28 March 2024.

Stapled Securityholders are entitled to attend general meetings and are accorded the opportunity to participate effectively in 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 Stapled Securityholder, through its appointed representative). Stapled Securityholders 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 CLAS.

CLAS supports the principle of encouraging Stapled Securityholder participation and voting at general meetings. CLAS' Annual Report is provided to Stapled Securityholders within 120 days from the end of CLAS' financial year. Stapled Securityholders may download the Annual Report (printed copies are available upon request) and the notices of general meeting from the Website. More than the legally required notice period for general meetings is generally provided. The notices of general meeting are also available on SGXNet. The rationale and explanation for each agenda item which requires Stapled Securityholders' approval at a general meeting are provided in the notice of general meeting or in the accompanying circular (if any) issued to Stapled Securityholders in respect of the matter(s) for approval at such general meeting. This enables Stapled Securityholders to exercise their votes on an informed basis. To safeguard the Stapled Securityholders' 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 so as to form one significant proposal. Where the resolutions are "bundled", the reasons and material implications will be explained in the notice of general meeting.

At general meetings, Management makes a presentation to Stapled Securityholders to update them on CLAS' performance, position and prospects. The presentation materials are made available to Stapled Securityholders on the Website and also on SGXNet.

At general meetings, Stapled Securityholders are informed of the rules governing general meetings and given the opportunity to communicate their views, ask questions and discuss with the Boards and Management on matters affecting CLAS. Representatives of the Trustee, Directors (including the Chairman of the respective Board Committees), key management personnel and the external auditors of CLAS, are present for the entire duration of the general meetings to address any queries that the Stapled Securityholders may have, including queries about the conduct of CLAS' external audit and the preparation and contents of the external auditors' report.

To ensure transparency in the voting process and better reflect Stapled Securityholders' interests, CLAS conducts electronic poll voting for all the resolutions proposed at general meetings. One Stapled Security 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 Stapled Securityholders 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. CLAS' Trust Deeds currently do not permit Stapled Securityholders 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 REIT Manager considered and on 6 October 2023 implemented relevant amendments to the trust deed dated 19 January 2006 (as amended) constituting CapitaLand Ascott REIT so as to permit real-time remote electronic voting for CapitaLand Ascott REIT. As a result of similar recent legislative changes to the business trusts regime which automatically permitted real-time remote electronic voting for CapitaLand Ascott BT provided that the trust deed constituting CapitaLand Ascott BT is not subsequently amended to exclude such automatic application, the Trustee-Manager has considered and opted not to exclude the recognition of real-time remote electronic voting for CapitaLand Ascott BT. The Managers are of the view that although these aforementioned changes may still be considered a partial deviation from Provision 11.4 of the Code as Stapled Securityholders 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, Stapled Securityholders nevertheless now have greater opportunities (in addition to the proxy regime) to communicate their views on matters affecting CLAS even when they are not physically in attendance at general meetings. The Managers will consider implementing further amendments to CLAS' Trust Deeds to fully permit absentia voting after they have carried out careful study and are satisfied that the integrity of information and the authentication of the identity of Stapled Securityholders will not be compromised, and after the implementation of legislative changes to recognise methods of voting without the need for Stapled Securityholders 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 Stapled Securityholders for their inspection upon request. Minutes of general meetings are also made available on the Website as soon as practicable. Accordingly, the rights provided to Stapled Securityholders are consistent with the intent of Principle 11 of the Code.

Distribution Policy

CLAS' distribution policy is to distribute at least 90.0% of its taxable income (other than gains from the sale of real estate properties by CLAS which are determined to be trading gains), with the actual level of distribution to be determined at the Managers' discretion. Distributions are generally paid within 35 market days after the relevant record date.

Timely Disclosure of Information

The Managers are committed to keeping all Stapled Securityholders, other stakeholders, analysts and the media informed of CLAS' performance and any changes in CLAS or its business which are likely to materially affect the price or value of the Stapled Securities.

For FY 2023, the Managers provided Stapled Securityholders with unaudited 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 Boards prior to release to Stapled Securityholders by announcement on SGXNet. The release of half year and full year financial statements were accompanied by news releases issued to the media and also made available on SGXNet. In presenting the half year and full year financial statements to Stapled Securityholders, the Boards sought to provide Stapled Securityholders with a balanced, clear and comprehensible assessment of CLAS and the Stapled 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 Managers' commitment to provide its Stapled Securityholders with information promptly, the Managers also provided Stapled Securityholders, 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 CLAS' key operating and financial metrics. In addition to the release of financial statements and business updates, the Managers also keep CLAS' Stapled Securityholders, stakeholders and analysts informed of the performance and changes in CLAS or its business which would likely materially affect the price or value of the Stapled Securities on a timely and consistent basis, so as to assist Stapled Securityholders 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 Managers also conduct analyst, investor and media briefings, and the materials used for such briefings are uploaded on SGXNet.

The Managers have a formal policy on corporate disclosure controls and procedures to ensure that CLAS 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 Managers believe in conducting the business of CLAS in ways that seek to deliver sustainable value to Stapled Securityholders. Best practices are promoted as a means to build an excellent business for CLAS and the Managers' accountability to Stapled Securityholders for CLAS' performance. Prompt fulfilment of statutory reporting requirements is but one way to maintain Stapled Securityholders' confidence and trust in the capability and integrity of the Managers.

Investor Relations

The Managers have in place an Investor Relations department which facilitates effective communication with Stapled Securityholders and analysts. The Managers also maintain the Website which contains information on CLAS including but not limited to its prospectus, circulars, current and past announcements and news releases, financial statements, investor presentations and Annual Reports.

The Managers actively engage with Stapled Securityholders with a view to solicit and understand their views, and have put in place an Investor Relations Policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communications with Stapled Securityholders. The Investor Relations Policy, which sets out the mechanism through which Stapled Securityholders may contact the Managers with questions and through which the Managers may respond to such questions, is available on the Website. Stapled Securityholders are welcome to engage with the Managers beyond general meetings and they may do so via phone calls or emails to the Investor Relations team, whose contact details may be found on the Website.

More information on the Managers' investor and media relations efforts can be found in the Investor Relations section on pages 76 to 78 of this Annual Report.

The Managers also have in place a corporate communications function supported by CLI's Group Communications department which works closely with the media and oversees CLAS' media communications efforts.

Managing Stakeholder Relationships

The Boards' role includes considering sustainability as part of their strategic formulation. The Managers adopt an inclusive approach for CLAS by considering and balancing the needs and interests of material stakeholders, as part of the overall strategy to ensure that the best interests of CLAS are served. The Managers are committed to sustainability and incorporate the key principles of environmental and social responsibility, and corporate governance in CLAS' business strategies and operations. The Managers have 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 their relationships with such groups. Such arrangements include maintaining the Website, which is kept updated with current information, to facilitate communication and engagement with CLAS' stakeholders.

The rights of CLAS' creditors, which comprises of lending banks, are protected with well-spread debt maturity, healthy interest coverage ratio and gearing ratio below the regulated limits. Regular internal reviews are also conducted to ensure that various capital management metrics remain compliant with loan covenants.

More details of CLAS' stakeholder engagements can be found on pages 76 to 78 of this Annual Report and in CLAS' Sustainability Report 2023 which will be published in May 2024.

ADDITIONAL INFORMATION

Executive Committee

In addition to the ARC and the NRC, the Boards have also established an EC.

At present, the EC comprises three Directors. The three members on the EC are Mr Goh Soon Keat Kevin (EC Chairman), Ms Teo Joo Ling, Serena and Ms Beh Siew Kim.

The EC oversees the day-to-day activities of the Managers and that of CLAS, on behalf of the Boards. 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 Managers have 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 CLAS and Stapled Securityholders. In respect of such transactions, the Managers would have to demonstrate to the ARC that such transactions are undertaken on normal commercial terms and are not prejudicial to the interests of CLAS and Stapled Securityholders 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[1]	Approving Authority, Procedures and Disclosure
Below S$100,000 per transaction	› Management
S$100,000 and above per transaction which: (a) (for the purpose of the Listing Manual) singly, or when aggregated with other transactions[2] entered into by CapitaLand Ascott REIT or CapitaLand Ascott BT with the same Interested Person in the same financial year is less than 3.0% of CLAS' net tangible assets; or (b) (for the purpose of the Property Funds Appendix) singly, or when aggregated with other transactions entered into by CapitaLand Ascott REIT with the same Interested Person in the same financial year is less than 3.0% of CapitaLand Ascott REIT's net asset value	› Management › Audit and Risk Committee
Transaction[2] which: (a) (for the purpose of the Listing Manual) if entered into by CapitaLand Ascott REIT or CapitaLand Ascott BT, is equal to or exceeds 3.0% of CLAS' net tangible assets; (b) (for the purpose of the Property Funds Appendix) if entered into by CapitaLand Ascott REIT, is equal to or exceeds 3.0% of CapitaLand Ascott REIT's net asset value; (c) (for the purpose of the Listing Manual) if entered into by CapitaLand Ascott REIT or CapitaLand Ascott BT, when aggregated with other transactions[2] with the same Interested Person in the same financial year is equal to or exceeds 3.0% of CLAS' net tangible assets; or (d) (for the purpose of the Property Funds Appendix) if entered into by CapitaLand Ascott REIT, when aggregated with other transactions with the same Interested Person in the same financial year is equal to or exceeds 3.0% of CapitaLand Ascott REIT's net asset value	› Management › Audit and Risk Committee › Immediate announcement
Transaction[2] which: (a) (for the purpose of the Listing Manual) if entered into by CapitaLand Ascott REIT or CapitaLand Ascott BT, is equal to or exceeds 5.0% of CLAS' net tangible assets; (b) (for the purpose of the Property Funds Appendix) if entered into by CapitaLand Ascott REIT, is equal to or exceeds 5.0% of CapitaLand Ascott REIT's net asset value; (c) (for the purpose of the Listing Manual) if entered into by CapitaLand Ascott REIT or CapitaLand Ascott BT, when aggregated with other transactions[2,3] with the same Interested Person in the same financial year is equal to or exceeds 5.0% of CLAS' net tangible assets; or (d) (for the purpose of the Property Funds Appendix) if entered into by CapitaLand Ascott REIT, when aggregated with other transactions[2,4] with the same Interested Person in the same financial year is equal to or exceeds 5.0% of CapitaLand Ascott REIT's net asset value	› Audit and Risk Committee › Immediate announcement › Stapled Securityholders[3]

1 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.
2 Any transaction of less than S$100,000 in value is disregarded.
3 In relation to approval by Stapled Securityholders for transactions that are equal to or exceed 5.0% of CLAS' net asset value (whether singly or aggregated), any transaction which has been approved by Stapled Securityholders, or is the subject of aggregation with another transaction that has been approved by Stapled Securityholders, need not be included in any subsequent aggregation.
4 In relation to approval by Stapled Securityholders for transactions that are equal to or exceed 5.0% of CapitaLand Ascott REIT's net asset value, any transaction which has been approved by Stapled Securityholders, or is the subject of aggregation with another transaction that has been approved by Stapled Securityholders, need not be included in any subsequent aggregation.

Role of the Audit and Risk Committee for Interested Person Transactions

The Managers' 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 CLAS and Stapled Securityholders' interests.

The Managers maintain a register to record all Interested Person Transactions which are entered into by CLAS (and the basis on which they are entered into, including the quotations obtained to support such basis). All Interested Person Transactions 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/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 CLAS in FY 2023 are disclosed on page 344 of this Annual Report.

Dealing with Conflicts of Interest

The following principles and procedures have been established to deal with potential conflicts of interest which the Managers (including their Directors, key management personnel and employees) may encounter in managing CLAS:

(a) the Managers are dedicated managers to CLAS and will not manage any other REIT or BT or be involved in any other real property business;

(b) all resolutions at meetings of the Boards in relation to matters concerning CLAS 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 Boards 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 REIT 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 CapitaLand Ascott REIT with an affiliate of the REIT Manager, the REIT 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 CapitaLand Ascott REIT, has a prima facie case against the party allegedly in breach under such agreement, the REIT Manager is obliged to pursue the appropriate remedies under such agreement; and

(f) at least one-third of the Boards shall comprise IDs.

Additionally, CLAS has been granted a right of first refusal by The Ascott Limited (Ascott) which is a wholly owned subsidiary of CLI over any proposed sale of (a) any properties that are used, or predominantly used, as serviced residences or rental housing properties in Europe and the Pan-Asia region and (b) any shares or equity interests in single-purpose corporations which hold such properties (each a Relevant Asset), by Ascott or any of its wholly owned subsidiaries (each an Ascott entity), for so long as the Managers remain the managers of CLAS and Ascott and/or any of its related corporations remain a shareholder of the Managers (TAL ROFR).

Following the completion of the combination of CapitaLand Ascott REIT and Ascendas Hospitality Trust, the agreement in relation to the right of first refusal granted by Ascendas Land International Pte. Ltd. (ALI), as sponsor of Ascendas Hospitality Trust (A-HTRUST), in favour of Perpetual (Asia) Limited, in its capacity as trustee of Ascendas Hospitality Real Estate Investment Trust and Ascendas Hospitality Trust Management Pte. Ltd., in its capacity as trustee-manager of Ascendas Hospitality Business Trust dated 9 July 2012 (as amended) (A-HTRUST ROFR, and together with TAL ROFR, the ROFRs) pursuant to which ALI had granted a right of first refusal to A-HTRUST in the event ALI wishes to dispose of certain assets which are subject to the A-HTRUST ROFR, had been novated by ALI to Ascott, such that Ascott becomes the obligor under the A-HTRUST ROFR. Consequently, Ascott is required to ensure that CLAS has the first right to acquire any asset falling within the scope of either of the above ROFRs.

In respect of voting rights where the Managers would face a conflict between their own interests and that of Stapled Securityholders, the Managers shall cause such voting rights to be exercised according to the discretion of the Trustee.

Dealings in Securities
The Managers have adopted a securities dealing policy for the officers and employees which applies the best practice recommendations in the Listing Manual. Under this policy, Directors and employees of the Managers as well as certain relevant executives of the CLI Group (together, the Relevant Persons) are required to refrain from dealing in CLAS' securities (i) while in possession of material unpublished price-sensitive information, and (ii) during a one-month period immediately preceding, and up to the time of the announcement of CLAS' 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 Managers also do not deal in CLAS' 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 CLAS, except during the open trading window (being one calendar month commencing from the relevant date of announcement of CLAS' results), provided that they are not in possession of undisclosed material or price-sensitive information. Employees and Capital Markets Services Licence Appointed Representatives (CMSL Representatives) of the Managers are also required to give a pre-trading notification to the CEO and the Compliance department before any dealing in CLAS' securities.

This policy also provides for the Managers to maintain a list of persons who are privy to price-sensitive information relating to the Stapled Group as and when circumstances require such a list to be maintained. Directors and employees of the Managers are also required to refrain from dealing in CLAS' securities if they are in possession of unpublished price-sensitive information of CLAS 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 CLAS' securities.

Under this policy, Directors and employees of the Managers 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 Managers of his or her interest in CLAS' securities within two business days after (a) the date on which he or she becomes a Director or (b) the date on which he or she acquires an interest in CLAS' securities. A Director is also required to notify the Managers of any change in his or her interests in CLAS' 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 Managers, save as disclosed in accordance with such requirements and other than the awards of Stapled Securities in part payment of Directors' fees, there were no dealings by the Directors in CLAS' securities.

Code of Business Conduct

The Managers adhere to an ethics and code of business conduct policy which deals with issues such as confidentiality, 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 Managers. The scope of the code is also published on the Website and may be accessed at https://www.capitalandascotttrust.com/about-us/the-managers.

The policies that the Managers have implemented aim to help to detect and prevent occupational fraud in mainly three ways, as set out below.

First, the Managers offer fair compensation packages, based on practices of pay-for-performance and promotion based on merit to their employees. The Managers also provide various healthcare subsidies and financial assistance schemes to alleviate the common financial pressures their 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 Managers seek to build and maintain the right organisational culture through their core values, educating their employees on good business conduct and ethical values.

Fraud, Bribery and Corruption Risk Management Policy

In line with their core values, the Managers are committed to doing business with integrity. This is reflected in their 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 Managers 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 Managers to uphold the Managers' core values and to not engage in any corrupt or unethical practices. The Managers' zero tolerance policy on bribery and corruption extends to their business dealings with third parties. Pursuant to this policy, the Managers require that certain agreements incorporate anti-bribery and anti-corruption provisions.

The Managers' employees undergo training and 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 in managing fraud, bribery and corruption risks in an integrated, systematic and consistent manner. The Managers' stance against bribery and corruption is also reiterated by Management during their regular staff communication sessions.

More details of CLAS' fraud, bribery and corruption risk management can be found on pages 87 to 92 of this Annual Report and in CLAS' Sustainability Report 2023 which will be published in May 2024.

Grievance Handling and Whistle-Blowing Policy

A whistle-blowing policy has been put in place by the Managers which sets out the procedures for the Managers' employees and parties who have dealings with the Managers, including vendors and customers, to make a report on misconduct or wrongdoings relating to the Managers and their officers. Reportable suspected wrongdoings include but are not limited to misconduct relating to financial matters, corruption, failure to comply with legal or regulatory obligations, significant breaches of policies or internal controls and endangerment of the health and safety of an individual.

Procedures are put in place to provide such employees and parties with independent, 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 Managers ensure that the identity of the whistle-blower is kept confidential. Anonymous reporting is allowed. However, concerns expressed anonymously are difficult to act upon and whistle-blowers are encouraged to provide their contact information so that clarifications can be sought during investigations.

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 Managers are committed to ensuring protection of the whistle-blower against detrimental or unfair treatment. The ARC maintains oversight and monitoring 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 Managers are informed of this policy which is made available on CLI Group's intranet and at https://www.capitaland.com/en/more-from-capitaland/whisteblowing-policy.html.

Business Continuity Management

The Managers have 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 Stapled Group's operations and also has in place a Business Continuity Plan (BCP). Under the BCP, Management has identified the critical business functions, processes and resources, and 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 CLAS, allowing the Managers to continue to function as the managers of CLAS and mitigate any negative effects that the disruptions could have on the Managers' reputation, operations and ability to remain in compliance with relevant laws and regulations. The Managers have also acquired insurance policies for the Stapled Group on business interruption events.

Anti-Money Laundering and Countering the Financing of Terrorism Measures

As a holder of a Capital Markets Services Licence issued by MAS, the REIT 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 REIT 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 Managers have in place a policy on the prevention of money laundering and terrorism financing and remain 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 Stapled 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 REIT 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 REIT 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 REIT Manager to combat money laundering and terrorism financing.

Global Sanctions Compliance

The Managers are committed to carrying on business in accordance with the highest ethical standards. This includes complying with applicable sanctions laws and regulations. The international nature of CLAS' business means that the transactions CLAS engages in may be subject to unilateral sanctions imposed by relevant authorities.

To help ensure that the Managers and its directors, employees and officers and other third parties acting on its behalf or any entity within CLAS fully complies with all sanctions applicable to CLAS' business activities, the Managers are 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 Managers' response to sanctions laws and regulations.

Composition of Board Committees in FY 2023 and as at the date of this Report

Board Members	Audit and Risk Committee (ARC)	Executive Committee (EC)#	Nominating and Remuneration Committee (NRC)
Tan Beng Hai, Bob, Chairman	–	–	C
Teo Joo Ling, Serena, CEO	–	M	–
Sim Juat Quee Michael Gabriel	C	–	–
Chia Kim Huat	M	–	–
Deborah Lee Siew Yin[1]	M	–	M
Ong Su Kiat Melvyn[2]	M	–	M
Max Loh Khum Whai[3]	M	–	–
Goh Soon Keat Kevin	–	C	M
Beh Siew Kim	–	M	–
Lui Chong Chee[4]	–	–	–

Denotes: C – Chairman M – Member CEO – Chief Executive Officer
Given the nature and scope of the work of the EC, their business was discussed/transacted primarily through conference call, correspondence and informal meetings.
1 Ms Deborah Lee Siew Yin was appointed as a member of the NRC with effect from 1 January 2024.
2 Mr Ong Su Kiat Melvyn stepped down as Non-Executive Independent Director with effect from 1 January 2024 and relinquished his role as member of the ARC and member of the NRC on the same day.
3 Mr Max Loh Khum Whai was appointed as Non-Executive Independent Director and a member of the ARC with effect from 23 November 2023.
4 Mr Lui Chong Chee was appointed as Non-Executive Independent Director with effect from 1 February 2024.

Attendance Record of Meetings of Stapled Securityholders, Boards and Board Committees in FY 2023[1]

	Boards[3]	ARC	NRC	AGM	EGM
No. of Meetings Held	**7**	**5**	**2**	**1**	**1**
Board Members					
Tan Beng Hai, Bob	100%	N.A.	100%	100%	100%
Teo Joo Ling, Serena	100%	N.A.	N.A.	100%	100%
Sim Juat Quee Michael Gabriel	100%	100%	N.A.	100%	100%
Chia Kim Huat	100%	80%	N.A.	100%	0%
Deborah Lee Siew Yin	100%	80%	N.A.	100%	100%
Ong Su Kiat Melvyn	100%	100%	100%	100%	100%
Max Loh Khum Whai[2]	100%	N.A.	N.A.	N.A.	N.A.
Goh Soon Keat Kevin	100%	N.A.	100%	100%	100%
Beh Siew Kim	100%	N.A.	N.A.	100%	100%

N.A.: Not applicable
1 All Directors are required to attend general meetings and Board and/or Board Committee meetings called, in person or via audio or video conference, unless required to recuse. Attendance is marked against the general meetings and Board and Board Committee meetings each Director is required to attend, and the percentage computed accordingly.
2 Mr Max Loh Khum Whai was appointed as Non-Executive Independent Director and a member of the ARC with effect from 23 November 2023.
3 Includes a Board Strategy meeting, a Business Plan & Budget meeting and an ad-hoc meeting.

CEO's Remuneration Table for FY 2023

	Components of remuneration			
Remuneration	Salary and employer's CPF	Bonus and other benefits inclusive of employer's CPF[1]	Award of Stapled Securities[2]	Total
CEO				
Teo Joo Ling, Serena	34%	29%	37%	100%
Remuneration band for CEO: Above S$1,000,000 to S$1,250,000				

1 The amounts disclosed include bonuses earned which have been accrued for in FY 2023.
2 Includes contingent Performance Stapled Security awards made during the year pursuant to the Performance Stapled Security Plan (PSSP) which are subject to the achievement of pre-determined performance conditions and vesting period. Also includes time-based deferred shares awarded pursuant to the Restricted Stapled Security Plan as part of the FY2023 performance bonus.

Non-Executive Directors' Remuneration Table for FY 2023

	Components of Directors' fees[1,2] (S$)		
	Cash component	Stapled Securities component[2]	Total (S$)[4]
Non-Executive Directors			
Tan Beng Hai, Bob	124,000	31,000	155,000
Sim Juat Quee Michael Gabriel	95,200	23,800	119,000
Chia Kim Huat	79,200	19,800	99,000
Deborah Lee Siew Yin	79,200	19,800	99,000
Ong Su Kiat Melvyn[3]	115,000	–	115,000
Max Loh Khum Whai[5]	7,609	1,902	9,511
Goh Soon Keat Kevin	N.A.[4]	N.A.[4]	N.A.[4]
Beh Siew Kim	N.A.[4]	N.A.[4]	N.A.[4]
Aggregate of remuneration for Non-Executive Directors: S$596,511			

N.A.: Not applicable
1 Inclusive of attendance fees for overseas meeting (if any) of (a) S$3,000 per trip for travel within the region; and (b) S$10,000 per trip for travel outside the region.
2 Each non-executive Director (save for non-executive Directors who are employees of CLI Group or public officers) shall receive up to 20% of his or her Director's fees in the form of Stapled Securities (subject to truncation adjustments). The remainder of the Director's fees shall be paid in cash. No new Stapled Securities will be issued for this purpose as these Stapled Securities will be paid by the Managers from the Stapled Securities they hold.
3 The director fees payable to Mr Ong Su Kiat Melvyn, a public officer, will be paid fully in cash to a government agency.
4 Non-executive Directors who are employees of CLI Group do not receive Directors' fees.
5 Mr Max Loh Khum Whai was appointed as Non-Executive Independent Director and a member of the ARC with effect from 23 November 2023.

STATEMENT OF POLICIES AND PRACTICES OF CAPITALAND ASCOTT BT

Apart from the corporate governance practices disclosed above, the Trustee-Manager has prepared a statement of policies and practices in relation to the management and governance of CapitaLand Ascott BT (as described in section 87(1) of the Business Trusts Act 2004) in respect of the financial year ended 31 December 2023 (FY 2023), which is set out on pages 136 to 142 of this Annual Report.

STATEMENT OF POLICIES AND PRACTICES IN RELATION TO THE MANAGEMENT AND GOVERNANCE OF CAPITALAND ASCOTT BUSINESS TRUST

The Board of Directors of CapitaLand Ascott Business Trust Management Pte. Ltd. (Trustee-Manager Board), as trustee-manager of CapitaLand Ascott BT (Trustee-Manager), is responsible for safeguarding the interests of the unitholders of Ascott BT (Ascott BT Unitholders) as a whole and managing the business of CapitaLand Ascott BT. The Trustee-Manager has general power of management over the business and assets of CapitaLand Ascott BT and its main responsibility is to manage CapitaLand Ascott BT's assets and liabilities for the benefit of the CapitaLand Ascott BT Unitholders as a whole. In the event of a conflict between the interests of the CapitaLand Ascott BT Unitholders as a whole and its own interests, the Trustee-Manager will give priority to the interests of the CapitaLand Ascott BT Unitholders as a whole over its own interests.

The Trustee-Manager Board is also obliged to exercise due care to comply with the relevant provisions of all applicable legislations and regulations, the listing manual of Singapore Exchange Securities Trading Limited (the Listing Manual), the trust deed constituting CapitaLand Ascott BT dated 9 September 2019 (as amended) (CapitaLand Ascott BT Trust Deed), the stapling deed dated 9 September 2019 (as amended) (Stapling Deed) and all relevant contracts entered into by CapitaLand Ascott BT.

The Trustee-Manager, in exercising its powers and carrying out its duties as trustee-manager of the CapitaLand Ascott BT, is required to, and will:

› treat the CapitaLand Ascott BT Unitholders who hold units of CapitaLand Ascott BT (CapitaLand Ascott BT Units) in the same class fairly and equally and CapitaLand Ascott BT Unitholders who hold CapitaLand Ascott BT Units in different classes (if any) fairly;

› ensure that all payments out of the trust property of CapitaLand Ascott BT (CapitaLand Ascott BT Trust Property) are made in accordance with the Business Trusts Act 2004 (BTA), the CapitaLand Ascott BT Trust Deed and the Stapling Deed;

› report to Monetary Authority of Singapore (MAS) any contravention of the BTA or Business Trusts Regulations 2005 (BTR) by any other person that:

    - relates to CapitaLand Ascott BT; and

    - has had, has or is likely to have, a material adverse effect on the interests of all the CapitaLand Ascott BT Unitholders, or any class of CapitaLand Ascott BT Unitholders, as a whole

as soon as practicable after the Trustee-Manager becomes aware of the contravention;

› ensure that the CapitaLand Ascott BT Trust Property is properly accounted for; and

› ensure that the CapitaLand Ascott BT Trust Property is kept distinct from the property of the Trustee-Manager held in its own capacity.

In addition, the Trustee-Manager will:

› at all times act honestly and exercise reasonable diligence in the discharge of its duties as the trustee-manager of the CapitaLand Ascott BT in accordance with the BTA, the CapitaLand Ascott BT Trust Deed and the Stapling Deed;

› act in the best interests of all the CapitaLand Ascott BT Unitholders as a whole and give priority to the interests of all CapitaLand Ascott BT Unitholders as a whole over its own interests in the event of a conflict between the interests of all CapitaLand Ascott BT Unitholders as a whole and its own interests;

› not make improper use of any information acquired by virtue of its position as the Trustee-Manager to gain, directly or indirectly, an advantage for itself or for any other person to the detriment of the CapitaLand Ascott BT Unitholders;

- hold the CapitaLand Ascott BT Trust Property on trust for all CapitaLand Ascott BT Unitholders as a whole in accordance with the terms of the CapitaLand Ascott BT Trust Deed;
- adhere with the business scope of CapitaLand Ascott BT as set out in the CapitaLand Ascott BT Trust Deed;
- review interested person transactions in relation to CapitaLand Ascott BT;
- review expense and cost allocations payable to the Trustee-Manager in its capacity as trustee-manager of CapitaLand Ascott BT out of the CapitaLand Ascott BT Trust Property and ensure that fees and expenses charged to CapitaLand Ascott BT are appropriate and in accordance with the CapitaLand Ascott BT Trust Deed; and
- comply with the BTA and the Listing Manual.

The MAS has also granted the Trustee-Manager an exemption from compliance with Section 10(2)(a) of the BTA and the directors of the Trustee-Manager (the Trustee-Manager Directors) from compliance with Section 11(1)(a) of the BTA subject to the condition that for the duration of the time that the CapitaLand Ascott BT Units are stapled to the units of CapitaLand Ascott REIT, the Trustee-Manager and Trustee-Manager Directors shall act in the best interests of all the holders of the stapled securities of CapitaLand Ascott Trust (CLAS) (Stapled Securityholders).

The Trustee-Manager Board, in exercising its power and carrying out its duties as trustee-manager of CapitaLand Ascott BT, has put in place measures to ensure that:

- the CapitaLand Ascott BT Trust Property is properly accounted for and is kept distinct from the property held by the Trustee-Manager in its own capacity;
- the business scope of CapitaLand Ascott BT as set out in the CapitaLand Ascott BT Trust Deed has been adhered to;
- potential conflicts between the interests of the Trustee-Manager and the interests of the Ascott BT Unitholders as a whole are appropriately managed;
- interested person transactions are transparent, properly recorded and disclosed;
- expenses and cost allocations payable to the Trustee-Manager out of the CapitaLand Ascott BT Trust Property, and the fees and expenses charged to CapitaLand Ascott BT are appropriate and are made in accordance with the CapitaLand Ascott BT Trust Deed; and
- the BTA and the Listing Manual have been complied with.

The Trustee-Manager has also adopted a set of corporate governance practices as set out on pages 93 to 135 of this Annual Report.

CAPITALAND ASCOTT BT TRUST PROPERTY PROPERLY ACCOUNTED FOR

To ensure that the CapitaLand Ascott BT Trust Property is properly accounted for and is kept distinct from the property held by the Trustee-Manager in its own capacity, the accounting records of CapitaLand Ascott BT are kept separate and distinct from the accounting records of the Trustee-Manager. Different bank accounts are maintained for the Trustee-Manager in its capacity as trustee-manager of CapitaLand Ascott BT and in its own capacity. Regular internal reviews are also carried out to ascertain that all CapitaLand Ascott BT Trust Property has been fully accounted for.

Each of the financial statements of CapitaLand Ascott BT and the Trustee-Manager are approved by the Trustee-Manager Board on a semi-annual basis and annual basis respectively. Each of the financial statements of CapitaLand Ascott BT and Trustee-Manager are also kept separate and distinct and are duly audited by external auditors on an annual basis to ensure that the CapitaLand Ascott BT Trust Property is properly accounted for and the CapitaLand Ascott BT Trust Property is kept distinct from the property of the Trustee-Manager held in its own capacity.

STATEMENT OF POLICIES AND PRACTICES IN RELATION TO THE MANAGEMENT AND GOVERNANCE OF CAPITALAND ASCOTT BUSINESS TRUST

ADHERENCE TO BUSINESS SCOPE

The Trustee-Manager Board reviews and approves all authorised businesses undertaken by CapitaLand Ascott BT so as to ensure its adherence to the business scope under the CapitaLand Ascott BT Trust Deed. Such authorised businesses include:

(i) the management or operation of hospitality assets;

(ii) the acquisition, disposition and ownership of Authorised Investments (as defined in the CapitaLand Ascott BT Trust Deed) and all activities, concerns, functions and matters reasonably incidental thereto;

(iii) ownership of subsidiaries which are engaged in the acquisition, disposition and ownership of Authorised Investments and all activities, concerns, functions and matters reasonably incidental thereto; and

(iv) any business, undertaking or activity associated with, incidental and/or ancillary to the carrying on of the businesses referred to in paragraphs (ii) and (iii) of this definition, including (without limitation) the management, and/or leasing of the Authorised Investments.

Management provides regular updates to the Trustee-Manager Board and the Audit and Risk Committee about potential projects that it is looking into on behalf of CapitaLand Ascott BT and the Trustee-Manager Board, and the Audit and Risk Committee ensures that all such projects are within the permitted business scope under the CapitaLand Ascott BT Trust Deed. Prior to the carrying out of any significant business transactions, the Trustee-Manager Board, the Audit and Risk Committee and or management will have careful regard to the provisions of the CapitaLand Ascott BT Trust Deed and when in doubt, will seek advice from professional advisers.

POTENTIAL CONFLICTS OF INTEREST

The Trustee-Manager is not involved in any other businesses other than managing CapitaLand Ascott BT. All potential conflicts of interest, as and when they arise, will be identified by the Trustee-Manager Board and management, and will be reviewed accordingly.

The Trustee-Manager is a wholly-owned subsidiary of CLI. CLI is the parent company of The Ascott Limited. The Ascott Limited, in turn, is the sponsor of CLAS (Sponsor). Therefore, there may be potential conflicts of interest between CapitaLand Ascott BT, the Trustee-Manager and CLAS.

The Trustee-Manager has instituted, among others, the following procedures to deal with issues of conflicts of interest:

› The Trustee-Manager Board comprises six independent directors who do not have management or business relationships with the Trustee-Manager and are independent from the substantial shareholders of the Trustee-Manager. The independent Trustee-Manager Directors form the majority of the Trustee-Manager Board. This allows the Trustee-Manager Board to examine independently and objectively, any potential issue of conflicts of interest arising between the Trustee-Manager in its own capacity and the CapitaLand Ascott BT Unitholders as a whole.

› In respect of matters in which the Sponsor and/or its subsidiaries has an interest, direct or indirect, any nominees appointed by the Sponsor and/or its subsidiaries to the Trustee-Manager Board to represent its/their interests will abstain from voting. In such matters, the quorum shall comprise a majority of the independent Trustee-Manager Directors and shall exclude nominee directors of the Sponsor and/ or its subsidiaries.

› In respect of matters in which a Trustee-Manager Director or his Associates (as defined in the Listing Manual) has an interest, direct or indirect, such interested Trustee-Manager Director shall abstain from voting. In such matters, the quorum must comprise a majority of the Trustee-Manager Directors and must exclude such interested Trustee-Manager Director.

› Where matters concerning CapitaLand Ascott BT relate to transactions to be entered into by the Trustee-Manager for and on behalf of CapitaLand Ascott BT with an interested person of the Trustee-Manager or CapitaLand Ascott BT (which would include relevant associates thereof), the Audit and Risk Committee is required to consider the terms of such transactions (except transactions under agreements which are deemed to have been specifically approved by CapitaLand Ascott BT Unitholders upon purchase of CapitaLand Ascott BT Units) to satisfy itself that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of CapitaLand Ascott BT and the Stapled Securityholders, and are in compliance with all applicable requirements of the Listing Manual and the BTA relating to the transactions in question. If the Trustee-Manager is to sign any contract with an interested person of the Trustee-Manager or CapitaLand Ascott BT, the Trustee-Manager will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to interested person transactions (as may be amended from time to time) as well as any other guidelines as may from time to time be prescribed to apply to business trusts.

PRESENT AND ONGOING INTERESTED PERSON TRANSACTIONS

(i) Exempted Agreements

The fees and charges payable by CapitaLand Ascott BT to the Trustee-Manager under the CapitaLand Ascott BT Trust Deed are considered interested person transactions which are deemed to have been specifically approved by the CapitaLand Ascott BT Unitholders upon their purchase of the CapitaLand Ascott BT Units, to the extent that there are no subsequent changes to the rates and/ or bases of the fees charged thereunder which will adversely affect CapitaLand Ascott BT.

(ii) Future Interested Person Transactions

Depending on the materiality of the transaction, CapitaLand Ascott BT may make a public announcement of or obtain prior approval of the CapitaLand Ascott BT Unitholders for such a transaction. If necessary, the Trustee-Manager Board may make a written statement in accordance with the resolution of the Trustee-Manager Board and signed by at least two Trustee-Manager Directors on behalf of the Trustee-Manager Board certifying that, inter alia, such interested person transaction is not detrimental to the interests of the CapitaLand Ascott BT Unitholders as a whole, based on the circumstances at the time of the transaction.

The Trustee-Manager may, in future, seek an annual general mandate from the CapitaLand Ascott BT Unitholders for recurrent transactions of revenue or trading nature or those necessary for the day-to-day operations with interested persons, and all transactions would then be conducted under such a general mandate for that relevant financial year. In seeking such an annual general mandate, the Trustee-Manager may appoint an independent financial adviser to render an opinion as to whether the methods or procedures for determining the transaction prices contemplated under the annual general mandate are sufficient, in an effort to ensure that such transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of CapitaLand Ascott BT and the CapitaLand Ascott BT Unitholders.

The Trustee-Manager has in place an internal control system as well as policies and procedures to ensure that all future interested person transactions will be undertaken on an arm's length basis, on normal commercial terms, will not be prejudicial to the interests of CapitaLand Ascott BT and the minority CapitaLand Ascott BT Unitholders, and will be in accordance with all applicable requirements of the BTA, the Listing Manual and all applicable guidelines as may from time to time be prescribed to apply to business trusts relating to the transaction in question.

Management identifies interested person transactions in relation to CapitaLand Ascott BT. The Trustee-Manager maintains a register to record all interested person transactions which are entered into by CapitaLand Ascott BT. The Trustee-Manager incorporates into its plan a review of all interested person transactions entered into by CapitaLand Ascott BT during the financial year. The Audit and Risk Committee reviews at least quarterly in each financial year the interested person transactions entered into during such quarterly period to ascertain that the guidelines and procedures established to monitor interested person transactions have been complied with. The review includes the examination of the nature of the transactions and their supporting documents or such other data that the Audit and Risk Committee deems necessary. If a member of the Audit and Risk Committee has an interest in a transaction, he or she will abstain from participating in the review and approval process in relation to that transaction.

STATEMENT OF POLICIES AND PRACTICES IN RELATION TO THE MANAGEMENT AND GOVERNANCE OF CAPITALAND ASCOTT BUSINESS TRUST

In addition, all such interested person transactions conducted and any contracts entered into by the Trustee-Manager on behalf of CapitaLand Ascott BT with an interested person of the Trustee-Manager or CapitaLand Ascott BT, shall comply with and be in accordance with all applicable requirements of the Listing Manual and the BTA as well as such other guidelines as may from time to time be prescribed to apply to business trusts.

In particular, when CapitaLand Ascott BT acquires assets from the Sponsor or parties related to the Sponsor in future, the Trustee-Manager will obtain valuations from independent parties. In any event, interested person transactions entered into by CapitaLand Ascott BT, depending on the materiality of such transactions, may be publicly announced or, as the case may be, approved by CapitaLand Ascott BT Unitholders, and will, in addition, be:

› reviewed and recommended by the Audit and Risk Committee of the Trustee-Manager, which comprises only independent Trustee-Manager Directors; and

› decided by the Trustee-Manager Board, of which more than half of the Trustee-Manager Directors are independent directors.

FEES AND EXPENSES CHARGED TO CAPITALAND ASCOTT BT ARE APPROPRIATE AND IN ACCORDANCE WITH THE CAPITALAND ASCOTT BT TRUST DEED

The Trustee-Manager is entitled under the CapitaLand Ascott BT Trust Deed to a management fee comprising a base fee of up to a maximum of 0.3% per annum of the property values (being the aggregate value of the real estate held by CapitaLand Ascott BT) and base performance fee of 4.0% per annum of CapitaLand Ascott BT and its subsidiaries (the CapitaLand Ascott BT Group)'s share of gross profit for each financial year. In the event that the CapitaLand Ascott BT Group's share of gross profit increases by more than 6.0% annually, the Trustee-Manager is entitled to an outperformance fee of 1.0% of the difference between the CapitaLand Ascott BT Group's share of that financial year's gross profit and 106.0% of the preceding year's gross profit.

The management fee is payable to the Trustee-Manager in the form of cash and/or stapled securities of CLAS (Stapled Securities) or (as the case may be) CapitaLand Ascott BT Units as the Trustee-Manager may elect, and in such proportion and for such period as may be determined by the Trustee-Manager.

Under the CapitaLand Ascott BT Trust Deed, the Trustee-Manager is entitled to a trustee fee not exceeding 0.015% per annum of the value of the assets for the time being held or deemed to be held upon trust, subject to a minimum of S$13,500 per month, excluding out-of-pocket expenses and goods and services tax which is borne by CapitaLand Ascott BT. The trustee fee is payable to the Trustee-Manager in arrears on a monthly basis.

The Trustee-Manager is also entitled to receive an acquisition fee at the rate of up to a maximum of 1.0% of the Enterprise Value (as defined in the CapitaLand Ascott BT Trust Deed) of any real estate-related asset acquired directly or indirectly by CapitaLand Ascott BT, prorated if applicable to the proportion of CapitaLand Ascott BT's interest.

The acquisition fee is payable to the Trustee-Manager in the form of cash but in the event that the Trustee-Manager receives any acquisition fee in connection with an acquisition from a related party, such acquisition fee shall be payable in the form of Stapled Securities or (as the case may be) CapitaLand Ascott BT Units.

The Trustee-Manager is also entitled to a divestment fee at the rate of 0.5% of the Enterprise Value of any real estate or real estate-related asset disposed directly or indirectly by CapitaLand Ascott BT, prorated if applicable to the proportion of CapitaLand Ascott BT's interest.

Any increase in the rate or any change in structure of the Trustee-Manager's management fee, trustee fee, the acquisition fee or the divestment fee, must be approved by an extraordinary resolution passed at a meeting of CapitaLand Ascott BT Unitholders duly convened and held in accordance with the provisions of the CapitaLand Ascott BT Trust Deed.

The table below sets out the fees earned by the Trustee-Manager for FY 2023.

Fee	Amount (S$'000)	% in Cash	% in Units
Management Fee	4,627	50	50
Trustee Fee	162	100	–

For FY 2023, the Trustee-Manager will receive 100% of trustee fee in cash while the management fee (for all properties, excluding Temple Bar Hotel) is in the form of 50% cash and 50% Stapled Securities. The management fee derived from Temple Bar Hotel is paid 100% in the form of Stapled Securities. No expenses were paid to the Trustee-Manager during FY 2023 and any out-of-pocket expenses incurred were funded by CapitaLand Ascott BT's working capital.

The Trustee-Manager Board will meet to review, semi-annually, the material expenses, cost allocations and fees charged to CapitaLand Ascott BT and to ensure that the fees and expenses payable to the Trustee-Manager out of the CapitaLand Ascott BT Trust Property are appropriate and in accordance with the CapitaLand Ascott BT Trust Deed.

COMPLIANCE WITH THE BUSINESS TRUSTS ACT AND LISTING MANUAL

The Company Secretary and Compliance Officer monitor CapitaLand Ascott BT's compliance with the BTA and the Listing Manual. The Trustee-Manager has an internal compliance manual which serves to summarise all the applicable rules and regulations as well as key internal policies and processes which CapitaLand Ascott BT needs to comply with. The manual will be consistently updated whenever there are changes to the rules and regulations and such policies and processes, and this will help management to ensure that applicable rules and regulations are being complied with.

The Trustee-Manager will also engage the services of and obtain advice from professional advisers and consultants from time to time to ensure compliance with the requirements of the BTA and the Listing Manual.

COMPLIANCE OF THE TRUSTEE-MANAGER BOARD

Under regulation 12(1) of the BTR, the Trustee-Manager Board is required to comprise:

› at least a majority of Trustee-Manager Directors who are independent from management and business relationships with the Trustee-Manager;

› at least one-third of Trustee-Manager Directors who are independent from management and business relationships with the Trustee-Manager and from every substantial shareholder of the Trustee-Manager; and

› at least a majority of Trustee-Manager Directors who are independent from any single substantial shareholder of the Trustee-Manager.

The Trustee-Manager Board consists of nine directors, six of whom are independent directors for the purposes of the BTR. In accordance with Regulation 12(8) read with Regulations 12(6) and 12(9) of the BTR, the Trustee-Manager Board and the board of CapitaLand Ascott Trust Management Limited (REIT Manager) have determined that the following directors are independent from management and business relationships with the Trustee-Manager and from every substantial shareholder of the Trustee-Manager, with the nature of such relationships (if any) and explanations of the grounds for the determination of the relevant director's independence set out in the section on "Board Independence" on pages 102 to 104 of this Annual Report:

Tan Beng Hai, Bob;
Sim Juat Quee Michael Gabriel;
Chia Kim Huat;
Deborah Lee Siew Yin;
Max Loh Khum Whai; and
Lui Chong Chee

STATEMENT OF POLICIES AND PRACTICES IN RELATION TO THE MANAGEMENT AND GOVERNANCE OF CAPITALAND ASCOTT BUSINESS TRUST

Ms Teo Joo Ling, Serena, Mr Goh Soon Keat Kevin and Ms Beh Siew Kim are considered non-independent directors. Ms Teo Joo Ling, Serena is the CEO of the REIT Manager and the Trustee-Manager (Managers). Mr Goh Soon Keat Kevin and Ms Beh Siew Kim are employees of CLI Group.

None of the Trustee-Manager Directors would, by definition under the BTR, be independent from a substantial shareholder of the Trustee-Manager. The Trustee-Manager is a related corporation of the REIT Manager as both the Trustee-Manager and the REIT Manager are directly held by CLI Group and as CapitaLand Ascott BT and CapitaLand Ascott REIT are stapled, the directors of the Managers are identical to avoid any differences or deadlock in the operation of the Stapled Group. As a result, all six independent directors of the Trustee-Manager, namely Mr Tan Beng Hai, Bob, Mr Sim Juat Quee Michael Gabriel, Mr Chia Kim Huat, Ms Deborah Lee Siew Yin, Mr Max Loh Khum Whai and Mr Lui Chong Chee, will prima facie be deemed to be connected to a substantial shareholder of the Trustee-Manager and hence not be independent pursuant to Regulations 12(1)(a) and 12(1)(b) of the BTR.

The MAS has granted an exemption to the Trustee-Manager from compliance with Regulations 12(1)(a) and 12(1)(b) of the BTR to the extent that non-compliance with these regulations is due to any Trustee-Manager Director being considered to be not independent from management and business relationships with the Trustee-Manager or from every substantial shareholder of the Trustee-Manager solely by virtue of such Trustee-Manager Director also being a director of the REIT Manager. For the avoidance of doubt, a Trustee-Manager Director shall not be considered independent from a substantial shareholder of the Trustee-Manager if he is also a director of a subsidiary or an associated company of the substantial shareholder of the Trustee-Manager (where the subsidiary or associated company is not the Trustee-Manager or the REIT Manager).

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REPORT OF THE TRUSTEE OF CAPITALAND ASCOTT REAL ESTATE INVESTMENT TRUST

DBS Trustee Limited (the "REIT Trustee") is under a duty to take into custody and hold the assets of CapitaLand Ascott Real Estate Investment Trust ("CapitaLand Ascott REIT") held by it or through its subsidiaries (collectively, the "CapitaLand Ascott REIT Group") in trust for the holders of units in CapitaLand Ascott REIT. In accordance with the Securities and Futures Act 2001, its subsidiary legislation and the Code on Collective Investment Schemes, the REIT Trustee shall monitor the activities of CapitaLand Ascott Trust Management Limited (the "REIT Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 19 January 2006 (as amended) (the "CapitaLand Ascott REIT Trust Deed") between the REIT Manager and the REIT Trustee in each annual accounting period and report thereon to Stapled Securityholders in an annual report.

To the best knowledge of the REIT Trustee, the REIT Manager has, in all material respects, managed the CapitaLand Ascott REIT Group during the year covered by these financial statements, set out on pages 156 to 316 in accordance with the limitations imposed on the investment and borrowing powers set out in the CapitaLand Ascott REIT Trust Deed.

For and on behalf of the REIT Trustee,
DBS Trustee Limited

Chan Kim Lim
Director

Singapore
8 March 2024

REPORT OF THE MANAGER OF CAPITALAND ASCOTT REAL ESTATE INVESTMENT TRUST

In the opinion of the directors of CapitaLand Ascott Trust Management Limited, the Manager of CapitaLand Ascott Real Estate Investment Trust ("CapitaLand Ascott REIT"), the accompanying consolidated financial statements of CapitaLand Ascott REIT and its subsidiaries (the "CapitaLand Ascott REIT Group"), and CapitaLand Ascott Trust ("CLAS") (the "Stapled Group", comprising the CapitaLand Ascott REIT Group and CapitaLand Ascott Business Trust and its subsidiaries) set out on pages 156 to 316, comprising the Statements of Financial Position, Statements of Total Return, Statements of Movements in Stapled Securityholders' Funds, Portfolio Statements and Statements of Cash Flows of the CapitaLand Ascott REIT Group and the Stapled Group, and the Distribution Statement of the Stapled Group, and notes to the financial statements, are drawn up so as to present fairly, in all material respects, the financial positions and portfolio holdings of the CapitaLand Ascott REIT Group and the Stapled Group as at 31 December 2023 and the financial performance, movements in stapled securityholders' funds and cash flows of the CapitaLand Ascott REIT Group and the Stapled Group, and the distributable income of the Stapled Group 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 CapitaLand Ascott REIT's trust deed between DBS Trustee Limited (the "REIT Trustee") and the REIT Manager dated 19 January 2006 (as amended) and the stapling deed of CapitaLand Ascott Trust between the REIT Trustee, the REIT Manager and CapitaLand Ascott Business Trust Management Pte. Ltd. (Trustee-Manager of CapitaLand Ascott Business Trust) dated 9 September 2019 (as amended). At the date of this statement, there are reasonable grounds to believe that the CapitaLand Ascott REIT Group and the Stapled Group will be able to meet their respective financial obligations as and when they materialise.

For and on behalf of the REIT Manager,
CapitaLand Ascott Trust Management Limited

Teo Joo Ling, Serena
Director

Singapore
8 March 2024

REPORT OF THE TRUSTEE-MANAGER OF CAPITALAND ASCOTT BUSINESS TRUST

The directors of CapitaLand Ascott Business Trust Management Pte. Ltd., the trustee-manager of CapitaLand Ascott Business Trust ("CapitaLand Ascott BT") (the "BT Trustee-Manager"), are pleased to present their report to the unitholders of CapitaLand Ascott BT for the financial year ended 31 December 2023, together with the audited financial statements of CapitaLand Ascott BT and its subsidiaries (the "CapitaLand Ascott BT Group") for the financial year ended 31 December 2023.

DIRECTORS

The directors of the BT Trustee-Manager in office at the date of this report are:

Mr Tan Beng Hai, Bob	(Chairman)
Ms Teo Joo Ling, Serena	(Chief Executive Officer)
Mr Sim Juat Quee Michael Gabriel	
Mr Chia Kim Huat	
Ms Deborah Lee Siew Yin	
Mr Max Loh Khum Whai	(Appointed on 23 November 2023)
Mr Lui Chong Chee	(Appointed on 1 February 2024)
Mr Goh Soon Keat Kevin	
Ms Beh Siew Kim	

DIRECTORS' INTERESTS IN UNITS OR DEBENTURES OF CAPITALAND ASCOTT BT

According to the register kept by the BT Trustee-Manager for the purpose of Sections 13 and 76 of the Business Trusts Act 2004 (the "BTA"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in units of CapitaLand Ascott BT are as follows:

	Direct and deemed holdings registered in the name of the director, spouse or infant children			
Name of director in which interests are held	**Direct At beginning of the year / date of appointment**	**Deemed At beginning of the year / date of appointment**	**Direct At end of the year**	**Deemed At end of the year**
Mr Tan Beng Hai, Bob	136,042	–	167,510	–
Ms Teo Joo Ling, Serena	–	–	57,064	–
Mr Sim Juat Quee Michael Gabriel	90,649	–	113,920	–
Mr Chia Kim Huat	115,322	–	136,988	–
Ms Deborah Lee Siew Yin	21,767	–	39,218	–
Mr Ong Su Kiat Melvyn*	–	–	–	–
Mr Max Loh Khum Whai	120,000	–	120,000	–
Mr Goh Soon Keat Kevin	171,276	–	234,319	–
Ms Beh Siew Kim	1,358,069	–	1,872,934	–
** Mr Ong Su Kiat Melvyn resigned with effect from 1 January 2024.*				
Contingent award of Performance Stapled Security[1,2] to be delivered after 2022				
Ms Beh Siew Kim (134,448 PSSP)	0 to 268,896	–	0*	–
** During the year, 268,896 stapled securities were released, of which 67,224 stapled securities were settled in cash.*				
Contingent award of Performance Stapled Security[1] to be delivered after 2023				
Ms Beh Siew Kim (185,391 PSSP)	0 to 370,782[2]	–	0 to 370,782[2]	–

REPORT OF THE TRUSTEE-MANAGER OF CAPITALAND ASCOTT BUSINESS TRUST

Name of director in which interests are held	Direct and deemed holdings registered in the name of the director, spouse or infant children Direct At beginning of the year / date of appointment	Deemed At beginning of the year / date of appointment	Direct At end of the year	Deemed At end of the year
Contingent award of Performance Stapled Security[1] to be delivered after 2024				
Ms Teo Joo Ling, Serena (110,913 PSSP)	0 to 221,826[2]	–	0 to 221,826[2]	–
Ms Beh Siew Kim (221,827 PSSP)	0 to 443,654[2]	–	0 to 443,654[2]	–
Contingent award of Performance Stapled Security[1] to be delivered after 2025				
Ms Teo Joo Ling, Serena (169,573 PSSP)	–	–	0 to 339,146[2]	–
Unvested Restricted Stapled Security[1] to be delivered after 2020				
Ms Beh Siew Kim	35,539[3]	–	0*	–
** During the year, 42,610 stapled securities were released.*				
Unvested Restricted Stapled Security[1] to be delivered after 2021				
Ms Beh Siew Kim	185,391[3]	–	92,696[3]	–
Contingent award of Restricted Stapled Security[1] to be delivered after 2022				
Ms Teo Joo Ling, Serena	0 to 166,369[2]	–	110,913[3]	–
Ms Beh Siew Kim	0 to 332,740[2]	–	221,827[3]	–

There were no changes in the abovementioned interests of CapitaLand Ascott BT between 31 December 2023 and 21 January 2024.

Notes:

1 This refers to the number of Stapled Securities which are the subject of contingent awards granted or finalised but not released under the REIT Manager's Performance Stapled Security Plan ("PSSP") and the Restricted Stapled Security Plan ("RSSP").
2 The final number of Stapled Securities to be released will depend on the achievement of pre-determined targets at the end of the three-year performance periods for the PSSP and one-year performance period for the RSSP. The final number of Stapled Securities that will be released could range from 0% to 200% of the baseline award under the PSSP and from 0% to 150% of the baseline award under the RSSP. The Nominating and Remuneration Committee of the REIT Manager has the discretion to adjust the number of Stapled Securities released taking into consideration other relevant quantitative and qualitative factors. The Stapled Securities released under PSSP, if any, will be delivered in a combination of stapled securities and cash.
3 Being the unvested Stapled Securities under the RSSP. On the final vesting, an additional number of Stapled Securities 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 RSSP, will also be released.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in units, options, warrants or debentures of CapitaLand Ascott BT, either at the beginning (or date of appointment, if later) or at the end of the financial year.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE UNITS AND DEBENTURES

Neither at the end of nor at any time during the financial year was the BT Trustee-Manager a party to any arrangement whose object was to enable any or all directors of the BT Trustee-Manager to acquire benefits by means of the acquisition of units, or debentures, of CapitaLand Ascott BT.

REPORT OF THE TRUSTEE-MANAGER OF CAPITALAND ASCOTT BUSINESS TRUST

DIRECTORS' CONTRACTUAL BENEFITS

During the financial year, no director of the BT Trustee-Manager has received or became entitled to receive a benefit in CapitaLand Ascott BT by reason of a contract made by the BT Trustee-Manager, on behalf of CapitaLand Ascott BT or a related corporation with the director, or with a firm of which such director is a member or with a company in which such director has a substantial financial interest, except that the directors served as directors or employees of related corporations and received remuneration in that capacity from related corporations.

UNIT OPTIONS

During the financial year, there were:

(i) no options granted by the BT Trustee-Manager to any person to take up unissued units in CapitaLand Ascott BT; and

(ii) no units issued by virtue of any exercise of option to take up unissued units of CapitaLand Ascott BT.

There were no unissued units in CapitaLand Ascott BT under option as at the end of the financial year.

AUDIT AND RISK COMMITTEE

The members of the audit and risk committee of the BT Trustee-Manager (the "ARC") at the date of this statement are:

- Mr Sim Juat Quee Michael Gabriel (Chairman), Independent, Non-Executive Director;
- Mr Chia Kim Huat, Independent, Non-Executive Director;
- Ms Deborah Lee Siew Yin, Independent, Non-Executive Director; and
- Mr Max Loh Khum Wai, Independent, Non-Executive Director (Appointed on 23 November 2023).

The ARC performs the functions specified in Section 201B of the Companies Act 1967, Regulation 13(6) of the Business Trusts Regulations 2005 ("BTR"), the Listing Manual by Singapore Exchange Securities Trading Limited (the "SGX Listing Manual") and the Code of Corporate Governance 2018.

The ARC has held five meetings since the last report of the BT Trustee-Manager. In performing its functions, the ARC met with CapitaLand Ascott BT's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of CapitaLand Ascott BT's internal accounting control system.

The ARC also reviewed the following:

- assistance provided by CapitaLand Ascott BT's officers to the internal and external auditors;
- semi-annual financial information and annual financial statements of CapitaLand Ascott BT prior to their submission to the directors of the BT Trustee-Manager for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The ARC has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The ARC also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The ARC is satisfied with the independence and objectivity of the external auditors during the financial year.

The ARC has recommended to the Board of Directors of the BT Trustee-Manager the appointment of Deloitte & Touche LLP as independent external auditors of CapitaLand Ascott BT at the forthcoming Annual General Meeting of CapitaLand Ascott BT.

In appointing our auditors for the CapitaLand Ascott BT Group, we have complied with Rules 712 and 715 of the SGX Listing Manual.

INDEPENDENT AUDITOR

The retiring auditors, KPMG LLP, will not be seeking re-appointment at the forthcoming Annual General Meeting. Deloitte & Touche LLP has expressed its willingness to accept appointment as the independent external auditors of CapitaLand Ascott BT.

STATEMENT BY THE BT TRUSTEE-MANAGER

In the opinion of the directors of the BT Trustee-Manager,

(a) the consolidated financial statements of the CapitaLand Ascott BT Group as set out on pages 156 to 316 are drawn up so as to give a true and fair view of the financial position of the CapitaLand Ascott BT Group as at 31 December 2023, and the financial performance, changes in unitholders' funds and cash flows of the CapitaLand Ascott BT Group, for the year ended on that date in accordance with the provisions of the Business Trusts Act 2004 (the "BTA"), and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the BT Trustee-Manager will be able to fulfil, out of the trust property of CapitaLand Ascott BT, the liabilities of CapitaLand Ascott BT as and when they fall due.

In accordance with Section 86(2) of the BTA, the directors of the BT Trustee-Manager further certify that:

- the fees or charges paid or payable out of the property of the CapitaLand Ascott BT Group to the BT Trustee-Manager are in accordance with the CapitaLand Ascott BT trust deed dated 9 September 2019 (as amended);
- interested person transactions are not detrimental to the interests of all the unitholders as a whole based on the circumstances at the time of the transactions; and
- the Board of Directors is not aware of any violation of duties of the BT Trustee-Manager which would have a materially adverse effect on the business of the CapitaLand Ascott BT Group or the interests of the unitholders as a whole.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

For and on behalf of the Board of Directors of the BT Trustee-Manager,
CapitaLand Ascott Business Trust Management Pte. Ltd.

Tan Beng Hai, Bob
Director

Teo Joo Ling, Serena
Director

Singapore
8 March 2024

STATEMENT BY THE CHIEF EXECUTIVE OFFICER OF THE BT TRUSTEE-MANAGER

In accordance with Section 86 of the Business Trusts Act 2004, I certify that I am not aware of any violation of duties of the BT Trustee-Manager which would have a materially adverse effect on the business of the CapitaLand Ascott BT Group or on the interests of all the unitholders of CapitaLand Ascott BT as a whole.

Teo Joo Ling, Serena
Chief Executive Officer

Singapore
8 March 2024

INDEPENDENT AUDITORS' REPORT

Stapled Securityholders of CapitaLand Ascott Trust
(Constituted under the Stapling Deed in the Republic of Singapore)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited:

(i) the consolidated financial statements of CapitaLand Ascott Real Estate Investment Trust ("CapitaLand Ascott REIT") and its subsidiaries (the "CapitaLand Ascott REIT Group"), which comprise the Statement of Financial Position and Portfolio Statement as at 31 December 2023, the Statement of Total Return, Statement of Movements in Stapled Securityholders' Funds and Statement of Cash Flows of the CapitaLand Ascott REIT Group for the year then ended, and notes to the financial statements, including material accounting policy information;

(ii) the consolidated financial statements of CapitaLand Ascott Business Trust ("CapitaLand Ascott BT") and its subsidiaries (the "CapitaLand Ascott BT Group"), which comprise the Statement of Financial Position as at 31 December 2023, the Statement of Total Return and Statement of Comprehensive Income, Statement of Movements in Stapled Securityholders' Funds and Statement of Cash Flows of the CapitaLand Ascott BT Group for the year then ended, and notes to the financial statements, including material accounting policy information; and

(iii) the consolidated financial statements of CapitaLand Ascott Trust, which comprise the Statement of Financial Position and Portfolio Statement as at 31 December 2023, the Statement of Total Return, Distribution Statement, Statement of Movements in Stapled Securityholders' Funds and Statement of Cash Flows of CapitaLand Ascott Trust for the year then ended, and notes to the financial statements, including material accounting policy information;

as set out on pages 156 to 316. CapitaLand Ascott Trust, which comprises the CapitaLand Ascott REIT Group and the CapitaLand Ascott BT Group, is hereinafter referred to as the "Stapled Group".

In our opinion:

(a) the accompanying consolidated financial statements of the CapitaLand Ascott REIT Group and the Stapled Group present fairly, in all material respects, the financial positions and portfolio holdings of the CapitaLand Ascott REIT Group and the Stapled Group as at 31 December 2023, the financial performance, movements in stapled securityholders' funds and cash flows of the CapitaLand Ascott REIT Group and the Stapled Group, and the distributable income of the Stapled Group for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Investment Funds* issued by the Institute of Singapore Chartered Accountants ("ISCA");

(b) the accompanying consolidated financial statements of the CapitaLand Ascott BT Group are properly drawn up in accordance with the provisions of the Business Trusts Act 2004 (the "BTA"), and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the state of affairs of the CapitaLand Ascott BT Group as at 31 December 2023 and the financial performance, movements in stapled securityholders' funds and cash flows of the CapitaLand Ascott BT Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the '*Auditor's responsibilities for the audit of the financial statements'* section of our report. We are independent of the Stapled 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 year. 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, land and buildings and investment properties under development
Note 4 – Investment properties
Note 5 – Property, plant and equipment
Note 6 – Investment properties under development

Risk:

The Stapled Group has portfolios of investment properties, land and buildings, and investment properties under development which are stated at their fair values as at 31 December 2023 of $6,501.0 million, $930.3 million and $268.0 million (2022: $6,103.6 million, $875.6 million and $385.7 million) respectively.

The fair values of the investment properties, land and buildings and investment properties under development are appraised by external property valuers. The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied, particularly those relating to discount rates, terminal capitalisation rates, capitalisation rate, revenue per available unit and gross development costs.

Our response:

We assessed the Stapled Group's process relating to the selection of the external property valuers, the determination of the scope of work of the external property valuers, and the review and acceptance of the valuation reports issued by the external property valuers.

We evaluated the qualification and competence of the external property valuers. We also read the terms of engagement of the external property valuers with the Stapled Group to ascertain whether there are matters that might have affected their objectivity or limited the scope of their work.

We considered the valuation methodologies adopted against those applied by other valuers for similar property types. We evaluated the key assumptions and inputs used in the valuations, which included discount rates, terminal capitalisation rates, capitalisation rate, revenue per available unit and gross development costs by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the external property valuers.

We considered the appropriateness of disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates. This includes the relationships between the key unobservable inputs and fair values, in conveying the uncertainties.

Our findings:

The Stapled Group has a structured process in appointing and instructing external property valuers, and in reviewing and accepting their valuations. The external property valuers are members of generally-recognised professional bodies for valuers and have considered their own independence in carrying out the work. The valuation methodologies used by the external property valuers were in line with generally accepted market practices. The key assumptions and inputs used in the valuations, including the projected cash flows, discount rates, terminal capitalisation rates, capitalisation rate, revenue per available unit and gross development costs were supported by the evidence available and are within the range of industry data. Where the assumptions were outside the expected range, the additional factors considered by the external property valuers were consistent with other corroborative evidence.

We also found the related disclosures in the financial statements to be appropriate.

Other information

CapitaLand Ascott Trust Management Limited, the Manager of CapitaLand Ascott REIT (the "REIT Manager") and CapitaLand Ascott Business Trust Management Pte. Ltd., the Trustee-Manager of CapitaLand Ascott BT (the "BT Trustee-Manager") (collectively, the "Managers"), are 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 REIT Manager for the financial statements

The REIT Manager is responsible for the preparation and fair presentation of the financial statements of the CapitaLand Ascott REIT Group and the Stapled Group in accordance with the recommendations of RAP 7 issued by the ISCA, and for such internal controls as the REIT 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 REIT Manager is responsible for assessing the ability of the CapitaLand Ascott REIT Group and the Stapled Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the REIT Manager either intends to terminate the CapitaLand Ascott REIT Group and the Stapled Group or to cease operations of the CapitaLand Ascott REIT Group and the Stapled Group, or has no realistic alternative but to do so.

The REIT Manager's responsibilities include overseeing the financial reporting process of the CapitaLand Ascott REIT Group and the Stapled Group.

Responsibilities of the BT Trustee-Manager for the financial statements

The BT Trustee-Manager is responsible for the preparation of financial statements of the CapitaLand Ascott BT Group that gives a true and fair view in accordance with the provisions of the BTA and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets that are part of the trust property of the registered business trust are safeguarded against loss from unauthorised use or disposition; and transactions by the BT Trustee-Manager entered into on behalf of or purported to be entered into on behalf of the registered business trust are properly authorised and that they are recorded as necessary to permit the preparation of true and fair accounts and to maintain accountability of assets.

In preparing the financial statements, the BT Trustee-Manager is responsible for assessing the ability of the CapitaLand Ascott BT Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the BT Trustee-Manager either intends to terminate the CapitaLand Ascott BT Group or to cease the operations of the CapitaLand Ascott BT Group, or has no realistic alternative but to do so.

The BT Trustee-Manager's responsibilities include overseeing the CapitaLand Ascott BT 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 internal controls of the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Managers.

- Conclude on the appropriateness of the use of the going concern basis of accounting by the Managers and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group 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 CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled 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 CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled 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 Managers 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 Managers with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Managers, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

Stapled Securityholders of CapitaLand Ascott Trust
(Constituted under the Stapling Deed in the Republic of Singapore)

Report on other legal and regulatory requirement

In our opinion, the accounting and other records required by the BTA to be kept by the BT Trustee-Manager on behalf of CapitaLand Ascott BT have been properly kept in accordance with the provisions of the BTA.

The engagement partner on the audit resulting in this independent auditors' report is Lim Pang Yew, Victor.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
8 March 2024

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

	Note	CapitaLand Ascott REIT Group 2023 $'000	CapitaLand Ascott REIT Group 2022 $'000	CapitaLand Ascott BT Group 2023 $'000	CapitaLand Ascott BT Group 2022 $'000	Stapled Group 2023 $'000	Stapled Group 2022 $'000
Non-current assets							
Investment properties	4	**6,498,182**	6,075,974	**424,990**	447,974	**6,501,017**	6,103,633
Property, plant and equipment	5	**47,348**	35,562	**602,005**	570,389	**1,001,941**	944,878
Investment properties under development	6	**268,000**	385,707	**–**	–	**268,000**	385,707
Investment securities	7	**2,454**	2,416	**–**	–	**–**	–
Associate	11	**2,985**	3,035	**–**	–	**2,985**	3,035
Financial derivative assets	12	**84,653**	69,942	**209**	–	**84,862**	69,942
Deferred tax assets	13	**10,595**	10,738	**3,983**	4,137	**14,578**	14,875
		6,914,217	6,583,374	**1,031,187**	1,022,500	**7,873,383**	7,522,070
Current assets							
Inventories		**91**	20	**456**	275	**547**	295
Trade and other receivables	14	**316,041**	257,341	**13,714**	15,804	**109,556**	112,187
Assets held for sale	15	**211,599**	1,020	**95,628**	–	**307,227**	1,020
Financial derivative assets	12	**7,306**	21,463	**–**	3,024	**7,306**	24,487
Cash and cash equivalents	16	**369,371**	299,251	**63,435**	64,383	**432,806**	363,634
		904,408	579,095	**173,233**	83,486	**857,442**	501,623
Total assets		**7,818,625**	7,162,469	**1,204,420**	1,105,986	**8,730,825**	8,023,693
Non-current liabilities							
Financial liabilities	17	**2,385,856**	2,389,473	**100,143**	83,407	**2,485,999**	2,472,880
Financial derivative liabilities	12	**7,100**	6,939	**566**	–	**7,666**	6,939
Trade and other payables	18	**–**	32	**8,135**	8,624	**8,135**	8,656
Deferred income	19	**7,969**	–	**747**	876	**8,716**	876
Deferred tax liabilities	13	**154,002**	121,425	**41,323**	39,458	**195,325**	160,883
Lease liabilities	20	**253,677**	257,368	**64,412**	76,203	**253,677**	257,368
		2,808,604	2,775,237	**215,326**	208,568	**2,959,518**	2,907,602
Current liabilities							
Financial liabilities	17	**529,122**	226,244	**33,240**	175,462	**562,362**	401,706
Financial derivative liabilities	12	**–**	5	**–**	810	**–**	815
Trade and other payables	18	**286,577**	212,432	**285,654**	192,769	**352,032**	244,243
Deferred income	19	**425**	–	**120**	135	**545**	135
Current tax liabilities		**15,207**	11,593	**579**	3,158	**15,786**	14,751
Lease liabilities	20	**10,288**	9,646	**5,155**	5,185	**10,288**	9,646
		841,619	459,920	**324,748**	377,519	**941,013**	671,296
Total liabilities		**3,650,223**	3,235,157	**540,074**	586,087	**3,900,531**	3,578,898
Net assets		**4,168,402**	3,927,312	**664,346**	519,899	**4,830,294**	4,444,795
Represented by:							
Stapled Securityholders' funds	21	**3,696,155**	3,449,568	**660,198**	515,868	**4,356,353**	3,965,436
Perpetual securities holders	22	**396,298**	396,298	**–**	–	**396,298**	396,298
Non-controlling interests	10	**75,949**	81,446	**4,148**	4,031	**77,643**	83,061
		4,168,402	3,927,312	**664,346**	519,899	**4,830,294**	4,444,795
Stapled Securities in issue ('000)	22	**3,763,304**	3,445,625	**3,763,304**	3,445,625	**3,763,304**	3,445,625
Net asset value per Stapled Security ($)		**0.98**	1.00	**0.18**	0.15	**1.16**	1.15

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

STATEMENTS OF TOTAL RETURN

Year ended 31 December 2023

	Note	CapitaLand Ascott REIT Group 2023 $'000	CapitaLand Ascott REIT Group 2022 $'000	CapitaLand Ascott BT Group 2023 $'000	CapitaLand Ascott BT Group 2022 $'000	Stapled Group 2023 $'000	Stapled Group 2022 $'000
Gross revenue	23	**586,420**	486,003	**171,683**	149,793	**744,558**	621,242
Direct expenses	24	**(295,387)**	(245,557)	**(113,188)**	(94,891)	**(406,309)**	(338,424)
Gross profit		**291,033**	240,446	**58,495**	54,902	**338,249**	282,818
Depreciation of buildings, plant and machinery		**–**	–	**(19,904)**	(19,317)	**(24,620)**	(20,496)
Finance income	25	**3,125**	1,176	**1,318**	338	**4,434**	1,468
Other income		**3,147**	1,111	**–**	217	**3,031**	1,308
Finance costs	25	**(80,795)**	(61,985)	**(12,433)**	(14,616)	**(86,830)**	(69,012)
Managers' management fees	26	**(29,590)**	(25,866)	**(4,627)**	(4,553)	**(34,217)**	(30,419)
Trustee's fee		**(749)**	(705)	**(162)**	(162)	**(911)**	(867)
Professional fees	27	**(5,549)**	(4,418)	**(881)**	(707)	**(6,431)**	(5,125)
Audit fees		**(3,211)**	(3,461)	**(447)**	(449)	**(3,658)**	(3,910)
Foreign exchange gain/(loss)		**22,553**	(12,985)	**3,616**	(11,409)	**26,169**	(24,394)
Other operating expenses		**(3,648)**	(3,183)	**(693)**	(659)	**(5,589)**	(3,843)
Net income before share of results of associate and joint venture		**196,316**	130,130	**24,282**	3,585	**209,627**	127,528
Share of results (net of tax) of:							
– associate	11	**7**	(27)	**–**	–	**7**	(27)
– joint venture		**–**	3,918	**–**	–	**–**	3,918
Net income	28	**196,323**	134,021	**24,282**	3,585	**209,634**	131,419
Net change in fair value of investment properties, investment properties under development and assets held for sale		**109,405**	138,850	**1,746**	(4,534)	**101,132**	122,353
Net change in fair value of financial derivatives		**(25,283)**	597	**956**	–	**(24,327)**	597
Revaluation surplus on land and buildings		**–**	–	**–**	5,393	**–**	5,393
Net change in fair value of investment securities		**38**	253	**–**	–	**–**	–
Profit from divestments	29	**16,016**	99	**–**	–	**16,016**	99
Investment properties written off	4	**(1,478)**	(78)	**–**	–	**(230)**	(78)
Total return for the year before income tax		**295,021**	273,742	**26,984**	4,444	**302,225**	259,783
Income tax expense	30	**(71,541)**	(29,168)	**(903)**	(4,395)	**(72,444)**	(33,563)
Total return for the year		**223,480**	244,574	**26,081**	49	**229,781**	226,220
Total return/(loss) attributable to:							
Stapled Securityholders and perpetual securities holders		**225,085**	241,731	**26,078**	(3)	**231,255**	223,305
Non-controlling interests	10	**(1,605)**	2,843	**3**	52	**(1,474)**	2,915
		223,480	244,574	**26,081**	49	**229,781**	226,220
Earnings per Stapled Security (cents)	31						
Basic						**6.10**	6.28
Diluted						**6.07**	6.25

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

STATEMENT OF COMPREHENSIVE INCOME OF THE CAPITALAND ASCOTT BT GROUP

Year ended 31 December 2023

	2023 $'000	2022 $'000
Profit for the year	**26,081**	49
Items that will not be reclassified subsequently to profit or loss:		
Revaluation surplus on land and buildings (net of tax)	**33,174**	49,727
	33,174	49,727
Items that may be reclassified subsequently to profit or loss:		
Effective portion of change in fair values of cash flow hedges	**(1,022)**	3,272
Net change in fair value of cash flow hedge reclassified to Statement of Total Return	**(2,700)**	(1,292)
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	**(10,975)**	(58,674)
	(14,697)	(56,694)
Total comprehensive income for the year	**44,558**	(6,918)

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

DISTRIBUTION STATEMENTS

Year ended 31 December 2023

	Note	Stapled Group 2023 $'000	2022 $'000
Amount to be distributed to Stapled Securityholders at beginning of the year		**77,679**	56,515
Total return attributable to Stapled Securityholders and perpetual securities holders		**231,255**	223,305
Less: Total return attributable to perpetual securities holders		**(13,495)**	(13,495)
Distribution adjustments	A	**19,249**	(19,976)
Income available for distribution to Stapled Securityholders for the year		**237,009**	189,834
Distribution to Stapled Securityholders		**314,688**	246,349
Distributions to Stapled Securityholders during the year			
– Distribution of 1.726 cents per Stapled Security for the period from 20 September 2021 to 31 December 2021		**–**	(56,554)
– Distribution of 2.332 cents per Stapled Security for the period from 1 January 2022 to 30 June 2022		**–**	(76,648)
– Distribution of 1.078 cents per Stapled Security for the period from 1 July 2022 to 23 August 2022		**–**	(35,468)
– Distribution of 2.255 cents per Stapled Security for the period from 24 August 2022 to 31 December 2022		**(77,699)**	–
– Distribution of 2.778 cents per Stapled Security for the period from 1 January 2023 to 30 June 2023		**(96,209)**	–
– Distribution of 0.701 cents per Stapled Security for the period from 1 July 2023 to 13 August 2023		**(24,303)**	–
		(198,211)	(168,670)
Amount to be distributed to Stapled Securityholders at end of the year		**116,477**	77,679

Note A – Distribution adjustments

Distribution adjustment items:		
– Net change in fair value of investment properties, investment properties under development and assets held for sale	**(101,132)**	(122,353)
– Revaluation surplus on land and buildings	**–**	(5,393)
– Net change in fair value of financial derivatives	**24,327**	(597)
– Profit from divestments	**(16,016)**	(99)
– Investment properties written off	**230**	78
– Property, plant and equipment written off from renovation at The Robertson House by The Crest Collection	**1,248**	–
– Depreciation expense	**38,897**	35,773
– Managers' management fees paid/payable in Stapled Securities	**24,669**	21,757
– REIT Trustee's fee	**158**	175
– Foreign exchange loss – unrealised	**15,270**	53,821
– Interest expense on lease liabilities	**9,716**	10,379
– Lease payments for right-of-use assets	**(18,716)**	(18,276)
– Deferred tax expense	**33,723**	10,845
– Tax expense relating to the divestment	**14,105**	14
– Non-controlling interests' share of adjustments	**(7,617)**	(2,215)
– Share of results (net of tax) of joint venture	**–**	(3,918)
– Other adjustments	**387**	33
Net effect of distribution adjustments	**19,249**	(19,976)

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

STATEMENTS OF MOVEMENTS IN STAPLED SECURITYHOLDERS' FUNDS

Year ended 31 December 2023

CapitaLand Ascott REIT Group	Attributable to Stapled Securityholders: Stapled Securities in issue $'000	Revenue reserve $'000	Foreign currency translation reserve $'000	Capital reserve $'000	Hedging reserve $'000	Total $'000	Perpetual securities $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2022	2,313,749	1,205,334	(178,315)	724	(42)	3,341,450	396,298	78,816	3,816,564
Total return for the year	–	241,731	–	–	–	241,731	–	2,843	244,574
Total return attributable to perpetual securities holders	–	(13,495)	–	–	–	(13,495)	13,495	–	–
Other comprehensive income									
Effective portion of change in fair values of cash flow hedges	–	–	–	–	35,101	35,101	–	–	35,101
Net change in fair value of cash flow hedge reclassified to Statement of Total Return	–	–	–	–	(1,095)	(1,095)	–	–	(1,095)
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	–	–	(202,347)	–	–	(202,347)	–	(4,387)	(206,734)
Total other comprehensive income	–	–	(202,347)	–	34,006	(168,341)	–	(4,387)	(172,728)
Transactions with owners, recognised directly in equity									
Contributions by and distributions to owners									
REIT Manager's management fee payable in Stapled Securities	19,458	–	–	–	–	19,458	–	–	19,458
Issue of Stapled Securities under private placement	170,000	–	–	–	–	170,000	–	–	170,000
Issue expenses relating to private placement	(2,269)	–	–	–	–	(2,269)	–	–	(2,269)
Distribution to Stapled Securityholders	(72,169)	(67,786)	–	–	–	(139,955)	–	–	(139,955)
Distribution to perpetual securities holders	–	–	–	–	–	–	(13,495)	–	(13,495)
Distribution to non-controlling interests	–	–	–	–	–	–	–	(1,888)	(1,888)
Total contributions by and distributions to owners	115,020	(67,786)	–	–	–	47,234	(13,495)	(1,888)	31,851

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

STATEMENTS OF MOVEMENTS IN STAPLED SECURITYHOLDERS' FUNDS

Year ended 31 December 2023

CapitaLand Ascott REIT Group	Attributable to Stapled Securityholders: Stapled Securities in issue $'000	Revenue reserve $'000	Foreign currency translation reserve $'000	Capital reserve $'000	Hedging reserve $'000	Total $'000	Perpetual securities $'000	Non-controlling interests $'000	Total equity $'000
Changes in ownership interests in subsidiaries									
Acquisition of non-controlling interests	–	–	–	–	–	–	–	5,752	5,752
Change in ownership interests in subsidiaries with no change in control	–	(310)	–	–	–	(310)	–	310	–
Share of reserves of joint venture	–	–	1,299	–	–	1,299	–	–	1,299
Total changes in ownership interests in subsidiaries	–	(310)	1,299	–	–	989	–	6,062	7,051
At 31 December 2022	2,428,769	1,365,474	(379,363)	724	33,964	3,449,568	396,298	81,446	3,927,312

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

STATEMENTS OF MOVEMENTS IN STAPLED SECURITYHOLDERS' FUNDS

Year ended 31 December 2023

	Attributable to Stapled Securityholders								
CapitaLand Ascott REIT Group	**Stapled Securities in issue $'000**	**Revenue reserve $'000**	**Foreign currency translation reserve $'000**	**Capital reserve $'000**	**Hedging reserve $'000**	**Total $'000**	**Perpetual securities $'000**	**Non-controlling interests $'000**	**Total equity $'000**
At 1 January 2023	2,428,769	1,365,474	(379,363)	724	33,964	3,449,568	396,298	81,446	3,927,312
Total return/(loss) for the year	–	225,085	–	–	–	225,085	–	(1,605)	223,480
Total return attributable to perpetual securities holders	–	(13,495)	–	–	–	(13,495)	13,495	–	–
Other comprehensive income									
Effective portion of change in fair values of cash flow hedges	–	–	–	–	3,007	3,007	–	–	3,007
Net change in fair value of cash flow hedge reclassified to Statement of Total Return	–	–	–	–	(15,369)	(15,369)	–	–	(15,369)
Realisation of reserves upon divestment	–	–	8,002	–	–	8,002	–	–	8,002
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	–	–	13,007	–	–	13,007	–	(945)	12,062
Total other comprehensive income	–	–	21,009	–	(12,362)	8,647	–	(945)	7,702
Transactions with owners, recognised directly in equity									
Contributions by and distributions to owners									
REIT Manager's management fee payable in Stapled Securities	22,340	–	–	–	–	22,340	–	–	22,340
Issue of Stapled Securities under equity fund raising	165,861	–	–	–	–	165,861	–	–	165,861
Issue expenses relating to equity fund raising	(3,180)	–	–	–	–	(3,180)	–	–	(3,180)
REIT Manager's acquisition fees payable in Stapled Securities	2,982	–	–	–	–	2,982	–	–	2,982
Distribution to Stapled Securityholders	(111,362)	(50,004)	–	–	–	(161,366)	–	–	(161,366)
Distribution to perpetual securities holders	–	–	–	–	–	–	(13,495)	–	(13,495)
Distribution to non-controlling interests	–	–	–	–	–	–	–	(3,234)	(3,234)
Total contributions by and distributions to owners	76,641	(50,004)	–	–	–	26,637	(13,495)	(3,234)	9,908

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

STATEMENTS OF MOVEMENTS IN STAPLED SECURITYHOLDERS' FUNDS

Year ended 31 December 2023

CapitaLand Ascott REIT Group	Attributable to Stapled Securityholders: Stapled Securities in issue $'000	Revenue reserve $'000	Foreign currency translation reserve $'000	Capital reserve $'000	Hedging reserve $'000	Total $'000	Perpetual securities $'000	Non-controlling interests $'000	Total equity $'000
Changes in ownership interests in subsidiaries									
Change in ownership interests in subsidiaries with no change in control	–	(287)	–	–	–	(287)	–	287	–
Total changes in ownership interests in subsidiaries	–	(287)	–	–	–	(287)	–	287	–
At 31 December 2023	2,505,410	1,526,773	(358,354)	724	21,602	3,696,155	396,298	75,949	4,168,402

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

STATEMENTS OF MOVEMENTS IN STAPLED SECURITYHOLDERS' FUNDS

Year ended 31 December 2023

CapitaLand Ascott BT Group	Attributable to Stapled Securityholders							
	Stapled Securities in issue $'000	Revenue reserve $'000	Foreign currency translation reserve $'000	Hedging reserve $'000	Asset revaluation reserve $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2022	648,325	(109,953)	5,888	1,470	3,679	549,409	3,908	553,317
Total comprehensive income for the year								
(Loss)/Profit for the year	–	(3)	–	–	–	(3)	52	49
Effective portion of change in fair values of cash flow hedges	–	–	–	3,250	–	3,250	22	3,272
Net change in fair value of cash flow hedge reclassified to Statement of Total Return	–	–	–	(1,292)	–	(1,292)	–	(1,292)
Revaluation surplus on land and buildings (net of tax)	–	–	–	–	49,230	49,230	497	49,727
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	–	–	(58,287)	–	–	(58,287)	(387)	(58,674)
Total comprehensive income	–	(3)	(58,287)	1,958	49,230	(7,102)	184	(6,918)
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
BT Trustee-Manager's management fee payable in Stapled Securities	2,276	–	–	–	–	2,276	–	2,276
Distribution to Stapled Securityholders	(4,309)	(24,406)	–	–	–	(28,715)	–	(28,715)
Distribution to non-controlling interests	–	–	–	–	–	–	(61)	(61)
Total contributions by and distributions to owners	(2,033)	(24,406)	–	–	–	(26,439)	(61)	(26,500)
At 31 December 2022	646,292	(134,362)	(52,399)	3,428	52,909	515,868	4,031	519,899

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

STATEMENTS OF MOVEMENTS IN STAPLED SECURITYHOLDERS' FUNDS

Year ended 31 December 2023

CapitaLand Ascott BT Group	Attributable to Stapled Securityholders Stapled Securities in issue $'000	Revenue reserve $'000	Foreign currency translation reserve $'000	Hedging reserve $'000	Asset revaluation reserve $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2023	646,292	(134,362)	(52,399)	3,428	52,909	515,868	4,031	519,899
Total comprehensive income for the year								
Profit for the year	–	26,078	–	–	–	26,078	3	26,081
Effective portion of change in fair values of cash flow hedges	–	–	–	(1,019)	–	(1,019)	(3)	(1,022)
Net change in fair value of cash flow hedge reclassified to Statement of Total Return	–	–	–	(2,673)	–	(2,673)	(27)	(2,700)
Revaluation surplus on land and buildings (net of tax)	–	–	–	–	32,858	32,858	316	33,174
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	–	–	(10,970)	–	–	(10,970)	(5)	(10,975)
Total comprehensive income	–	26,078	(10,970)	(3,692)	32,858	44,274	284	44,558
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
BT Trustee-Manager's management fee payable in Stapled Securities	2,329	–	–	–	–	2,329	–	2,329
Issue of Stapled Securities under equity fund raising	137,192	–	–	–	–	137,192	–	137,192
Issue expenses relating to equity fund raising	(2,620)	–	–	–	–	(2,620)	–	(2,620)
Distribution to Stapled Securityholders	(37,666)	821	–	–	–	(36,845)	–	(36,845)
Distribution to non-controlling interests	–	–	–	–	–	–	(167)	(167)
Total contributions by and distributions to owners	99,235	821	–	–	–	100,056	(167)	99,889
At 31 December 2023	745,527	(107,463)	(63,369)	(264)	85,767	660,198	4,148	664,346

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

STATEMENTS OF MOVEMENTS IN STAPLED SECURITYHOLDERS' FUNDS

Year ended 31 December 2023

Stapled Group	Attributable to Stapled Securityholders									
	Stapled Securities in issue $'000	Revenue reserve $'000	Foreign currency translation reserve $'000	Capital reserve $'000	Hedging reserve $'000	Asset revaluation reserve $'000	Total $'000	Perpetual securities $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2022	2,962,074	1,095,152	(172,250)	724	1,444	3,716	3,890,860	396,298	80,561	4,367,719
Total return for the year	–	223,305	–	–	–	–	223,305	–	2,915	226,220
Total return attributable to perpetual securities holders	–	(13,495)	–	–	–	–	(13,495)	13,495	–	–
Other comprehensive income										
Effective portion of change in fair values of cash flow hedges	–	–	–	–	38,373	–	38,373	–	–	38,373
Net change in fair value of cash flow hedge reclassified to Statement of Total Return	–	–	–	–	(2,387)	–	(2,387)	–	–	(2,387)
Revaluation surplus on land and buildings (net of tax)	–	–	–	–	–	67,858	67,858	–	–	67,858
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	–	–	(260,862)	–	–	–	(260,862)	–	(4,548)	(265,410)
Total other comprehensive income	–	–	(260,862)	–	35,986	67,858	(157,018)	–	(4,548)	(161,566)
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
REIT Manager's management fee payable in Stapled Securities	19,458	–	–	–	–	–	19,458	–	–	19,458
BT Trustee-Manager's management fee payable in Stapled Securities	2,276	–	–	–	–	–	2,276	–	–	2,276
Issue of Stapled Securities under private placement	170,000	–	–	–	–	–	170,000	–	–	170,000
Issue expenses relating to private placement	(2,269)	–	–	–	–	–	(2,269)	–	–	(2,269)
Distribution to Stapled Securityholders	(76,478)	(92,192)	–	–	–	–	(168,670)	–	–	(168,670)
Distribution to perpetual securities holders	–	–	–	–	–	–	–	(13,495)	–	(13,495)
Distribution to non-controlling interests	–	–	–	–	–	–	–	–	(1,929)	(1,929)
Total contributions by and distributions to owners	112,987	(92,192)	–	–	–	–	20,795	(13,495)	(1,929)	5,371

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

STATEMENTS OF MOVEMENTS IN STAPLED SECURITYHOLDERS' FUNDS

Year ended 31 December 2023

Stapled Group	Attributable to Stapled Securityholders									
	Stapled Securities in issue $'000	Revenue reserve $'000	Foreign currency translation reserve $'000	Capital reserve $'000	Hedging reserve $'000	Asset revaluation reserve $'000	Total $'000	Perpetual securities $'000	Non-controlling interests $'000	Total equity $'000
Changes in ownership interests in subsidiaries										
Acquisition of non-controlling interests	–	–	–	–	–	–	–	–	5,752	5,752
Change in ownership interests in subsidiaries with no change in control	–	(310)	–	–	–	–	(310)	–	310	–
Share of reserves of joint venture	–	–	1,299	–	–	–	1,299	–	–	1,299
Total changes in ownership interests in subsidiaries	–	(310)	1,299	–	–	–	989	–	6,062	7,051
At 31 December 2022	3,075,061	1,212,460	(431,813)	724	37,430	71,574	3,965,436	396,298	83,061	4,444,795

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

STATEMENTS OF MOVEMENTS IN STAPLED SECURITYHOLDERS' FUNDS

Year ended 31 December 2023

	Attributable to Stapled Securityholders									
Stapled Group	Stapled Securities in issue $'000	Revenue reserve $'000	Foreign currency translation reserve $'000	Capital reserve $'000	Hedging reserve $'000	Asset revaluation reserve $'000	Total $'000	Perpetual securities $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2023	3,075,061	1,212,460	(431,813)	724	37,430	71,574	3,965,436	396,298	83,061	4,444,795
Total return/(loss) for the year	–	231,255	–	–	–	–	231,255	–	(1,474)	229,781
Total return attributable to perpetual securities holders	–	(13,495)	–	–	–	–	(13,495)	13,495	–	–
Other comprehensive income										
Effective portion of change in fair values of cash flow hedges	–	–	–	–	1,985	–	1,985	–	–	1,985
Net change in fair value of cash flow hedge reclassified to Statement of Total Return	–	–	–	–	(18,069)	–	(18,069)	–	–	(18,069)
Realisation of reserves upon divestment	–	–	8,002	–	–	–	8,002	–	–	8,002
Revaluation surplus on land and buildings (net of tax)	–	–	–	–	–	52,799	52,799	–	–	52,799
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	–	–	2,034	–	–	–	2,034	–	(945)	1,089
Total other comprehensive income	–	–	10,036	–	(16,084)	52,799	46,751	–	(945)	45,806
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
REIT Manager's management fee payable in Stapled Securities	22,340	–	–	–	–	–	22,340	–	–	22,340
BT Trustee-Manager's management fee payable in Stapled Securities	2,329	–	–	–	–	–	2,329	–	–	2,329
Issue of Stapled Securities under equity fund raising	303,053	–	–	–	–	–	303,053	–	–	303,053
Issue expenses relating to equity fund raising	(5,800)	–	–	–	–	–	(5,800)	–	–	(5,800)
REIT Manager's acquisition fees payable in Stapled Securities	2,982	–	–	–	–	–	2,982	–	–	2,982
Distribution to Stapled Securityholders	(149,028)	(49,183)	–	–	–	–	(198,211)	–	–	(198,211)
Distribution to perpetual securities holders	–	–	–	–	–	–	–	(13,495)	–	(13,495)
Distribution to non-controlling interests	–	–	–	–	–	–	–	–	(3,286)	(3,286)
Total contributions by and distributions to owners	175,876	(49,183)	–	–	–	–	126,693	(13,495)	(3,286)	109,912

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

STATEMENTS OF MOVEMENTS IN STAPLED SECURITYHOLDERS' FUNDS

Year ended 31 December 2023

	Attributable to Stapled Securityholders									
Stapled Group	Stapled Securities in issue $'000	Revenue reserve $'000	Foreign currency translation reserve $'000	Capital reserve $'000	Hedging reserve $'000	Asset revaluation reserve $'000	Total $'000	Perpetual securities $'000	Non-controlling interests $'000	Total equity $'000
Changes in ownership interests in subsidiaries										
Change in ownership interests in subsidiaries with no change in control	–	(287)	–	–	–	–	(287)	–	287	–
Total changes in ownership interests in subsidiaries	–	(287)	–	–	–	–	(287)	–	287	–
At 31 December 2023	3,250,937	1,380,750	(421,777)	724	21,346	124,373	4,356,353	396,298	77,643	4,830,294

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

PORTFOLIO STATEMENTS
As at 31 December 2023

BY GEOGRAPHY

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease		At Valuation				Percentage of Stapled Securityholders' funds			
						Stapled Group		CapitaLand Ascott REIT Group		Stapled Group		CapitaLand Ascott REIT Group	
				2023	2022	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 %	2022 %	2023 %	2022 %
Investment properties and investment properties under development													
Australia													
Citadines Connect Sydney Airport	113-121 Baxter Road, Mascot, New South Wales, NSW 2020	Freehold	Not applicable	**Not applicable**	Not applicable	**54,418**	54,476	**54,418**	54,476	**1.2**	1.4	**1.5**	1.6
Citadines on Bourke Melbourne	131-135 Bourke Street, Melbourne, Victoria 3000	Freehold	Not applicable	**Not applicable**	Not applicable	**152,176**	152,050	**152,176**	152,050	**3.5**	3.8	**4.1**	4.4
Citadines St Georges Terrace Perth	185 St Georges Terrace, Perth WA 6000	Freehold	Not applicable	**Not applicable**	Not applicable	**16,397**	16,350	**16,397**	16,350	**0.4**	0.4	**0.4**	0.5
Quest Campbelltown	1 Rennie Road, Woodbine, NSW 2560	Freehold	Not applicable	**Not applicable**	Not applicable	**20,641**	21,107	**20,641**	21,107	**0.5**	0.5	**0.6**	0.6
Quest Cannon Hill[(1)]	930 Wynnum Road, Cannon Hill, Brisbane, Queensland 4170	Freehold	Not applicable	**Not applicable**	Not applicable	**28,418**	28,348	**28,418**	28,348	**0.7**	0.7	**0.8**	0.8
Quest Macquarie Park	71 Epping Road, Macquarie Park, NSW 2113	Freehold	Not applicable	**Not applicable**	Not applicable	**40,001**	40,030	**40,001**	40,030	**0.9**	1.0	**1.1**	1.2
Quest Mascot	108-114 Robey Road, Mascot, NSW 2020	Freehold	Not applicable	**Not applicable**	Not applicable	**23,475**	23,347	**23,475**	23,347	**0.5**	0.6	**0.6**	0.7
Quest Sydney Olympic Park	6 Edwin Flack Avenue, Sydney Olympic Park, NSW 2127	Leasehold	99 years	**88 years**	89 years	**41,388**	40,541	**41,388**	40,541	**1.0**	1.0	**1.1**	1.2
Balance carried forward						**376,914**	376,249	**376,914**	376,249	**8.7**	9.4	**10.2**	11.0

(1) On 30 November 2022, the CapitaLand Ascott REIT Group acquired Quest Cannon Hill from Balsamine (Brisbane) Pty Ltd, a related corporation. The valuation was based on discounted cash flow method.

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

PORTFOLIO STATEMENTS

As at 31 December 2023

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease		At Valuation				Percentage of Stapled Securityholders' funds			
						Stapled Group		CapitaLand Ascott REIT Group		Stapled Group		CapitaLand Ascott REIT Group	
				2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
						$'000	$'000	$'000	$'000	%	%	%	%
Balance brought forward						**376,914**	376,249	**376,914**	376,249	**8.7**	9.4	**10.2**	11.0
Belgium													
Citadines Sainte-Catherine Brussels	51 quai au Bois à Brûler, 1000 Brussels	Freehold	Not applicable	**Not applicable**	Not applicable	**40,433**	28,356	**40,433**	28,356	**0.9**	0.7	**1.1**	0.8
Citadines Toison d'Or Brussels	61-63 avenue de la Toison d'Or, 1060 Brussels	Freehold	Not applicable	**Not applicable**	Not applicable	**32,808**	24,904	**32,808**	24,904	**0.8**	0.6	**0.9**	0.7
China													
Citadines Xinghai Suzhou	Block 27, Jiacheng Gardens, 58 Xinghai Street, Suzhou Industrial Park, Suzhou 215021	Leasehold	70 years	**43 years**	44 years	**22,080**	25,499	**22,080**	25,499	**0.5**	0.6	**0.6**	0.7
Citadines Zhuankou Wuhan	159 Dongfeng Avenue (Xianglong Business Centre Zone C), Wuhan Economic and Technological Development Zone, Wuhan 430056	Leasehold	40 years	**20 years**	21 years	**30,139**	35,494	**30,139**	35,494	**0.8**	1.0	**0.8**	1.0
Balance carried forward						**502,374**	490,502	**502,374**	490,502	**11.7**	12.3	**13.6**	14.2

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

PORTFOLIO STATEMENTS

As at 31 December 2023

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease		At Valuation				Percentage of Stapled Securityholders' funds			
						Stapled Group		CapitaLand Ascott REIT Group		Stapled Group		CapitaLand Ascott REIT Group	
				2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
						$'000	$'000	$'000	$'000	%	%	%	%
Balance brought forward						**502,374**	490,502	**502,374**	490,502	**11.7**	12.3	**13.6**	14.2
China (continued)													
Somerset Grand Central Dalian	No. 128-2 Jinma Road, Dalian Development Area, Dalian 116600	Leasehold	50 years	**33 years**	34 years	**69,308**	80,520	**69,308**	80,520	**1.6**	2.0	**1.9**	2.3
Somerset Heping Shenyang	80 Taiyuan North Street, Heping District, Shenyang 110000	Leasehold	40 years	**23 years**	24 years	**51,835**	60,604	**51,835**	60,604	**1.2**	1.5	**1.4**	1.8
Somerset Olympic Tower Property Tianjin	126 Chengdu Road, Heping District, Tianjin 300051	Leasehold	70 years	**39 years**	40 years	**51,367**	59,635	**51,367**	59,635	**1.2**	1.5	**1.4**	1.7
Balance carried forward						**674,884**	691,261	**674,884**	691,261	**15.7**	17.3	**18.3**	20.0

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

PORTFOLIO STATEMENTS

As at 31 December 2023

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease		At Valuation				Percentage of Stapled Securityholders' funds			
						Stapled Group		CapitaLand Ascott REIT Group		Stapled Group		CapitaLand Ascott REIT Group	
				2023	2022	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 %	2022 %	2023 %	2022 %
Balance brought forward						**674,884**	691,261	**674,884**	691,261	**15.7**	17.3	**18.3**	20.0
France													
Citadines Antigone Montpellier[2]	588 boulevard d'Antigone, 34000 Montpellier	Freehold	Not applicable	**Not applicable**	Not applicable	**10,620**	12,482	**10,620**	12,482	**0.2**	0.3	**0.3**	0.4
Citadines Austerlitz Paris[2]	27 rue Esquirol, 75013 Paris	Freehold	Not applicable	**Not applicable**	Not applicable	**10,108**	10,496	**10,108**	10,496	**0.2**	0.3	**0.3**	0.3
Citadines Castellane Marseille[2][3]	60 rue du Rouet, 13006 Marseille	Freehold	Not applicable	**Not applicable**	Not applicable	**-**	9,787	**-**	9,787	**-**	0.2	**-**	0.3
Citadines City Centre Lille[2][3]	Avenue Willy Brandt – Euralille, 59777 Lille	Freehold	Not applicable	**Not applicable**	Not applicable	**-**	12,624	**-**	12,624	**-**	0.3	**-**	0.4
Citadines Croisette Cannes[2][3]	1 rue le Poussin, 06400 Cannes	Freehold	Not applicable	**Not applicable**	Not applicable	**-**	7,376	**-**	7,376	**-**	0.2	**-**	0.2
Balance carried forward						**695,612**	744,026	**695,612**	744,026	**16.1**	18.6	**18.9**	21.6

(2) As at 31 December 2023, these 16 (31 December 2022: 20) investment properties are leased to related corporations under master lease arrangements.
(3) In March 2023, these four investment properties were reclassified to "Assets held for sale" (Note 15), pursuant to the planned divestment of these properties to Extendam, an unrelated corporation, which was entered into on 3 April 2023 and completed on 22 September 2023.

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

PORTFOLIO STATEMENTS

As at 31 December 2023

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease		At Valuation				Percentage of Stapled Securityholders' funds			
						Stapled Group		CapitaLand Ascott REIT Group		Stapled Group		CapitaLand Ascott REIT Group	
				2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
						$'000	$'000	$'000	$'000	%	%	%	%
Balance brought forward						**695,612**	744,026	**695,612**	744,026	**16.1**	18.6	**18.9**	21.6
France (continued)													
Citadines Les Halles Paris[2]	4 rue des Innocents, 75001 Paris	Freehold	Not applicable	**Not applicable**	Not applicable	**81,592**	82,239	**81,592**	82,239	**2.0**	2.2	**2.2**	2.4
Citadines Maine Montparnasse Paris[2]	67 avenue du Maine, 75014 Paris	Freehold	Not applicable	**Not applicable**	Not applicable	**22,705**	17,163	**22,705**	17,163	**0.5**	0.4	**0.6**	0.5
Citadines Montmartre Paris[2]	16 avenue Rachel, 75018 Paris	Freehold	Not applicable	**Not applicable**	Not applicable	**34,131**	33,332	**34,131**	33,332	**0.8**	0.8	**0.9**	1.0
Citadines Place d'Italie Paris[2]	18 place d'Italie, 75013 Paris	Freehold	Not applicable	**Not applicable**	Not applicable	**51,563**	49,360	**51,563**	49,360	**1.2**	1.2	**1.4**	1.4
Citadines Prado Chanot Marseille[2][3]	9-11 boulevard de Louvain, 13008 Marseille	Freehold	Not applicable	**Not applicable**	Not applicable	**-**	8,964	**-**	8,964	**-**	0.2	**-**	0.3
Balance carried forward						**885,603**	935,084	**885,603**	935,084	**20.6**	23.4	**24.0**	27.2

(2) As at 31 December 2023, these 16 (31 December 2022: 20) investment properties are leased to related corporations under master lease arrangements.
(3) In March 2023, these four investment properties were reclassified to "Assets held for sale" (Note 15), pursuant to the planned divestment of these properties to Extendam, an unrelated corporation, which was entered into on 3 April 2023 and completed on 22 September 2023.

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

PORTFOLIO STATEMENTS

As at 31 December 2023

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease		At Valuation				Percentage of Stapled Securityholders' funds			
						Stapled Group		CapitaLand Ascott REIT Group		Stapled Group		CapitaLand Ascott REIT Group	
				2023	2022	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 %	2022 %	2023 %	2022 %
Balance brought forward						**885,603**	935,084	**885,603**	935,084	**20.6**	23.4	**24.0**	27.2
France (continued)													
Citadines Presqu'île Lyon[2]	2 rue Thomassin, 69002 Lyon	Freehold	Not applicable	**Not applicable**	Not applicable	**18,604**	18,014	**18,604**	18,014	**0.4**	0.5	**0.5**	0.5
Citadines République Paris[2]	75 bis, avenue Parmentier, 75011 Paris	Freehold	Not applicable	**Not applicable**	Not applicable	**25,049**	21,276	**25,049**	21,276	**0.6**	0.5	**0.7**	0.6
Citadines Tour Eiffel Paris[2]	132 boulevard de Grenelle, 75015 Paris	Freehold	Not applicable	**Not applicable**	Not applicable	**66,709**	61,218	**66,709**	61,218	**1.5**	1.5	**1.8**	1.8
Citadines Trocadéro Paris[2]	29 bis, rue Saint-Didier, 75116 Paris	Freehold	Not applicable	**Not applicable**	Not applicable	**47,871**	45,729	**47,871**	45,729	**1.1**	1.2	**1.3**	1.3
La Clef Louvre Paris[2]	8 rue de Richelieu, 75001 Paris	Freehold	Not applicable	**Not applicable**	Not applicable	**53,145**	44,637	**53,145**	44,637	**1.2**	1.1	**1.4**	1.3
La Clef Tour Eiffel Paris[2][4]	83 avenue Kléber, 75016 Paris	Freehold	Not applicable	**Not applicable**	Not applicable	**145,656**	147,797	**145,656**	147,797	**3.3**	3.7	**3.9**	4.3
Balance carried forward						**1,242,637**	1,273,755	**1,242,637**	1,273,755	**28.7**	31.9	**33.6**	37.0

(2) As at 31 December 2023, these 16 (31 December 2022: 20) investment properties are leased to related corporations under master lease arrangements.
(4) On 30 November 2022, the CapitaLand Ascott REIT Group acquired La Clef Tour Eiffel Paris from Ascott Holdings (Europe) N.V., a related corporation. The valuation was based on discounted cash flow method.

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

PORTFOLIO STATEMENTS

As at 31 December 2023

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease		At Valuation				Percentage of Stapled Securityholders' funds			
						Stapled Group		CapitaLand Ascott REIT Group		Stapled Group		CapitaLand Ascott REIT Group	
				2023	2022	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 %	2022 %	2023 %	2022 %
Balance brought forward						**1,242,637**	1,273,755	**1,242,637**	1,273,755	**28.7**	31.9	**33.6**	37.0
Germany													
Citadines Arnulfpark Munich[2]	Arnulfstrasse 51, 80636 München	Freehold	Not applicable	**Not applicable**	Not applicable	**38,892**	35,205	**38,892**	35,205	**0.9**	0.9	**1.1**	1.0
Citadines City Centre Frankfurt[2]	Europa-Allee 23, 60327 Frankfurt am Main	Freehold	Not applicable	**Not applicable**	Not applicable	**55,811**	54,608	**55,811**	54,608	**1.3**	1.4	**1.5**	1.6
Citadines Kurfürstendamm Berlin [2]	Olivaer Platz 1, 10707 Berlin-Wilmersdorf	Freehold	Not applicable	**Not applicable**	Not applicable	**22,412**	20,170	**22,412**	20,170	**0.5**	0.5	**0.6**	0.6
Citadines Michel Hamburg[2]	Ludwig-Erhard-Straβe 7, 20459 Hamburg	Leasehold	99 years	**87 years**	88 years	**50,537**	43,616	**50,537**	43,616	**1.2**	1.1	**1.4**	1.3
The Madison Hamburg	Schaarsteinweg 4, 20459 Hamburg	Freehold	Not applicable	**Not applicable**	Not applicable	**87,358**	70,778	**87,358**	70,778	**2.0**	1.8	**2.4**	2.1
Indonesia													
Ascott Jakarta[5]	Jalan Kebon Kacang Raya No. 2, Jakarta 10230	Leasehold	30 years	**30 years**	1 year	**53,771**	54,570	**53,771**	54,570	**1.2**	1.4	**1.5**	1.6
Ascott Kuningan Jakarta[6]	Ciputra World 1 Jalan Prof Dr Satrio Kav. 3-5 Jakarta 12940	Leasehold	30 years	**3 years**	Not applicable	**55,638**	–	**55,638**	–	**1.3**	–	**1.5**	–
Somerset Grand Citra Jakarta[5]	Jalan Prof Dr Satrio Kav. 1, Jakarta 12940	Leasehold	20 years	**21 years**	2 years	**34,188**	33,497	**34,188**	33,497	**0.8**	0.8	**0.9**	1.0
Balance carried forward						**1,641,244**	1,586,199	**1,641,244**	1,586,199	**37.9**	39.8	**44.5**	46.2

(2) As at 31 December 2023, these 16 (31 December 2022: 20) investment properties are leased to related corporations under master lease arrangements.
(5) The valuations of the Indonesia properties as at 31 December 2022 were based on the assumption that the lease will be renewed upon their expiry.
(6) On 30 November 2023, the CapitaLand Ascott REIT Group acquired Ascott Kuningan Jakarta from Piatra Pte Ltd, a related corporation. The valuation was based on discounted cashflow method. The valuation of the property as at 31 December 2023 was based on the assumption that the lease will be renewed upon its expiry.

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

PORTFOLIO STATEMENTS

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Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease		At Valuation				Percentage of Stapled Securityholders' funds			
						Stapled Group		CapitaLand Ascott REIT Group		Stapled Group		CapitaLand Ascott REIT Group	
				2023	2022	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 %	2022 %	2023 %	2022 %
Balance brought forward						**1,641,244**	1,586,199	**1,641,244**	1,586,199	**37.9**	39.8	**44.5**	46.2
Japan													
Citadines Central Shinjuku Tokyo	1-2-9, Kabuki-cho, Shinjuku-ku, Tokyo 1600021	Freehold	Not applicable	**Not applicable**	Not applicable	**110,911**	115,320	**110,911**	115,320	**2.5**	2.9	**3.0**	3.3
Citadines Karasuma-Gojo Kyoto	432 Matsuya-cho, Gojo-dori Karasuma-Higashiiru, Shimogyo-ku, Kyoto 600-8105	Freehold	Not applicable	**Not applicable**	Not applicable	**41,102**	45,029	**41,102**	45,029	**0.9**	1.1	**1.1**	1.3
Citadines Shinjuku Tokyo	1-28-13 Shinjuku, Shinjuku-ku, Tokyo 1600022	Freehold	Not applicable	**Not applicable**	Not applicable	**82,672**	86,649	**82,672**	86,649	**1.9**	2.2	**2.2**	2.5
Hotel WBF Honmachi[7]	4-4-10, Kitakyuhojimachi, Chuo-ku, Osaka 541-0057	Freehold	Not applicable	**Not applicable**	Not applicable	-	31,069	-	31,069	-	0.8	-	0.9
Hotel WBF Kitasemba East[7]	2-6-8, Awajicho, Chuo-ku, Osaka 541-0047	Freehold	Not applicable	**Not applicable**	Not applicable	-	31,886	-	31,886	-	0.8	-	0.9
Hotel WBF Kitasemba West[7]	3-2-7, Awajicho, Chuo-ku, Osaka 541-0047	Freehold	Not applicable	**Not applicable**	Not applicable	-	32,162	-	32,162	-	0.8	-	0.9
Sotetsu Grand Fresa Tokyo-Bay Ariake	3-6-6 Ariake Koto-ku, Tokyo 135-0063	Freehold	Not applicable	**Not applicable**	Not applicable	**261,240**	273,896	**261,240**	273,896	**6.0**	6.9	**7.1**	7.9
Balance carried forward						**2,137,169**	2,202,210	**2,137,169**	2,202,210	**49.2**	55.3	**57.9**	63.9

(7) As at 31 December 2023, these three investment properties were reclassified to "Assets held for sale" (Note 15), pursuant to the divestment of these properties.

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

PORTFOLIO STATEMENTS
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Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease		At Valuation				Percentage of Stapled Securityholders' funds			
						Stapled Group		CapitaLand Ascott REIT Group		Stapled Group		CapitaLand Ascott REIT Group	
				2023	2022	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 %	2022 %	2023 %	2022 %
Balance brought forward						**2,137,169**	2,202,210	**2,137,169**	2,202,210	**49.2**	55.3	**57.9**	63.9
Japan (continued)													
Actus Hakata V-Tower	3-15-10 Hakata Ekimae, Hakata-ku, Fukuoka	Freehold	Not applicable	**Not applicable**	Not applicable	**40,268**	41,347	**40,268**	41,347	**0.9**	1.0	**1.1**	1.2
Alpha Square Kita 15 jo	2-5, Kita 15 jo Higashi 1-chome, Higashi-ku, Sapporo-shi, Hokkaido	Freehold	Not applicable	**Not applicable**	Not applicable	**21,832**	24,324	**21,832**	24,324	**0.5**	0.6	**0.6**	0.7
Big Palace Kita 14 jo	4-1-6 Kita 14 jo Nishi, Kita-ku, Sapporo-shi, Hokkaido	Freehold	Not applicable	**Not applicable**	Not applicable	**17,634**	18,703	**17,634**	18,703	**0.4**	0.5	**0.5**	0.5
Big Palace Minami 5 jo	3-1, Minami 5 jo Nishi 8-chome, Chuo-ku, Sapporo-shi, Hokkaido	Freehold	Not applicable	**Not applicable**	Not applicable	**23,605**	25,550	**23,605**	25,550	**0.5**	0.6	**0.6**	0.7
City Court Kita 1 jo	6-3 Kita 1 jo Higashi 1-chome, Chuo-ku, Sapporo-shi, Hokkaido	Freehold	Not applicable	**Not applicable**	Not applicable	**23,467**	26,572	**23,467**	26,572	**0.5**	0.7	**0.6**	0.8
Eslead College Gate Kindaimae[(8)]	19-28, 3-chome Kowakae, Higashiosake-shi, Osaka 577-0818	Freehold	Not applicable	**Not applicable**	Not applicable	**16,745**	18,007	**16,745**	18,007	**0.4**	0.5	**0.5**	0.5
Eslead Residence Bentencho Grande[(9)]	15-44, Benten 5-chome, Minato-ku, Osaka-shi, Osaka	Freehold	Not applicable	**Not applicable**	Not applicable	**18,473**	20,185	**18,473**	20,185	**0.4**	0.5	**0.5**	0.6
Balance carried forward						**2,299,193**	2,376,898	**2,299,193**	2,376,898	**52.8**	59.7	**62.3**	68.9

(8) On 18 March 2022, the CapitaLand Ascott REIT Group acquired Eslead College Gate Kindaimae from Eslead Corporation, an unrelated third party. The valuation was based on discounted cash flow method.
(9) On 16 December 2022, the CapitaLand Ascott REIT Group acquired Eslead Residence Bentencho Grande from Eslead Corporation, an unrelated third party. The valuation was based on discounted cash flow method.

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

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Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease 2023	Remaining Term of Lease 2022	At Valuation Stapled Group 2023 $'000	At Valuation Stapled Group 2022 $'000	At Valuation CapitaLand Ascott REIT Group 2023 $'000	At Valuation CapitaLand Ascott REIT Group 2022 $'000	Percentage of Stapled Securityholders' funds Stapled Group 2023 %	Percentage of Stapled Securityholders' funds Stapled Group 2022 %	Percentage of Stapled Securityholders' funds CapitaLand Ascott REIT Group 2023 %	Percentage of Stapled Securityholders' funds CapitaLand Ascott REIT Group 2022 %
Balance brought forward						**2,299,193**	2,376,898	**2,299,193**	2,376,898	**52.8**	59.7	**62.3**	68.9
Japan (continued)													
Eslead Residence Osaka Fukushima East[10]	8-7, Sagisu 5-chome, Fukushima-ku, Osaka	Freehold	Not applicable	**Not applicable**	–	**19,220**	–	**19,220**	–	**0.4**	–	**0.5**	–
Eslead Residence Umeda Grande[11]	9-3, Nakatsu 4-chome, Kita-ku, Osaka-shi Osaka	Freehold	Not applicable	**Not applicable**	Not applicable	**11,943**	13,296	**11,943**	13,296	**0.4**	0.4	**0.3**	0.4
Granfore Hakata Waterfront[12]	104-2, Sekijomachi, Hakata-ku, Fukuoka	Freehold	Not applicable	**Not applicable**	–	**40,492**	–	**40,492**	–	**0.9**	–	**1.1**	–
Gravis Court Kakomachi	13-10, Kakomachi, Naka-ku, Hiroshima	Freehold	Not applicable	**Not applicable**	Not applicable	**6,111**	6,449	**6,111**	6,449	**0.1**	0.2	**0.2**	0.2
Gravis Court Kokutaiji	2-1-9, Kokutaijimachi, Naka-ku, Hiroshima	Freehold	Not applicable	**Not applicable**	Not applicable	**4,544**	4,926	**4,544**	4,926	**0.1**	0.1	**0.1**	0.1
Gravis Court Nishiharaekimae	8-38-10, Nishihara, Asaminami-ku, Hiroshima	Freehold	Not applicable	**Not applicable**	Not applicable	**3,769**	4,098	**3,769**	4,098	**0.1**	0.1	**0.1**	0.1
House Saison Shijo-Dori[13]	47-2, Kasaboko-cho, Shimogyo-ku, Kyoto	Freehold	Not applicable	**Not applicable**	Not applicable	**27,337**	29,945	**27,337**	29,945	**0.6**	0.8	**0.7**	0.9
Infini Garden	3-2-2,3,4,5 KashiiTeriha, Higashi-ku, Fukuoka	Freehold	Not applicable	**Not applicable**	Not applicable	**76,121**	78,638	**76,121**	78,638	**1.7**	2.0	**2.1**	2.3
Balance carried forward						**2,488,730**	2,514,250	**2,488,730**	2,514,250	**57.1**	63.3	**67.4**	72.9

(10) On 5 April 2023, the CapitaLand Ascott REIT Group acquired Eslead Residence Osaka Fukushima East from Eslead Corporation, an unrelated third party. The valuation was based on discounted cashflow method.
(11) On 16 December 2022, the CapitaLand Ascott REIT Group acquired Eslead Residence Umeda Grande from Eslead Corporation, an unrelated third party. The valuation was based on discounted cashflow method.
(12) On 19 May 2023, the CapitaLand Ascott REIT Group acquired Granfore Hakata Waterfront from KOSE R.E. Co. Ltd., an unrelated third party. The valuation was based on discounted cashflow method.
(13) On 30 November 2022, the CapitaLand Ascott REIT Group acquired the properties from ARC-CapitaLand Two TMK, a related corporation. The valuation was based on discounted cashflow method.

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						Stapled Group		CapitaLand Ascott REIT Group		Stapled Group		CapitaLand Ascott REIT Group	
				2023	2022	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 %	2022 %	2023 %	2022 %
Balance brought forward						**2,488,730**	2,514,250	**2,488,730**	2,514,250	**57.1**	63.3	**67.4**	72.9
Japan (continued)													
Marunouchi Central Heights[13]	3-23-6 Marunouchi, Naka-ku, Nagoya city, Aichi	Freehold	Not applicable	**Not applicable**	Not applicable	**6,699**	7,338	**6,699**	7,338	**0.2**	0.2	**0.2**	0.2
Roppongi Residences Tokyo	3-4-31 Roppongi, Minato-ku, Tokyo 106-0032	Freehold	Not applicable	**Not applicable**	Not applicable	**34,927**	36,919	**34,927**	36,919	**0.8**	0.9	**0.9**	1.1
S-Residence Fukushima Luxe	7-22-9, Fukushima, Fukushima-ku, Osaka	Freehold	Not applicable	**Not applicable**	Not applicable	**30,490**	32,789	**30,490**	32,789	**0.7**	0.8	**0.8**	1.0
S-Residence Gakuenzaka[13]	2-1-1 Shimodera, Naniwa-ku, Osaka-shi, Osaka	Freehold	Not applicable	**Not applicable**	Not applicable	**12,036**	13,184	**12,036**	13,184	**0.3**	0.3	**0.3**	0.4
S-Residence Hommachi Marks	2-3-6, Tokuicho, Chuo-ku, Osaka	Freehold	Not applicable	**Not applicable**	Not applicable	**16,701**	17,681	**16,701**	17,681	**0.4**	0.4	**0.5**	0.5
S-Residence Midoribashi Serio	3-17-6, Nakamoto, Higashinari-ku, Osaka	Freehold	Not applicable	**Not applicable**	Not applicable	**15,115**	15,637	**15,115**	15,637	**0.3**	0.4	**0.4**	0.5
S-Residence Namba Viale[13]	3-9-1 Motomachi, Naniwa-ku, Osaka-shi, Osaka	Freehold	Not applicable	**Not applicable**	Not applicable	**16,887**	18,498	**16,887**	18,498	**0.4**	0.5	**0.5**	0.5
S-Residence Shukugawa[13]	2-88 Kamizono-cho, Nishinomiya city, Hyogo	Freehold	Not applicable	**Not applicable**	Not applicable	**7,147**	8,074	**7,147**	8,074	**0.2**	0.2	**0.2**	0.2
S-Residence Tanimachi 9 chome	4-29, Ikutamamaemachi, Tennoji-ku, Osaka	Freehold	Not applicable	**Not applicable**	Not applicable	**17,820**	18,907	**17,820**	18,907	**0.4**	0.5	**0.5**	0.5
Balance carried forward						**2,646,552**	2,683,277	**2,646,552**	2,683,277	**60.8**	67.5	**71.7**	77.8

(13) On 30 November 2022, the CapitaLand Ascott REIT Group acquired the properties from ARC-CapitaLand Two TMK, a related corporation. The valuation was based on discounted cash flow method.

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

PORTFOLIO STATEMENTS

As at 31 December 2023

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease		At Valuation				Percentage of Stapled Securityholders' funds			
						Stapled Group		CapitaLand Ascott REIT Group		Stapled Group		CapitaLand Ascott REIT Group	
				2023	2022	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 %	2022 %	2023 %	2022 %
Balance brought forward						**2,646,552**	2,683,277	**2,646,552**	2,683,277	**60.8**	67.5	**71.7**	77.8
Malaysia													
Somerset Kuala Lumpur	187, Jalan Ampang, 50450, Kuala Lumpur	Freehold	Not applicable	**Not applicable**	Not applicable	**35,054**	40,340	**35,054**	40,340	**0.8**	1.0	**0.9**	1.2
Philippines													
Ascott Makati	Glorietta 4, Ayala Center, Makati City 1224	Leasehold	48 years	**20 years**	21 years	**94,406**	96,268	**94,406**	96,268	**2.2**	2.4	**2.6**	2.8
Somerset Millennium Makati	104 Aguirre Street, Legaspi Village, Makati City 1229	Freehold	Not applicable	**Not applicable**	Not applicable	**13,145**	13,604	**13,145**	13,604	**0.4**	0.4	**0.4**	0.4
Singapore													
Ascott Orchard Singapore	11 Cairnhill Road, Singapore 229724	Leasehold	99 years	**89 years**	90 years	**434,266**	403,115	**434,266**	403,115	**10.0**	10.2	**11.7**	11.7
Citadines Mount Sophia Property Singapore(14)	8 Wilkie Road, #01-26 Wilkie Edge, Singapore 228095	Leasehold	96 years	**81 years**	82 years	**-**	123,693	**-**	123,693	**-**	3.1	**-**	3.6
lyf one-north Singapore	80 Nepal Park, Singapore 139409	Leasehold	60 years	**55 years**	56 years	**144,365**	127,031	**144,365**	127,031	**3.3**	3.2	**3.9**	3.7
The Robertson House by The Crest Collection (formerly known as Riverside Hotel Robertson Quay)	1 Unity Street, Singapore 237983	Leasehold	99 years	**82 years**	83 years	**-**	-	**352,588**	338,927	**-**	-	**9.5**	9.8
Balance carried forward						**3,367,788**	3,487,328	**3,720,376**	3,826,255	**77.5**	87.8	**100.7**	111.0

(14) As at 31 December 2023, the investment property was reclassified to "Assets held for sale" (Note 15), pursuant to the planned divestment of this property which was entered into and completed in the first quarter of 2024.

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

PORTFOLIO STATEMENTS

As at 31 December 2023

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease		At Valuation				Percentage of Stapled Securityholders' funds			
						Stapled Group		CapitaLand Ascott REIT Group		Stapled Group		CapitaLand Ascott REIT Group	
				2023	2022	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 %	2022 %	2023 %	2022 %
Balance brought forward						**3,367,788**	3,487,328	**3,720,376**	3,826,255	**77.5**	87.8	**100.7**	111.0
Singapore (continued)													
Somerset Liang Court Property Singapore (under development)	177B River Valley Road, Singapore 179032	Leasehold	99 years	**97 years**	98 years	**268,000**	257,000	**268,000**	257,000	**6.2**	6.5	**7.3**	7.5
Spain													
Citadines Ramblas Barcelona	Ramblas 122, 08002 Barcelona	Freehold	Not applicable	**Not applicable**	Not applicable	**71,332**	53,200	**71,332**	53,200	**1.6**	1.3	**1.9**	1.5
United Kingdom													
Citadines Barbican London	7-21 Goswell Road, London EC1M 7AH	Freehold	Not applicable	**Not applicable**	Not applicable	**84,835**	69,655	**84,835**	69,655	**1.9**	1.8	**2.3**	2.0
Citadines Holborn-Covent Garden London	94-99 High Holborn, London WC1V 6LF	Freehold	Not applicable	**Not applicable**	Not applicable	**165,257**	155,990	**165,257**	155,990	**3.8**	3.9	**4.5**	4.5
Citadines South Kensington London	35A Gloucester Road, London SW7 4PL	Freehold	Not applicable	**Not applicable**	Not applicable	**76,060**	71,108	**76,060**	71,108	**1.7**	1.8	**2.1**	2.1
Citadines Trafalgar Square London	18/21 Northumberland Avenue, London WC2N 5EA	Freehold	Not applicable	**Not applicable**	Not applicable	**192,702**	164,628	**192,702**	164,628	**4.4**	4.2	**5.2**	4.8
The Cavendish London(15)	81 Jermyn St, St. James's, London SW1Y 6JF	Leasehold	150 years	**135 years**	–	**366,269**	–	**366,269**	–	**8.4**	–	**9.9**	–
Balance carried forward						**4,592,243**	4,258,909	**4,944,831**	4,597,836	**105.5**	107.3	**133.9**	133.4

(15) On 30 November 2023, the CapitaLand Ascott REIT Group acquired The Cavendish London from Ascott (Jersey) Limited, a related corporation. The valuation was based on discounted cashflow method.

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

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Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease		At Valuation				Percentage of Stapled Securityholders' funds			
						Stapled Group		CapitaLand Ascott REIT Group		Stapled Group		CapitaLand Ascott REIT Group	
				2023	2022	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 %	2022 %	2023 %	2022 %
Balance brought forward						**4,592,243**	4,258,909	**4,944,831**	4,597,836	**105.5**	107.3	**133.9**	133.4
United States of America													
Element New York Times Square West	311 West 39th Street, New York, New York 10018	Leasehold	99 years	**89 years**	90 years	**169,064**	204,884	**169,064**	204,884	**3.9**	5.2	**4.6**	5.9
Sheraton Tribeca New York Hotel	370 Canal Street, New York, New York 10013	Leasehold	99 years	**89 years**	90 years	**188,667**	202,358	**188,667**	202,358	**4.3**	5.1	**5.1**	5.9
voco Times Square South	343 West 36th Street, New York, New York 10018	Freehold	Not applicable	**Not applicable**	Not applicable	**178,578**	175,514	**178,578**	175,514	**4.1**	4.4	**4.8**	5.1
Paloma Kent[16]	1450 E Summit Street Kent, OH 44240	Leasehold	99 years	**94 years**	95 years	**44,337**	43,687	**44,337**	43,687	**1.0**	1.1	**1.2**	1.3
Paloma Raleigh	5701 Hillsborough Street, Raleigh, North Carolina 27606	Freehold	Not applicable	**Not applicable**	Not applicable	**89,086**	87,302	**89,086**	87,302	**2.0**	2.2	**2.4**	2.5
Paloma University City	3600 Lancaster Avenue, Philadelphia, Pennsylvania 19104	Freehold	Not applicable	**Not applicable**	Not applicable	**80,176**	83,961	**80,176**	83,961	**1.8**	2.1	**2.2**	2.4
Paloma West Midtown	800 Marietta Street NW, Atlanta, Georgia, 30318	Freehold	Not applicable	**Not applicable**	Not applicable	**154,787**	149,098	**154,787**	149,098	**3.6**	3.8	**4.2**	4.3
Balance carried forward						**5,496,938**	5,205,713	**5,849,526**	5,544,640	**126.2**	131.2	**158.4**	160.8

(16) On 9 February 2022, the CapitaLand Ascott REIT Group acquired Paloma Kent from Residences at Kent State Property Owner, LLC, an unrelated third party. The valuation was based on direct capitalisation and discounted cash flow method.

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

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Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease		At Valuation				Percentage of Stapled Securityholders' funds			
						Stapled Group		CapitaLand Ascott REIT Group		Stapled Group		CapitaLand Ascott REIT Group	
				2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
						$'000	$'000	$'000	$'000	%	%	%	%
Balance brought forward						**5,496,938**	5,205,713	**5,849,526**	5,544,640	**126.2**	131.2	**158.4**	160.8
United States of America (continued)													
Seven07	707 South Fourth Street, Champaign, Illinois 61820	Freehold	Not applicable	**Not applicable**	Not applicable	**120,280**	117,946	**120,280**	117,946	**2.8**	3.0	**3.3**	3.4
Standard at Columbia[17]	1401 Assembly Street, Columbia, South Carolina 29201	Freehold	Not applicable	**Not applicable**	Not applicable	**158,000**	128,707	**158,000**	128,707	**3.6**	3.2	**4.3**	3.7
Uncommon Wilmington	2421 Playa Way, Wilmington, North Carolina 28403	Freehold	Not applicable	**Not applicable**	Not applicable	**74,562**	77,516	**74,562**	77,516	**1.7**	2.0	**2.0**	2.2
Wildwood Lubbock	1701 N. Quaker Avenue, Lubbock, Texas, 79416	Freehold	Not applicable	**Not applicable**	Not applicable	**110,990**	107,737	**110,990**	107,737	**2.5**	2.7	**3.0**	3.1
Balance carried forward						**5,960,770**	5,637,619	**6,313,358**	5,976,546	**136.8**	142.1	**171.0**	173.2

(17) On 30 November 2022, the CapitaLand Ascott REIT Group acquired Standard at Columbia from TAHL PBSA Venture Pte Ltd, a related corporation. The valuation was based on direct capitalisation method.

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

PORTFOLIO STATEMENTS

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Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease		At Valuation				Percentage of Stapled Securityholders' funds			
						Stapled Group		CapitaLand Ascott REIT Group		Stapled Group		CapitaLand Ascott REIT Group	
				2023	2022	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 %	2022 %	2023 %	2022 %
Balance brought forward						**5,960,770**	5,637,619	**6,313,358**	5,976,546	**136.8**	142.1	**171.0**	173.2
Vietnam													
Somerset Central TD Hai Phong City(18)	Tower A, TD Plaza, Lot 20A, New Urban Zone at 5 Corner – Cat Bi Airport, Dong Khe Ward, Ngo Quyen District, Hai Phong City	Leasehold	64 years	**52 years**	53 years	**22,778**	23,211	**22,778**	23,211	**0.5**	0.6	**0.6**	0.7
Somerset Chancellor Court Ho Chi Minh City	21-23 Nguyen Thi Minh Khai Street, District 1, Ho Chi Minh City	Leasehold	48 years	**18 years**	19 years	**37,858**	43,290	**37,858**	43,290	**0.9**	1.1	**1.0**	1.3
Somerset Grand Hanoi	49 Hai Ba Trung Street, Hanoi	Leasehold	45 years	**14 years**	15 years	**70,515**	84,293	**70,515**	84,293	**1.6**	2.1	**1.8**	2.5
Somerset Ho Chi Minh City	8A Nguyen Binh Khiem Street, District 1, Ho Chi Minh City	Leasehold	45 years	**16 years**	17 years	**31,718**	36,179	**31,718**	36,179	**0.7**	0.9	**0.9**	1.0
Somerset Hoa Binh Hanoi	106 Hoang Quoc Viet Street, Cau Giay, Hanoi	Leasehold	36 years	**18 years**	19 years	**25,990**	31,148	**25,990**	31,148	**0.7**	0.9	**0.7**	1.0
Portfolio of investment properties and investment properties under development						**6,149,629**	5,855,740	**6,502,217**	6,194,667	**141.2**	147.7	**176.0**	179.7
Right-of-use assets						**263,965**	267,014	**263,965**	267,014	**6.1**	6.7	**7.1**	7.7
Investment properties and investment properties under development on the Statement of Financial Position of the CapitaLand Ascott REIT Group						**6,413,594**	6,122,754	**6,766,182**	6,461,681	**147.3**	154.4	**183.1**	187.4
Balance carried forward						**6,413,594**	6,122,754	**6,766,182**	6,461,681	**147.3**	154.4	**183.1**	187.4

(18) On 30 November 2022, the CapitaLand Ascott REIT Group acquired Somerset Central TD Hai Phong City from Vibrant Coral Overseas Inc., a related corporation. The valuation was based on discounted cash flow method.

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

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Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease		At Valuation				Percentage of Stapled Securityholders' funds			
						Stapled Group		CapitaLand Ascott REIT Group		Stapled Group		CapitaLand Ascott REIT Group	
				2023	2022	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 %	2022 %	2023 %	2022 %
Balance brought forward						**6,413,594**	6,122,754	**6,766,182**	6,461,681	**147.3**	154.4	**183.1**	187.4
Investment properties of the CapitaLand Ascott BT Group													
Japan													
Sotetsu Grand Fresa Osaka-Namba	1-1-13, Nipponbashi, Chuo-ku, Osaka 542-0073	Freehold	Not applicable	**Not applicable**	Not applicable	**193,131**	207,466	**–**	–	**4.4**	5.2	**–**	–
South Korea													
ibis Ambassador Seoul Insadong	31 Samil-daero 30-gil, Ikseon-dong, Jongno-gu, Seoul	Freehold	Not applicable	**Not applicable**	Not applicable	**81,146**	81,120	**–**	–	**1.9**	2.0	**–**	–
Sotetsu Hotels The Splaisir Seoul Dongdaemun	226 Jangchoongdan-ro, Gwanghui-dong, Jung-gu, Seoul	Freehold	Not applicable	**Not applicable**	Not applicable	**81,146**	78,000	**–**	–	**1.9**	2.0	**–**	–
Investment properties and investment properties under development on the Statement of Financial Position of the Stapled Group						**6,769,017**	6,489,340	**6,766,182**	6,461,681	**155.5**	163.6	**183.1**	187.4
Balance carried forward						**6,769,017**	6,489,340	**6,766,182**	6,461,681	**155.5**	163.6	**183.1**	187.4

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

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Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease 2023	Remaining Term of Lease 2022	At Valuation: Stapled Group 2023 $'000	Stapled Group 2022 $'000	CapitaLand Ascott REIT Group 2023 $'000	CapitaLand Ascott REIT Group 2022 $'000	Percentage of Stapled Securityholders' funds: Stapled Group 2023 %	Stapled Group 2022 %	CapitaLand Ascott REIT Group 2023 %	CapitaLand Ascott REIT Group 2022 %
Balance brought forward						**6,769,017**	6,489,340	**6,766,182**	6,461,681	**155.5**	163.6	**183.1**	187.4
Freehold land and buildings of the CapitaLand Ascott BT Group													
Australia													
Courtyard by Marriott Sydney-North Ryde[19]	7-11 Talavera Road, North Ryde, NSW 2113	Freehold	Not applicable	**Not applicable**	Not applicable	**–**	48,946	**–**	–	**–**	1.2	**–**	–
Novotel Sydney Central	169-179 Thomas Street, Sydney, NSW 2000	Freehold	Not applicable	**Not applicable**	Not applicable	**145,560**	144,847	**–**	–	**3.3**	3.7	**–**	–
Novotel Sydney Parramatta[19]	350 Church Street, Parramatta, NSW 2150	Freehold	Not applicable	**Not applicable**	Not applicable	**–**	38,954	**–**	–	**–**	1.0	**–**	–
Pullman and Mercure Brisbane King George Square	Corner Ann and Roma Street, Brisbane, QLD 4000	Freehold	Not applicable	**Not applicable**	Not applicable	**82,644**	73,191	**–**	–	**1.9**	1.8	**–**	–
Pullman and Mercure Melbourne Albert Park	65 Queens Road, Melbourne, VIC 3004	Freehold	Not applicable	**Not applicable**	Not applicable	**90,605**	89,890	**–**	–	**2.1**	2.3	**–**	–
Pullman Sydney Hyde Park	36 College Street, Sydney, NSW 2000	Freehold	Not applicable	**Not applicable**	Not applicable	**144,647**	140,797	**–**	–	**3.3**	3.6	**–**	–
Ireland													
Temple Bar Hotel[20]	13-17 Fleet St, Temple Bar, Dublin 2, D02 WD51	Freehold	Not applicable	**Not applicable**	Not applicable	**114,235**	–	**–**	–	**2.6**	–	**–**	–
Portfolio of freehold land and buildings of the CapitaLand Ascott BT Group						**577,691**	536,625	**–**	–	**13.2**	13.6	**–**	–
Total investment properties, investment properties under development and freehold land and buildings						**7,346,708**	7,025,965	**6,766,182**	6,461,681	**168.7**	177.2	**183.1**	187.4

(19) On 31 December 2023, these two hotels were reclassified to "Assets held for sale" (Note 15), pursuant to the divestment of these properties.
(20) On 30 November 2023, the CapitaLand Ascott BT Group acquired Temple Bar Hotel from Citadines Temple Bar Limited, a related corporation. The valuation was based on discounted cashflow method.

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

PORTFOLIO STATEMENTS

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Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease		At Valuation				Percentage of Stapled Securityholders' funds			
						Stapled Group		CapitaLand Ascott REIT Group		Stapled Group		CapitaLand Ascott REIT Group	
				2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
						$'000	$'000	$'000	$'000	%	%	%	%
Balance brought forward						**7,346,708**	7,025,965	**6,766,182**	6,461,681	**168.7**	177.2	**183.1**	187.4
Leasehold land and buildings – The Robertson House by The Crest Collection						**352,588**	338,927	**–**	–	**8.1**	8.5	**–**	–
Other assets and liabilities (net)						**(2,869,002)**	(2,920,097)	**(2,597,780)**	(2,534,369)	**(65.9)**	(73.6)	**(70.3)**	(73.5)
Net assets						**4,830,294**	4,444,795	**4,168,402**	3,927,312	**110.9**	112.1	**112.8**	113.9
Perpetual securities holders						**(396,298)**	(396,298)	**(396,298)**	(396,298)	**(9.1)**	(10.0)	**(10.7)**	(11.5)
Non-controlling interests						**(77,643)**	(83,061)	**(75,949)**	(81,446)	**(1.8)**	(2.1)	**(2.1)**	(2.4)
Stapled Securityholders' funds						**4,356,353**	3,965,436	**3,696,155**	3,449,568	**100.0**	100.0	**100.0**	100.0

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

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As at 31 December 2023

On 31 December 2023, Citadines Zhuankou Wuhan, Somerset Grand Central Dalian, Somerset Heping Shenyang, Somerset Olympic Tower Property Tianjin, Citadines Central Shinjuku Tokyo, Citadines Karasuma-Gojo Kyoto, Citadines Shinjuku Tokyo, Hotel WBF Honmachi, Hotel WBF Kitasemba East, Hotel WBF Kitasemba West, Sotetsu Grand Fresa Tokyo-Bay Ariake, Actus Hakata V-Tower, Alpha Square Kita 15 jo, Big Palace Kita 14 jo, Big Palace Minami 5 jo, City Court Kita 1 jo, Eslead College Gate Kindaimae, Eslead Residence Bentencho Grande, Eslead Residence Osaka Fukushima East, Eslead Residence Umeda Grande, Granfore Hakata Waterfront, Gravis Court Kakomachi, Gravis Court Kokutaiji, Gravis Court Nishiharaekimae, House Saison Shijo-Dori, Infini Garden, Marunouchi Central Heights, Roppongi Residences Tokyo, S-Residence Fukushima Luxe, S-Residence Gakuenzaka, S-Residence Hommachi Marks, S-Residence Midoribashi Serio, S-Residence Namba Viale, S-Residence Shukugawa, S-Residence Tanimachi 9 chome, Element New York Times Square West, Sheraton Tribeca New York Hotel, voco Times Square South, Paloma West Midtown, Seven07, Standard at Columbia, Sotetsu Grand Fresa Osaka-Namba and Temple Bar Hotel, were pledged as securities to banks for banking facilities granted to certain subsidiaries (Note 17).

On 31 December 2022, Citadines Zhuankou Wuhan, Somerset Grand Central Dalian, Somerset Heping Shenyang, Somerset Olympic Tower Property Tianjin, Citadines Central Shinjuku Tokyo, Citadines Karasuma-Gojo Kyoto, Citadines Shinjuku Tokyo, Hotel WBF Honmachi, Hotel WBF Kitasemba East, Hotel WBF Kitasemba West, Sotetsu Grand Fresa Tokyo-Bay Ariake, Actus Hakata V-Tower, Alpha Square Kita 15 jo, Big Palace Kita 14 jo, Big Palace Minami 5 jo, City Court Kita 1 jo, Eslead College Gate Kindaimae, Eslead Residence Bentencho Grande, Eslead Residence Umeda Grande, Gravis Court Kakomachi, Gravis Court Kokutaiji, Gravis Court Nishiharaekimae, House Saison Shijo-Dori, Infini Garden, Marunouchi Central Heights, Roppongi Residences Tokyo, S-Residence Fukushima Luxe, S-Residence Gakuenzaka, S-Residence Hommachi Marks, S-Residence Midoribashi Serio, S-Residence Namba Viale, S-Residence Shukugawa, S-Residence Tanimachi 9 chome, Citadines Mount Sophia Property Singapore, Element New York Times Square West, Sheraton Tribeca New York Hotel, voco Times Square South, Paloma West Midtown, Seven07, Standard at Columbia, Somerset Chancellor Court Ho Chi Minh City, Somerset Grand Hanoi, Somerset Ho Chi Minh City and Sotetsu Grand Fresa Osaka-Namba were pledged as securities to banks for banking facilities granted to certain subsidiaries (Note 17).

As at 31 December 2023, the carrying amounts for most of the investment properties and Somerset Liang Court, investment property under development, were based on independent valuations carried out by HVS. The valuation for the remaining properties are conducted by the following valuers: ibis Ambassador Seoul Insadong and Sotetus Hotels The Splaisir Seoul Dongdaemun conducted by CBRE; Paloma Kent, Paloma Raleigh, Paloma University City, Paloma West Midtown, Seven07, Standard at Columbia, Uncommon Wilmington, Wildwood Lubbock conducted by JLL Valuation & Advisory Services, LLC; Element New York Times Square West, Sheraton Tribeca New York Hotel and voco Times Square South conducted by Colliers. The freehold land and buildings of the six Australia properties were stated at fair value based on valuations carried out by Colliers. The leasehold land and buildings of The Robertson House by The Crest Collection (formerly known as Riverside Hotel Robertson Quay) and the freehold land and buildings of Temple Bar Hotel were stated at fair value based on valuations carried out by HVS. The Managers believe that the external property valuers have appropriate professional qualifications and recent experience in the location and category of the properties being valued. The Stapled Group's valuations include plant and equipment located in the investment properties. The valuations adopted in the portfolio table above were adjusted for values ascribed to plant and equipment.

As at 31 December 2022, the carrying amounts for most of the investment properties and Somerset Liang Court, investment property under development, were based on independent valuations carried out by Colliers. The valuation for the remaining properties are conducted by the following valuers: Quest Cannon Hill, La Clef Tour Eiffel Paris, House Saison Shijo-Dori, Marunouchi Central Heights, S-Residence Gakuenzaka, S-Residence Namba Viale, S-Residence Shukugawa and Somerset Central TD Hai Phong City conducted by HVS; Eslead Residence Bentencho Grande and Eslead Residence Umeda Grande conducted by Asset Valuation Partners; Standard at Columbia, property under development, conducted by JLL Valuation & Advisory Services, LLC; ibis Ambassador Seoul Insadong, Sotetus Hotels The Splaisir Seoul Dongdaemun, Element New York Times Square West, Sheraton Tribeca New York Hotel and voco Times Square South conducted by CBRE. The freehold land and buildings of the six Australia properties and leasehold land and buildings of The Robertson House by The Crest Collection (formerly Riverside Hotel Robertson Quay) were stated at fair value based on valuations carried out by Colliers. The Managers believe that the external property valuers have appropriate professional qualifications and recent experience in the location and category of the properties being valued. The Stapled Group's valuations include plant and equipment located in the investment properties. The valuations adopted in the portfolio table above were adjusted for values ascribed to plant and equipment.

The fair values were derived based on the discounted cash flow, direct capitalisation and residual land value methods. The specific risks inherent in each of the properties are taken into consideration in arriving at the valuations. The valuation methods used in determining the fair value involve certain estimates and assumptions including those relating to discount rate, terminal capitalisation rate, capitalisation rate, revenue per available unit and gross development costs.

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

STATEMENTS OF CASH FLOWS
Year ended 31 December 2023

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	$'000	$'000	$'000	$'000	$'000	$'000
Cash flows from operating activities						
Total return for the year before income tax	**295,021**	273,742	**26,984**	4,444	**302,225**	259,783
Adjustments for:						
Depreciation of property, plant and equipment	**12,025**	12,514	**22,156**	22,080	**38,897**	35,773
Amortisation of deferred income	**(106)**	–	**–**	(786)	**(106)**	(786)
Finance costs	**80,795**	61,985	**12,433**	14,616	**86,830**	69,012
Finance income	**(3,125)**	(1,176)	**(1,318)**	(338)	**(4,434)**	(1,468)
Foreign exchange loss/(gain) – unrealised	**17,367**	34,448	**(2,097)**	19,373	**15,270**	53,821
Loss on disposal of property, plant and equipment	**65**	345	**–**	–	**1,313**	345
Managers' management fees paid/ payable in Stapled Securities	**22,340**	19,481	**2,329**	2,276	**24,669**	21,757
Revaluation surplus on land and buildings	**–**	–	**–**	(5,393)	**–**	(5,393)
Net change in fair value of investment properties, investment properties under development and assets held for sale	**(109,405)**	(138,850)	**(1,746)**	4,534	**(101,132)**	(122,353)
Net change in fair value of financial derivatives	**25,283**	(597)	**(956)**	–	**24,327**	(597)
Net change in fair value of investment securities	**(38)**	(253)	**–**	–	**–**	–
Profit from divestments	**(16,016)**	(99)	**–**	–	**(16,016)**	(99)
Investment properties written off	**1,478**	78	**–**	–	**230**	78
Impairment loss/write-off of trade and other receivables	**439**	665	**15**	27	**454**	692
Share of results of associate (net of tax)	**(7)**	27	**–**	–	**(7)**	27
Share of results of joint venture (net of tax)	**–**	(3,918)	**–**	–	**–**	(3,918)
Operating income before working capital changes	**326,116**	258,392	**57,800**	60,833	**372,520**	306,674
Changes in working capital:						
Inventories	**(71)**	66	**(181)**	(27)	**(252)**	39
Trade and other receivables	**(57,669)**	(32,402)	**8,878**	(4,092)	**(28,730)**	(6,871)
Trade and other payables	**(12,816)**	14,848	**21,528**	28,800	**(11,346)**	14,025
Cash generated from operations	**255,560**	240,904	**88,025**	85,514	**332,192**	313,867
Income tax paid	**(30,498)**	(30,412)	**(1,039)**	(1,134)	**(31,537)**	(31,546)
Net cash generated from operating activities	**225,062**	210,492	**86,986**	84,380	**300,655**	282,321
Balance carried forward	**225,062**	210,492	**86,986**	84,380	**300,655**	282,321

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

STATEMENTS OF CASH FLOWS
Year ended 31 December 2023

	Note	CapitaLand Ascott REIT Group 2023 $'000	CapitaLand Ascott REIT Group 2022 $'000	CapitaLand Ascott BT Group 2023 $'000	CapitaLand Ascott BT Group 2022 $'000	Stapled Group 2023 $'000	Stapled Group 2022 $'000
Balance brought forward		**225,062**	210,492	**86,986**	84,380	**300,655**	282,321
Cash flows from investing activities							
Acquisition of investment properties	38	**(238,136)**	(261,470)	**–**	–	**(238,136)**	(261,470)
Acquisition of property, plant and equipment	38	**–**	–	**(72,193)**	–	**(72,193)**	–
Advance (to)/from related corporations		**(38,956)**	(41,783)	**38,956**	41,783	**–**	–
Deferred income received		**8,500**	–	**–**	–	**8,500**	–
Capital expenditure on investment properties		**(16,434)**	(10,349)	**(511)**	(507)	**(16,945)**	(10,856)
Capital expenditure on investment properties under development		**(38,657)**	(25,183)	**–**	–	**(38,657)**	(25,183)
Deposit paid for acquisition of investment properties		**–**	(10,058)	**–**	–	**–**	(10,058)
Loan to joint venture		**–**	(6,866)	**–**	–	**–**	(6,866)
Proceeds from disposal of assets held for sale		**62,950**	–	**–**	–	**62,950**	–
Refund of purchase consideration to buyer for disposal of subsidiary in prior year		**–**	(128)	**–**	–	**–**	(128)
Proceeds from disposal of strata units		**300**	530	**–**	–	**300**	530
Interest received		**3,175**	1,130	**1,193**	198	**4,308**	1,328
Deposit received for divestment of investment properties		**998**	–	**–**	–	**998**	–
Proceeds from sale of property, plant and equipment		**23**	11	**–**	–	**23**	11
Purchase of property, plant and equipment		**(23,395)**	(10,847)	**(10,899)**	(1,640)	**(34,294)**	(12,487)
Settlement of hedging instruments		**24,925**	–	**1,545**	16,355	**26,470**	16,355
Net cash (used in)/generated from investing activities		**(254,707)**	(365,013)	**(41,909)**	56,189	**(296,676)**	(308,824)
Balance carried forward		**(29,645)**	(154,521)	**45,077**	140,569	**3,979**	(26,503)

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

STATEMENTS OF CASH FLOWS

Year ended 31 December 2023

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Balance brought forward	**(29,645)**	(154,521)	**45,077**	140,569	**3,979**	(26,503)
Cash flows from financing activities						
Distributions to Stapled Securityholders	**(161,366)**	(139,955)	**(36,845)**	(28,715)	**(198,211)**	(168,670)
Distributions to perpetual securities holders	**(13,495)**	(13,495)	**–**	–	**(13,495)**	(13,495)
Dividends paid to non-controlling interests	**(3,234)**	(1,888)	**(167)**	(61)	**(3,286)**	(1,929)
Proceeds from issue of Stapled Securities	**165,861**	170,000	**137,192**	–	**303,053**	170,000
Payment of issue expenses on issuance of Stapled Securities	**(2,340)**	(2,293)	**(2,095)**	–	**(4,435)**	(2,293)
Proceeds from borrowings and issuance of notes	**704,147**	1,554,606	**51,270**	92,243	**755,417**	1,646,849
Repayment of borrowings and notes	**(499,073)**	(1,319,220)	**(175,468)**	(161,770)	**(674,541)**	(1,480,990)
Payment of transaction costs on borrowings and notes	**(2,966)**	(7,842)	**(557)**	(231)	**(3,523)**	(8,073)
Payment of lease liabilities	**(9,000)**	(7,897)	**(4,890)**	(4,989)	**(9,000)**	(7,897)
Interest paid	**(73,847)**	(55,966)	**(12,970)**	(14,101)	**(80,369)**	(62,525)
Change in restricted cash deposits	**(6,084)**	(18)	**(1,040)**	212	**(7,124)**	194
Net cash generated from/(used in) financing activities	**98,603**	176,032	**(45,570)**	(117,412)	**64,486**	71,171
Net increase/(decrease) in cash and cash equivalents	**68,958**	21,511	**(493)**	23,157	**68,465**	44,668
Cash and cash equivalents at 1 January	**298,862**	300,792	**62,303**	42,877	**361,165**	343,669
Effect of exchange rate changes on balances held in foreign currency	**(4,922)**	(23,441)	**(1,495)**	(3,731)	**(6,417)**	(27,172)
Cash and cash equivalents at 31 December	**362,898**	298,862	**60,315**	62,303	**423,213**	361,165

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

STATEMENTS OF CASH FLOWS

Year ended 31 December 2023

Significant non-cash transactions

CapitaLand Ascott REIT Group

During the year, the CapitaLand Ascott REIT Group has the following significant non-cash transactions:

- A total of 22,134,460 (2022: 18,634,723) Stapled Securities were issued or will be issued as payment of the REIT Manager's management fees amounting to $22,340,000 (2022: $19,481,000) in respect of the year ended 31 December 2023.

- The CapitaLand Ascott REIT Group incurred capital expenditure on investment properties of $20,577,000 (2022: $12,925,000), of which $4,143,000 (2022: $2,576,000) was unpaid and included in trade and other payables. The $2,576,000 unpaid as at 31 December 2022 was settled via acquisition fees in Stapled Securities to the REIT Manager during the year.

- The CapitaLand Ascott REIT Group incurred capital expenditure on investment properties under development of $42,343,000 (2022: $25,217,000), of which $9,907,000 (2022: $6,221,000) was unpaid and included in trade and other payables.

CapitaLand Ascott BT Group

During the year, the CapitaLand Ascott BT Group has the following significant non-cash transactions:

- A total of 2,350,563 (2022: 2,169,590) Stapled Securities were issued or will be issued as payment of the BT Trustee-Manager's management fees amounting to $2,329,000 (2022: $2,276,000) in respect of the year ended 31 December 2023.

- The CapitaLand Ascott BT Group acquired property, plant and equipment with an aggregate cost of $11,925,000 (2022: $1,640,000) of which $1,026,000 (2022: $Nil) was unpaid and included in trade and other payables.

Stapled Group

During the year, the Stapled Group has the following significant non-cash transactions:

- A total of 22,134,460 (2022: 18,634,723) Stapled Securities were issued or will be issued as payment of the REIT Manager's management fees amounting to $22,340,000 (2022: $19,481,000) in respect of the year ended 31 December 2023.

- A total of 2,350,563 (2022: 2,169,590) Stapled Securities were issued or will be issued as payment of the BT Trustee-Manager's management fees amounting to $2,329,000 (2022: $2,276,000) in respect of the year ended 31 December 2023.

- The Stapled Group incurred capital expenditure on investment properties of $21,088,000 (2022: $13,432,000), of which $4,143,000 (2022: $2,576,000) was unpaid and included in trade and other payables. The $2,576,000 unpaid as at 31 December 2022 was settled via acquisition fees in Stapled Securities to the REIT Manager during the year.

- The Stapled Group incurred capital expenditure on investment properties under development of $42,343,000 (2022: $25,217,000), of which $9,907,000 (2022: $6,221,000) was unpaid and included in trade and other payables.

- The Stapled Group acquired property, plant and equipment with an aggregate cost of $35,320,000 (2022: $12,487,000) of which $1,026,000 (2022: $Nil) was unpaid and included in trade and other payables.

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 REIT Manager, the BT Trustee-Manager and the REIT Trustee on 8 March 2024.

1 GENERAL

CapitaLand Ascott Trust is a stapled group comprising CapitaLand Ascott Real Estate Investment Trust ("CapitaLand Ascott REIT") and its subsidiaries (the "CapitaLand Ascott REIT Group") and CapitaLand Ascott Business Trust ("CapitaLand Ascott BT") and its subsidiaries (the "CapitaLand Ascott BT Group") (collectively, the "Stapled Group").

CapitaLand Ascott REIT is a Singapore-domiciled unit trust constituted pursuant to the CapitaLand Ascott REIT trust deed dated 19 January 2006 (as amended) (the "CapitaLand Ascott REIT Trust Deed") between CapitaLand Ascott Trust Management Limited (the "REIT Manager") and DBS Trustee Limited (the "REIT Trustee"). The CapitaLand Ascott REIT Trust Deed is governed by the laws of the Republic of Singapore. The REIT Trustee is under a duty to take into custody and hold the assets of CapitaLand Ascott REIT held by it or through its subsidiaries in trust for the holders of units in CapitaLand Ascott REIT.

CapitaLand Ascott BT is a business trust constituted by a trust deed dated 9 September 2019 (as amended) (the "CapitaLand Ascott BT Trust Deed") and is managed by CapitaLand Ascott Business Trust Management Pte. Ltd. (the "BT Trustee-Manager").

A stapling deed dated 9 September 2019 and First Supplemental Stapling Deed dated 27 September 2022 was entered into between the REIT Manager, the REIT Trustee and the BT Trustee-Manager (the "Stapling Deed").

On 31 December 2019, the units in each of CapitaLand Ascott REIT and CapitaLand Ascott BT are stapled together and cannot be traded separately. Each stapled security in CapitaLand Ascott Trust (the "Stapled Security") comprises a unit in CapitaLand Ascott REIT (the "CapitaLand Ascott REIT Unit") and a unit in CapitaLand Ascott BT (the "CapitaLand Ascott BT Unit").

The principal activities of the significant subsidiaries of the Stapled Group are those relating to investment in real estate and real estate related assets which are income-producing, and which are used or predominantly used, as serviced residences, hotels, rental housing properties, student accommodation properties and other hospitality assets in any country in the world.

For financial reporting purposes, the intermediate and ultimate holding companies of the Stapled Group are CapitaLand Investment Limited and Temasek Holdings (Private) Limited. The intermediate and ultimate holding companies are incorporated in the Republic of Singapore.

The consolidated financial statements of the CapitaLand Ascott REIT Group relate to CapitaLand Ascott REIT, its subsidiaries and its interests in its associate. The consolidated financial statements of the CapitaLand Ascott BT Group relate to CapitaLand Ascott BT and its subsidiaries. The consolidated financial statements of the Stapled Group relate to the CapitaLand Ascott REIT Group and the CapitaLand Ascott BT Group.

1 GENERAL (continued)

1.1 Service agreements

Several service agreements are in place in relation to the management of CapitaLand Ascott REIT and CapitaLand Ascott BT and their property operations. The fee structures of these services are as follows:

(i) REIT Trustee's fees

Pursuant to Clause 16.2 of the CapitaLand Ascott REIT Trust Deed, the REIT Trustee's fee shall not exceed 0.1% per annum of the value of the assets of the CapitaLand Ascott REIT Group (the "CapitaLand Ascott REIT Deposited Property"), subject to a minimum of $10,000 per month, excluding out-of-pocket expenses and goods and services tax which is borne by CapitaLand Ascott REIT. The REIT Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the CapitaLand Ascott REIT Trust Deed. The REIT Trustee's fees are payable monthly in arrears.

(ii) REIT Manager's fees

Management fees

The REIT Manager is entitled under Clauses 15.1.1 and 15.1.2 of the CapitaLand Ascott REIT Trust Deed to the following management fees:

(a) a base fee of 0.3% per annum of the property values; and

(b) an annual performance fee of:

- base performance fee of 4.0% per annum of the CapitaLand Ascott REIT Group's share of gross profit for each financial year; and
- in the event that the CapitaLand Ascott REIT Group's share of gross profit increases by more than 6.0% annually, an additional outperformance fee of 1.0% of the difference between the CapitaLand Ascott REIT Group's share of that financial year's gross profit and 106% of the CapitaLand Ascott REIT Group's share of the preceding year's gross profit.

The base management fees payable in cash and in the form of Stapled Securities shall be payable quarterly in arrears. Performance fees shall be payable once a year, after the end of the financial year.

When management fees are payable in Stapled Securities, the REIT Manager shall be entitled to receive such number of Stapled Securities as may be purchased for the relevant amount of the management fees at the market price (as defined in the CapitaLand Ascott REIT Trust Deed).

1 GENERAL (continued)

1.1 Service agreements (continued)

(ii) REIT Manager's fees (continued)

Acquisition fee

Pursuant to Clause 15.2.1 of the CapitaLand Ascott REIT Trust Deed, the REIT Manager is entitled to receive the following acquisition fees:

(a) an acquisition fee of 1.0% of the enterprise value ("Enterprise Value") of any real estate or real estate related asset acquired directly or indirectly by CapitaLand Ascott REIT, prorated if applicable to the proportion of CapitaLand Ascott REIT's interest; and

(b) in the event that there is payment to third party agents or brokers in connection with the acquisition, such payment shall be paid out of the CapitaLand Ascott REIT Deposited Property, provided that the REIT Manager shall charge an acquisition fee of 0.5% instead of 1.0%.

Where assets acquired by CapitaLand Ascott REIT are shares in a company whose primary purpose is to hold/own real estate (directly or indirectly), Enterprise Value shall mean the sum of the equity value and the total debt attributable to the shares being acquired by CapitaLand Ascott REIT and where the asset acquired by the CapitaLand Ascott REIT is a property, Enterprise Value shall mean the value of the property.

The REIT Manager may opt to receive such acquisition fee in the form of cash or Stapled Securities or a combination of cash and Stapled Securities as it may determine.

In the event that the REIT Manager receives an acquisition fee in connection with a transaction with a related party, any such acquisition fee shall be paid in the form of Stapled Securities to be issued by CapitaLand Ascott REIT at the market price.

Divestment fee

The REIT Manager is entitled under Clause 15.2.1 of the CapitaLand Ascott REIT Trust Deed to receive a divestment fee of 0.5% of the Enterprise Value of any real estate or real estate related asset disposed directly or indirectly by CapitaLand Ascott REIT, prorated if applicable to the proportion of CapitaLand Ascott REIT's interest.

The divestment fee is payable to the REIT Manager in the form of cash. In the event that the REIT Manager receives a divestment fee in connection with a transaction with a related party, any such divestment fee shall be paid in the form of Stapled Securities to be issued by CapitaLand Ascott REIT at the market price.

(iii) BT Trustee-Manager's fees

Trustee fee

Pursuant to Clause 14.4.2 of the CapitaLand Ascott BT Trust Deed, the BT Trustee-Manager's fee shall not exceed 0.015% per annum of the value of the assets of the CapitaLand Ascott BT Group (the "CapitaLand Ascott BT Deposited Property"), subject to a minimum of $13,500 per month, excluding out-of-pocket expenses and goods and services tax which is borne by CapitaLand Ascott BT. The BT Trustee-Manager is also entitled to reimbursement of expenses incurred in the performance of its duties under the CapitaLand Ascott BT Trust Deed. The BT Trustee-Manager's fees are payable monthly in arrears.

1 GENERAL (continued)

1.1 Service agreements (continued)

(iii) BT Trustee-Manager's fees (continued)

Management fees

The BT Trustee-Manager is entitled under Clauses 14.1.1 and 14.1.2 of the CapitaLand Ascott BT Trust Deed to the following management fees:

(a) a base fee of 0.3% per annum of the property values; and

(b) an annual performance fee of:

- base performance fee of 4.0% per annum of the CapitaLand Ascott BT Group's share of gross profit for each financial year; and
- in the event that the CapitaLand Ascott BT Group's share of gross profit increases by more than 6.0% annually, an additional outperformance fee of 1.0% of the difference between the CapitaLand Ascott BT Group's share of that financial year's gross profit and 106% of the CapitaLand Ascott BT Group's share of the preceding year's gross profit.

The base management fees and performance fees payable in cash and in the form of Stapled Securities shall be payable quarterly in arrears.

When management fees are payable in Stapled Securities, the BT Trustee-Manager shall be entitled to receive such number of Stapled Securities as may be purchased for the relevant amount of the management fees at the market price (as defined in the CapitaLand Ascott BT Trust Deed).

Acquisition fee

Pursuant to Clause 14.2.1 of the CapitaLand Ascott BT Trust Deed, the BT Trustee-Manager is entitled to receive the following acquisition fees:

(a) an acquisition fee of 1.0% of the Enterprise Value of any real estate or real estate related asset acquired directly or indirectly by CapitaLand Ascott BT, prorated if applicable to the proportion of CapitaLand Ascott BT's interest; and

(b) in the event that there is payment to third party agents or brokers in connection with the acquisition, such payment shall be paid out of the CapitaLand Ascott BT Deposited Property, provided that the BT Trustee-Manager shall charge an acquisition fee of 0.5% instead of 1.0%.

Where assets acquired by CapitaLand Ascott BT are shares in a company whose primary purpose is to hold/own real estate (directly or indirectly), Enterprise Value shall mean the sum of the equity value and the total debt attributable to the shares being acquired by CapitaLand Ascott BT and where the asset acquired by CapitaLand Ascott BT is a property, Enterprise Value shall mean the value of the property.

The BT Trustee-Manager may opt to receive such acquisition fee in the form of cash or Stapled Securities or a combination of cash and Stapled Securities as it may determine.

In the event that the BT Trustee-Manager receives an acquisition fee in connection with a transaction with a related party, any such acquisition fee shall be paid in the form of Stapled Securities to be issued by CapitaLand Ascott BT at the market price.

1 GENERAL (continued)

1.1 Service agreements (continued)

(iii) BT Trustee-Manager's fees (continued)

Divestment fee

The BT Trustee-Manager is entitled under Clause 14.2.1 of the CapitaLand Ascott BT Trust Deed to receive a divestment fee of 0.5% of the Enterprise Value of any real estate or real estate related asset disposed directly or indirectly by CapitaLand Ascott BT, prorated if applicable to the proportion of the CapitaLand Ascott BT's interest.

The divestment fee is payable to the BT Trustee-Manager in the form of cash. In the event that the BT Trustee-Manager receives a divestment fee in connection with a transaction with a related party, any such divestment fee shall be paid in the form of Stapled Securities to be issued by CapitaLand Ascott BT at the market price.

(iv) Fees under serviced residence management agreements

The serviced residence management fee for each property is agreed between the Stapled Group and the relevant serviced residence management company as follows:

(a) for management contracts, each property is charged management fees of between 1.0% and 3.0% per annum of the total revenue of each property and up to 11.0% per annum of gross operating profit of each property; and

(b) for management contracts with minimum guaranteed income, each property is charged management fees of:

- 1.5% to 3.0% per annum of the total revenue of each property; and
- up to 9.0% per annum of gross operating profit of each property and up to 13.0% per annum of adjusted gross operating profit of each property.

For one of the properties, if the adjusted gross operating profit exceeds the hurdle (as defined in the management agreement), the operator will be entitled to share 50% of such profits exceeding the hurdle. The total profit share is subject to a cap for ten years after the completion of the renovation works.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

The financial statements of the CapitaLand Ascott BT Group have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s"), the applicable requirements of the Business Trusts Act 2004 and the provisions of the CapitaLand Ascott BT Trust Deed. The adoption of new accounting standards and amendments are described in Note 2.5.

2 BASIS OF PREPARATION (continued)

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except as disclosed in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore Dollars, which is the functional currency of CapitaLand Ascott REIT and CapitaLand Ascott BT. All financial information presented in Singapore Dollars have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions about the future, including climate-related risks and opportunities, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to accounting estimates are recognised prospectively.

Information about critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 3.3 and 4 – classification of investment properties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 4, 5 and 6 – determination of fair value of investment properties, land and buildings, and investment properties under development

Measurement of fair values

A number of the Stapled Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group have an established control framework with respect to the measurement of fair values. Significant fair value measurements, including Level 3 fair values, will be reported directly to the Chief Executive Officer ("CEO") of the Managers.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as valuation of investment property by external property valuers, is used to measure fair values, then management assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRSs/SFRS(I)s, including the level in the fair value hierarchy in which such valuations should be classified.

The valuation of significant assets and their financial impact are discussed by the ARC and Board of Directors of the Managers.

2 BASIS OF PREPARATION (continued)

2.4 Use of estimates and judgements (continued)

When measuring the fair value of an asset or a liability, the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group use 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 CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group recognise 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 Note 33 – financial instruments.

2.5 Adoption of new accounting standards and amendments

The CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group have applied the following FRSs or SFRS(I)s, amendments to and interpretations of FRSs/SFRS(I)s for the first time for the annual period beginning on 1 January 2023:

- SFRS(I) 17/FRS 117: *Insurance Contracts*
- Amendments to SFRS(I) 1-12/FRS 12: *Deferred tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to SFRS(I)1-12/FRS 12: *International Tax Reform – Pillar Two Model Rules*
- Amendments to SFRS(I) 1-1/FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SFRS(I)1-8/FRS 8: *Definition of Accounting Estimates*

Other than the below, the application of these amendments to accounting standards and interpretations does not have a material effect on the financial statements.

Global minimum top-up tax

The Stapled Group has adopted Amendments to SFRS(I) 1- 12/FRS 12: *International Tax Reform - Pillar Two Model Rules* upon their release on 23 May 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax that may arise from the jurisdictional adoption of the Pillar Two model rules published by OECD, and required new disclosures about the Pillar Two tax exposure.

The mandatory exception is effective immediately and applies retrospectively. However, because no new legislation to implement top-up tax was enacted or substantively enacted at 31 December 2022 in any jurisdiction in which the Stapled Group operates and no related deferred tax was recognised as that date, the retrospective application has no impact on the Stapled Group's consolidated financial statements.

2 BASIS OF PREPARATION (continued)

2.5 Adoption of new accounting standards and amendments (continued)

Material accounting policy information

The Stapled Group adopted Amendments to SFRS(I) 1-1/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 by the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group consistently to all periods presented in these financial statements, except as explained in Note 2.5 which addresses changes in material accounting policies.

In addition, the Stapled Group adopted the Amendments to SFRS(I) 1-1/FRS 1 and FRS Practice Statement 2 *Disclosure of Accounting Policies* from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in Note 3 in certain instances (see Note 2.5 for further information).

3.1 Basis of consolidation

(i) Stapling

Where entities enter into a stapling arrangement, the stapling arrangement is accounted for as a business combination under the acquisition method.

(ii) Business combinations

Business combinations are accounted for using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Stapled Group. In determining whether a particular set of activities and assets is a business, the Stapled 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 Stapled 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 Stapled Group measures goodwill at the acquisition date as:
- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(ii) Business combinations (continued)

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by FRS/SFRS(I)s. If the business combination is achieved in stages, the Stapled Group's previously held equity interest in the acquiree is re-measured to fair value at each acquisition date and any changes are taken to the total return.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Stapled Group incurs in connection with a business combination are expensed as incurred.

(iii) Property acquisition and business combination

Where a property is acquired, via corporate acquisitions or otherwise, the Managers consider whether the acquisition represents an acquisition of a business or an acquisition of an asset. The Stapled Group accounts for an acquisition as business combination when an integrated set of activities is acquired, in addition to the property.

In determining whether an integrated set of activities is acquired, the Managers consider whether significant processes are acquired (e.g. strategic management and serviced residence operations, etc.). Where significant processes are acquired, the acquisition is considered an acquisition of business.

When acquisition of an asset or a group of assets does not constitute a business combination, it is treated as property acquisition. In such cases, the individual identifiable assets acquired and liabilities assumed are recognised. The acquisition cost shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of acquisition. Such a transaction does not give rise to goodwill.

(iv) Subsidiaries

Subsidiaries are entities controlled by the CapitaLand Ascott REIT Group or the CapitaLand Ascott BT Group. The CapitaLand Ascott REIT Group and the CapitaLand Ascott BT Group control an entity when they are exposed to, or have rights to, variable returns from their involvement with the entity and have the ability to affect these returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the interests of the CapitaLand Ascott REIT Group or the CapitaLand Ascott BT Group in subsidiaries that do not result in a loss of control are accounted for as transactions with owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in the Statement of Total Return. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(iv) Subsidiaries (continued)

Upon the loss of control of a subsidiary, the CapitaLand Ascott REIT Group and the CapitaLand Ascott BT Group derecognise the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognised in the Statement of Total Return. If the CapitaLand Ascott REIT Group and the CapitaLand Ascott BT Group retain any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements of the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the CapitaLand Ascott REIT Group's interest in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Foreign currency

(i) Foreign currency transactions

Items included in the financial statements of each entity in the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group, and the Stapled Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "functional currency").

Transactions in foreign currencies are translated to the respective functional currencies of the Stapled Group's entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting date are translated to the functional currency at the exchange rate prevailing at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising from translation are recognised in the Statement of Total Return, except for differences arising from the translation of monetary items that in substance form part of the CapitaLand Ascott REIT Group's, the CapitaLand Ascott BT Group's and the Stapled Group's net investment in a foreign operation, financial liabilities designated as hedges of net investment in a foreign operation (see Note 3.6(vi)) or qualifying cash flow hedges, to the extent such hedges are effective, which are recognised in Stapled Securityholders' funds.

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments, arising on acquisitions are translated to Singapore Dollars at exchange rates prevailing at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore Dollars at exchange rates at the dates of the transactions. Fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rates at the reporting date.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.2 Foreign currency (continued)

(ii) Foreign operations (continued)

Foreign currency differences are recognised in other comprehensive income ("OCI") or Stapled Securityholders' funds, and presented in the foreign currency translation reserve. However, if the foreign operation is not a wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is transferred to total return as part of the profit or loss on disposal. When the disposal is only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group dispose of only part of its investment in an associate that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is transferred to Statement of Total Return.

(iii) Net investment in a foreign operation

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in Stapled Securityholders' funds and are presented in the foreign currency translation reserve.

3.3 Investment properties and investment properties under development

Investment properties comprise serviced residences, hotels, rental housing properties, student accommodation properties and other hospitality assets which are held either to earn rental or for capital appreciation or both. Investment properties under development are properties being constructed or developed for future use as investment properties. Certain of the Stapled Group's investment properties acquired through interests in subsidiaries, are accounted for as acquisition of assets.

Investment properties and investment properties under development are initially recognised at cost, including transaction costs, and subsequently at fair value with any change therein recognised in the total return. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Fair value is determined in accordance with the CapitaLand Ascott REIT Trust Deed and the CapitaLand Ascott BT Trust Deed, which requires the investment properties to be valued by independent registered valuers in the following events:

- at least once in each period of 12 months following the acquisition of each parcel of real estate property; and
- for acquisition and disposal of real estate property as required by the CIS Code issued by MAS.

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 and investment properties under development.

When an investment property or investment property under development is disposed of, the resulting gain or loss recognised in the Statement of Total Return is the difference between the net disposal proceeds and the carrying amount of the property.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.3 Investment properties and investment properties under development (continued)

Properties are classified either as investment properties or property, plant and equipment in the Statement of Financial Position. In assessing whether a property is classified as an investment property or property, plant and equipment, the Stapled Group takes into consideration several factors including, but not limited to, the business model, the extent of ancillary services provided, the power that the Stapled Group has to make significant operating and financing decisions regarding the operations of the property and the significance of its exposure to variations in the net cash flows of the property. The factors above are considered collectively, together with the facts and circumstances of each lease, in determining the classification of a property.

3.4 Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Certain of the Stapled Group's property, plant and equipment acquired through interests in subsidiaries, are accounted for as acquisition of assets.

Subsequent to recognition, land and buildings are measured at fair value less accumulated depreciation and accumulated impairment losses while other plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Any surplus arising on the revaluation is recognised in OCI or Stapled Securityholders' funds (as the case may be), except to the extent that the surplus reverses a previous revaluation deficit on the same asset recognised in the Statement of Total Return, in which case the credit to that extent is recognised in the Statement of Total Return. Any deficit on revaluation is recognised in the Statement of Total Return except to the extent that it reverses a previous revaluation surplus on the same asset, in which case the debit to that extent is recognised in OCI or Stapled Securityholders' funds (as the case may be).

The gain or loss on disposal of an item of property, plant and equipment (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.

(ii) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset if it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Stapled Group and its cost can be measured reliably. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

(iii) Depreciation

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use. Depreciation on property, plant and equipment is recognised in the Statement of Total Return on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment as follows:

Land and buildings	–	30 to 83 years
Plant and machinery	–	2 to 15 years
Renovation	–	8 to 12 years
Motor vehicles	–	5 to 8 years
Office equipment, computers and furniture	–	2 to 10 years

Freehold land and assets under construction are stated at cost and are not depreciated.

The assets' residual values, useful lives and depreciation methods are reviewed at each reporting date, and adjusted if appropriate.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.5 Intangible assets

Goodwill

For business combinations, the Stapled Group measures goodwill as at acquisition date based on the fair value of the consideration transferred (including the fair value of any pre-existing equity interest in the acquiree) and the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the amount is negative, a gain on bargain purchase is recognised in the total return. Goodwill is subsequently measured at cost less accumulated impairment losses.

Goodwill arising from the acquisition of subsidiaries is included in intangible assets.

Goodwill is tested annually for impairment as described in Note 3.7.

3.6 Financial instruments

(i) Non-derivative financial assets

Classification and measurement

The Stapled Group classifies their financial assets as financial assets at amortised cost.

The classification depends on the Stapled Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Stapled Group reclassifies financial assets when and only when its business model for managing those assets changes.

At initial recognition

A financial asset is recognised if the Stapled Group becomes a party to the contractual provisions of the financial asset.

At initial recognition, the Stapled Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Total Return.

At subsequent measurement

Financial assets at amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method.

(ii) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the Statement of Cash Flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and form an integral part of the Stapled Group's cash management are included as a component of cash and cash equivalents.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.6 Financial instruments (continued)

(iii) Non-derivative financial liabilities

The Stapled Group initially recognises debt securities issued on the date that they are originated. Financial liabilities for contingent consideration payable in a business combination are recognised at the acquisition date. All other financial liabilities (including liabilities designated at fair value through profit or loss ("FVTPL")) are recognised initially on the trade date, which is the date that the Stapled Group becomes a party to the contractual provisions of the instrument.

A financial liability is classified as FVTPL if it is classified as held for trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in total return as incurred. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in total return.

The Stapled Group classifies non-derivative financial liabilities under the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method. Other financial liabilities comprised loans and borrowings, and trade and other payables (excluding advance rental and liability for employee benefits).

(iv) Derecognition

Financial assets are derecognised if the Stapled Group's contractual rights to the cash flows from the financial assets expire or if the Stapled Group transfers the financial assets to another party without retaining control or transfers substantially all the risks and rewards of the assets. The Stapled Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Stapled 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.

(vi) Derivative financial instruments and hedge accounting

The Stapled Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through total return. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Stapled Group designates each hedge as either: (a) cash flow hedge; or (b) net investment hedge.

On initial designation of the derivative as the hedging instrument, the Stapled Group formally documents the economic relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Stapled Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported total return.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.6 Financial instruments (continued)

(vi) Derivative financial instruments and hedge accounting (continued)

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the Statement of Total Return when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

The Stapled 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 hedging reserve in Stapled Securityholders' funds. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Total Return.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item, such as inventory, the amounts recognised in the hedging reserve is included in the initial cost of the non-financial item.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in Stapled Securityholders' funds until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to Statement of Total Return in the same period or periods as the hedged expected future cash flows affect total return.

Net investment hedge

The Stapled Group designates certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in the foreign currency translation reserve in Stapled Securityholders' 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 the foreign currency translation reserve is reclassified to the Statement of Total Return on disposal of the foreign operation.

Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in the Statement of Total Return.

Sustainability-linked notes

The Stapled Group issued notes with contractual cash flows based on the Stapled Group meeting several sustainability performance targets. The Stapled Group has determined that the variability in cash flows linked to the Stapled Group's sustainability performance target is a non-financial variable specific to the party to the contract and therefore in accordance to the accounting policy of the Stapled Group, the feature fails the definition of a derivative. Accordingly, the feature is not separated. Instead, it is included in the calculation of the effective interest rate of the notes.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.6 Financial instruments (continued)

(vii) Stapled Securityholders' funds

Stapled Securityholders' funds represent the Stapled Securityholders' residual interest in the net assets of the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group upon termination and is classified as equity. Incremental costs directly attributable to the issue of Stapled Securities are recognised as a deduction from Stapled Securityholders' funds.

(viii) Perpetual securities

The perpetual securities do not have a maturity date and distribution payment is optional at the discretion of CapitaLand Ascott REIT. As CapitaLand Ascott REIT does not have a contractual obligation to repay the principal nor make any distributions, perpetual securities are classified as Stapled Securityholders' funds.

Any distributions made are directly debited from Stapled Securityholders' funds. Incremental costs directly attributable to the issue of the perpetual securities are deducted against the proceeds from the issue.

3.7 Impairment

(i) Financial assets

The Stapled Group assesses on a forward-looking basis, the expected credit losses ("ECL") associated with its financial assets carried at amortised cost and financial guarantee contracts. For trade receivables, the Stapled Group applies the simplified approach permitted by FRS 109/ SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Stapled Group applies the general approach of 12-month ECL at initial recognition for all other financial assets and financial guarantee contracts.

At each reporting date, the Stapled Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Stapled Group on terms that the Stapled Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets 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 Stapled 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 Stapled Group's procedures for recovery of amounts due.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.7 Impairment (continued)

(ii) Non-financial assets

The carrying amounts of the Stapled Group's non-financial assets, other than investment properties, investment properties under development 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 assets' recoverable amounts are 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 generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. For the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGU that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in the Statement of Total Return. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the CGU on a *pro-rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.8 Assets and liabilities held for sale

Non-current assets and liabilities, that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with applicable FRSs/SFRS(I)s. Thereafter, the assets classified as held for sale are generally measured at the lower of their carrying amount and fair value less costs to sell except for investment properties and land and buildings which are remeasured with reference to fair value or agreed sale proceeds.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in the Statement of Total Return. Gains are not recognised in excess of any cumulative impairment loss.

3.9 Provisions

A provision is recognised if, as a result of a past event, the Stapled Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.10 Leases

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Stapled 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 Stapled Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Stapled Group recognises a right-of-use assets and a lease liability at the lease commitment date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the 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 assets is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Stapled Group by the end of the lease term or the cost of the right-of-use assets reflects that the Stapled Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for right-of-use assets that meet the definition of investment property are carried at fair value in accordance with Note 3.3.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Stapled Group's estimate of the amount expected to be payable under a residual value guarantee, if the Stapled Group changes its assessment of whether it will exercise a purchase, extenuation or termination option or if there is a revised in-substance fixed lease payment.

(ii) As a lessor

To classify each lease, the Stapled 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 Stapled Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Stapled Group leases out its investment property, including own property and right-of-use assets. The Stapled Group has classified these leases as operating leases.

The Stapled Group recognises lease payments received from investment property under operating leases as rental income on a straight-line basis over the lease term as part of 'gross revenue'.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.11 Revenue

(i) Rental income from operating leases

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental income to be received. Contingent rentals are recognised as income in the accounting period in which they are earned.

(ii) Hotel revenue

Revenue from hotel operations is recognised when the accommodation and related services are rendered.

(iii) Hospitality income

Hospitality income from operations is recognised on an accrual basis, upon rendering of the relevant services. Hospitality income includes fees from usage of the business centres and laundry facilities, recoveries from guests for utilities and telephone charges, income earned from the sales of food and beverages, service and maintenance fees, recoveries of property taxes and maintenance costs from tenants and fees for managing public areas as well as other miscellaneous income.

(iv) Car park income

For car parks which are leased to an external operator, car park income is recognised on a straight-line basis over the term of the lease. For other car parks, car park income is recognised on an accrual basis.

3.12 Expenses

(i) Direct expenses

Direct expenses consist of serviced residence management fees, property taxes, staff costs and other property outgoings where such expenses are the responsibility of the Stapled Group.

(ii) Trustee's fees

The REIT Trustee's fee and BT Trustee-Manager's trustee fee are recognised on an accrual basis using the applicable formula as stipulated in Note 1.1(i) and Note 1.1(iii) respectively.

(iii) REIT Manager's management fees

REIT Manager's management fees are recognised on an accrual basis using the applicable formula, stipulated in Note 1.1(ii).

(iv) BT Trustee-Manager's management fees

BT Trustee-Manager's management fees are recognised on an accrual basis using the applicable formula, stipulated in Note 1.1(iii).

(v) Serviced residence management fees

The serviced residence management fees are recognised on an accrual basis using the applicable formula, stipulated in Note 1.1(iv).

3 MATERIAL ACCOUNTING POLICIES (continued)

3.13 Finance income and finance costs

Finance income comprises interest income and is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense on loans and borrowings, and amortisation of loans and borrowings related costs. Finance costs are recognised in the Statement of Total Return using the effective interest method.

3.14 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Statement of Total Return except to the extent that it relates to a business combination, or items recognised directly in Stapled Securityholders' funds.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

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 that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Stapled Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Stapled Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Inland Revenue Authority of Singapore (the "IRAS") has issued a tax ruling on the income tax treatment of CapitaLand Ascott REIT. Subject to compliance with the terms and conditions of the tax ruling, CapitaLand Ascott REIT is not subject to tax on the taxable income of CapitaLand Ascott REIT. Instead, the distributions made by CapitaLand Ascott REIT out of such taxable income are distributed free of tax deducted at source to individual Stapled Securityholders and qualifying Stapled Securityholders. Qualifying Stapled Securityholders are companies incorporated and tax resident in Singapore, Singapore branches of foreign companies that have obtained waiver from the IRAS from tax deducted at source in respect of the distributions from CapitaLand Ascott REIT, and bodies of persons registered or constituted in Singapore. This treatment is known as the tax transparency treatment.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.14 Income tax (continued)

The REIT Trustee will deduct tax at the reduced rate of 10% from distributions made out of CapitaLand Ascott REIT's taxable income that is not taxed at CapitaLand Ascott REIT's level to beneficial Stapled Securityholders who are qualifying foreign non-individual investors. A qualifying foreign non-individual investor is one who is not a resident of Singapore for income tax purposes and does not have a permanent establishment in Singapore. Where the non-individual investor carries on any operation in Singapore through a permanent establishment in Singapore, the funds used by that person to acquire the Stapled Securities cannot be obtained from that operation to qualify for the reduced tax rate.

For other types of Stapled Securityholders, the REIT Trustee is required to withhold tax at the prevailing corporate tax rate on the distributions made by CapitaLand Ascott REIT. Such Stapled Securityholders are subject to tax on the regrossed amounts of the distributions received but may claim a credit for the tax deducted at source by the REIT Trustee.

CapitaLand Ascott REIT will distribute at least 90% of its taxable income, other than gains from the sale of real estate properties that are determined by the IRAS to be trading gains, and net overseas income.

Net overseas income refers to the net profits (excluding any gains from the sale of property or shares, as the case may be) after applicable taxes and adjustment for non-cash items such as depreciation, derived by CapitaLand Ascott REIT from its properties located outside Singapore.

Distributions for the Stapled Group are made on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates. In accordance with the provisions of the CapitaLand Ascott REIT Trust Deed and the CapitaLand Ascott BT Trust Deed, the REIT Manager and the BT Trustee-Manager are required to pay distributions declared within 60 days of the end of each distribution period. Distributions, when paid, will be in Singapore Dollars.

3.15 Earnings per Stapled Security

The Stapled Group presents basic and diluted earnings per Stapled Security. Basic earnings per Stapled Security is calculated by dividing the total return attributable to Stapled Securityholders by the weighted average number of Stapled Securities outstanding during the year. Diluted earnings per Stapled Security is determined by adjusting the total return attributable to Stapled Securityholders and the weighted average number of Stapled Securities outstanding, adjusted for the effects of all dilutive potential Stapled Securities.

3.16 Segment reporting

An operating segment is a component of the Stapled Group that engages in business activities from which they may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Stapled Group's other components. All operating segments' operating results are reviewed regularly by the REIT Manager's and the BT Trustee-Manager's CEO to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise finance costs, trust expenses and income tax expense.

Segment capital expenditure is the total costs incurred on investment properties, property, plant and equipment and investment properties under development during the year.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.17 New accounting standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group have not early adopted the new or amended standards and interpretations in preparing these financial statements.

i Amendments to SFRS(I) 1/FRS 1: *Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants*

The amendments as issued in 2020 and 2022, aim to clarify the requirements on determining whether a liability is current or non-current, and require new disclosures for non-current liabilities that are subject to future covenants. The amendments apply for annual reporting periods beginning on or after 1 January 2024.

As disclosed in Note 17, the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group have secured bank loan and notes that are subject to specific covenants. While both liabilities are classified as non-current at 31 December 2023, a future breach of the related covenants may require the Stapled Group to repay the liabilities earlier than the contractual maturity dates. The Stapled Group is in the process of assessing the potential impact of the amendments on the classification of these liabilities and the related disclosures.

ii. Other accounting standards

The following amendments to FRSs/SFRS(I)s are not expected to have a significant impact on the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group's consolidated financial statements:

- Amendments to SFRS(I) 1-7/FRS 7 and SFRS(I) 7/FRS 107: *Supplier Finance Arrangements*
- Amendments to SFRS(I) 16/FRS 116: *Lease Liability in a Sale and Leaseback*
- Amendments to SFRS(I) 1-21/FRS 21: *Lack of Exchangeability*

4 INVESTMENT PROPERTIES

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
At 1 January	**6,075,974**	5,882,709	**447,974**	515,117	**6,103,633**	6,297,854
Acquisition of investment properties (Note 38)	**476,999**	344,623	**–**	–	**476,999**	344,623
Capital expenditure	**20,577**	12,925	**511**	507	**21,088**	13,432
Net change in fair value of investment properties	**105,343**	58,751	**1,746**	(4,534)	**97,070**	42,254
Investment properties written off	**(1,478)**	(78)	**–**	–	**(230)**	(78)
Transfer to assets held for sale (Note 15)	**(250,507)**	–	**–**	–	**(250,507)**	–
Transfer (to)/from property, plant and equipment (Note 5)	**(51)**	111	**–**	–	**(51)**	(321,864)
Transfer from investment properties under development (Note 6)	**162,223**	125,908	**–**	–	**162,223**	125,908
Lease modification	**7,635**	–	**–**	–	**7,635**	–
Translation differences	**(98,533)**	(348,975)	**(25,241)**	(63,116)	**(116,843)**	(398,496)
At 31 December	**6,498,182**	6,075,974	**424,990**	447,974	**6,501,017**	6,103,633

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4 INVESTMENT PROPERTIES (continued)

Certain investment properties of the Stapled Group with an aggregate carrying value of $2,370,464,000 (2022: $2,678,052,000) are pledged as securities to banks for banking facilities granted to certain subsidiaries (Note 17).

The master lease for Park Hotel Clarke Quay (currently known as The Robertson House by The Crest Collection) was terminated and the Stapled Group took possession of the property in August 2021. It was operated by Ascott International Management Pte Ltd under a short-term management agreement.

From 1 October 2022, the property is leased by CapitaLand Ascott REIT's subsidiary to CapitaLand Ascott BT's subsidiary under a master lease arrangement. CapitaLand Ascott BT's subsidiary has separately entered into a hotel management agreement with Ascott International Management Pte Ltd for the management of the property as well as the rebranding and renovation of the property. The hotel management agreement is effective from 1 October 2022 and will continue for a period of 20 years from completion of rebranding and renovation.

Upon the signing of the hotel management agreement, the property is classified as property, plant and equipment instead of investment property in the Stapled Group's financial statements as it will be operated as a full facility hotel and the proportion of ancillary income is deemed significant.

The Stapled Group assessed the classification of its investment properties as investment properties or property, plant and equipment based on its business model, taking into consideration the quantum of other income derived from ancillary services rendered relative to total revenue and employment of external property managers to operate the investment properties, amongst other factors.

The investment properties of CapitaLand Ascott BT Group included a right-of-use asset relating to the operating lease for Sotetsu Grand Fresa Tokyo-Bay Ariake ("Ariake Hotel") on adoption of FRS 116/SFRS(I) 16. Ascendas Ariake Godo Kaisha ("AAGK"), a subsidiary of CapitaLand Ascott BT, leases Ariake Hotel from Ascendas Hospitality Tokutei Mokuteki Kaisha, a subsidiary of CapitaLand Ascott REIT. FRS 116/SFRS(I) 16 requires AAGK to recognise a right-of-use asset and lease liability relating to this operating lease. There is no impact for the Stapled Group as the intra-group transaction is eliminated upon consolidation.

Measurement of fair value

Fair value hierarchy

The fair value of investment properties is determined by external property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

The fair value measurement for the investment properties have been categorised as level 3 fair values based on inputs to the valuation techniques used. The following table reconciles the net carrying value of the investment properties to the fair value.

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	$'000	$'000	$'000	$'000	$'000	$'000
Carrying value of investment properties	**6,498,182**	6,075,974	**424,990**	447,974	**6,501,017**	6,103,633
Less: Carrying amount of lease liabilities	**(263,965)**	(267,014)	**(69,567)**	(81,388)	**(263,965)**	(267,014)
Fair value of investment properties	**6,234,217**	5,808,960	**355,423**	366,586	**6,237,052**	5,836,619

Level 3 fair values

Reconciliations from the beginning balances to the ending balances for fair value measurements of level 3 are set out in the table above.

4 INVESTMENT PROPERTIES (continued)

Valuation technique

The Stapled Group's investment property portfolio is valued by external property valuers annually. External valuations are also carried out on occurrence of acquisitions. The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion.

The valuers have adopted the income capitalisation approach and considered valuation techniques including the discounted cash flow and direct capitalisation methods (2022: discounted cash flow and direct capitalisation methods) in arriving at the fair value as at the reporting date. In determining the fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties include market-corroborated discount rate, terminal capitalisation rate, capitalisation rate and revenue per available unit.

The valuation of the Stapled Group's investment property portfolio is discussed with the ARC and Board of Directors in accordance with the Stapled Group's reporting policies.

Significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values of investment properties, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flow method: The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate and occupancy rate. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location and lease terms.	**Stapled Group** • Discount rate: South East Asia and Australia: 5.81% – 10.26% (2022: 5.00% – 10.64%) North Asia: 3.20% – 8.00% (2022: 3.30% – 6.00%) Europe and United Kingdom: 5.88% – 9.02% (2022: 5.90% – 8.50%) United States of America: 7.50% – 8.50% (2022: 8.00% – 8.75%)	The estimated fair value would increase (decrease) if: • the discount rate were lower (higher); or • the terminal capitalisation rate were lower (higher).

4 INVESTMENT PROPERTIES (continued)

Significant unobservable inputs (continued)

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
	Stapled Group • Terminal capitalisation rate: South East Asia and Australia: 3.75% – 7.50% (2022: 3.50% – 9.00%) North Asia: 3.60% – 6.25% (2022: 3.60% – 5.25%) Europe and United Kingdom: 4.25% – 7.50% (2022: 3.25% – 7.75%) United States of America: 5.75% – 6.50% (2022: 6.00% – 6.25%)	
Direct capitalisation method: The valuation method considers the net present value of the expected future operating income of the property and dividing them by the capitalisation rate. This method is applied to the student accommodation properties which have relatively stable operating histories and expectations.	**Stapled Group** • Capitalisation rate: United States of America: 5.50% – 6.00% (2022: 4.50% – 5.50%)	The estimated fair value would increase (decrease) if the capitalisation rate were lower (higher).

Sensitivity analysis for key unobservable inputs

The significant unobservable inputs used in the fair value measurement of the Stapled Group's investment properties are discount rate, terminal capitalisation rate and capitalisation rate. Significant decreases in the discount rate, terminal capitalisation rate and capitalisation rate in isolation would result in a significantly higher fair value measurement. Conversely, a significant increase would result in a significantly lower fair value measurement.

5 PROPERTY, PLANT AND EQUIPMENT

CapitaLand Ascott REIT Group	Renovation $'000	Motor vehicles $'000	Office equipment, computers and furniture $'000	Assets under construction $'000	Total $'000
Cost					
At 1 January 2022	11,068	594	109,572	1,548	122,782
Additions	165	–	9,262	1,420	10,847
Disposals/written off	–	–	(2,341)	–	(2,341)
Acquisition of investment properties (Note 38)	–	–	1,617	–	1,617
Transfer to investment properties (Note 4)	–	–	(111)	–	(111)
Reclassifications	(127)	–	1,788	(1,661)	–
Translation differences	(874)	(42)	(6,601)	(66)	(7,583)
At 31 December 2022	10,232	552	113,186	1,241	125,211
At 1 January 2023	10,232	552	113,186	1,241	125,211
Additions	290	70	9,393	13,642	23,395
Disposals/written off	(1)	(30)	(1,375)	–	(1,406)
Acquisition of investment properties (Note 38)	–	–	1,234	–	1,234
Transfer from investment properties (Note 4)	–	–	51	–	51
Transfer to assets held for sale (Note 15)	–	–	(3,069)	–	(3,069)
Reclassifications	–	–	(91)	91	–
Translation differences	(49)	(19)	(671)	36	(703)
At 31 December 2023	10,472	573	118,658	15,010	144,713
Accumulated depreciation					
At 1 January 2022	7,101	489	78,003	–	85,593
Charge for the year	726	42	11,746	–	12,514
Disposals/written off	–	–	(1,985)	–	(1,985)
Reclassifications	(1)	–	1	–	–
Translation differences	(642)	(35)	(5,796)	–	(6,473)
At 31 December 2022	7,184	496	81,969	–	89,649
At 1 January 2023	7,184	496	81,969	–	89,649
Charge for the year	757	39	11,229	–	12,025
Disposals/written off	(1)	(27)	(1,290)	–	(1,318)
Transfer to assets held for sale (Note 15)	–	–	(2,694)	–	(2,694)
Reclassifications	1	–	(1)	–	–
Translation differences	(28)	(18)	(251)	–	(297)
At 31 December 2023	7,913	490	88,962	–	97,365
Carrying amounts					
At 1 January 2022	3,967	105	31,569	1,548	37,189
At 31 December 2022	3,048	56	31,217	1,241	35,562
At 31 December 2023	2,559	83	29,696	15,010	47,348

5 PROPERTY, PLANT AND EQUIPMENT (continued)

CapitaLand Ascott BT Group	At Valuation Land and buildings $'000	At Cost Plant and machinery $'000	At Cost Office equipment, computers and furniture $'000	At Cost Assets under construction $'000	Total $'000
At valuation/cost					
At 1 January 2022	541,981	42,186	18,359	1,224	603,750
Additions	1,075	226	92	247	1,640
Net change in revaluation recognised in Statement of Total Return	5,393	–	–	–	5,393
Net change in revaluation recognised in Stapled Securityholders' funds	54,088	–	–	–	54,088
Reclassifications	1,318	–	33	(1,351)	–
Translation differences	(55,914)	(3,877)	(1,690)	(113)	(61,594)
Elimination of accumulated depreciation on revaluation	(11,316)	–	–	–	(11,316)
At 31 December 2022	536,625	38,535	16,794	7	591,961
At 1 January 2023	536,625	38,535	16,794	7	591,961
Additions	10,706	832	143	244	11,925
Net change in revaluation recognised in Stapled Securityholders' funds	35,234	–	–	–	35,234
Acquisition of hotel (Note 38)	101,567	–	731	–	102,298
Transfer to assets held for sale (Note 15)	(101,369)	(7,843)	(2,472)	(251)	(111,935)
Translation differences	82	(31)	(10)	–	41
Elimination of accumulated depreciation on revaluation	(5,154)	–	–	–	(5,154)
At 31 December 2023	577,691	31,493	15,186	–	624,370
Accumulated depreciation					
At 1 January 2022	–	10,395	5,777	–	16,172
Charge for the year	14,760	4,557	2,763	–	22,080
Translation differences	(3,444)	(1,225)	(695)	–	(5,364)
Elimination of accumulated depreciation on revaluation	(11,316)	–	–	–	(11,316)
At 31 December 2022	–	13,727	7,845	–	21,572
At 1 January 2023	–	13,727	7,845	–	21,572
Charge for the year	15,977	3,927	2,252	–	22,156
Transfer to assets held for sale (Note 15)	(10,895)	(3,583)	(1,829)	–	(16,307)
Translation differences	72	16	10	–	98
Elimination of accumulated depreciation on revaluation	(5,154)	–	–	–	(5,154)
At 31 December 2023	–	14,087	8,278	–	22,365
Carrying amounts					
At 1 January 2022	541,981	31,791	12,582	1,224	587,578
At 31 December 2022	536,625	24,808	8,949	7	570,389
At 31 December 2023	577,691	17,406	6,908	–	602,005

5 PROPERTY, PLANT AND EQUIPMENT (continued)

Stapled Group	At Valuation Land and buildings $'000	At Cost Plant and machinery $'000	Renovation $'000	Motor vehicles $'000	Office equipment, computers and furniture $'000	Assets under construction $'000	Total $'000
At valuation/cost							
At 1 January 2022	541,981	42,186	11,068	594	127,931	2,772	726,532
Additions	1,075	226	165		9,354	1,667	12,487
Disposals/written off	–	–	–	–	(2,341)	–	(2,341)
Net change in revaluation recognised in Statement of Total Return	5,393	–	–	–	–	–	5,393
Net change in revaluation recognised in Stapled Securityholders' funds	72,219	–	–	–	–	–	72,219
Reclassifications	1,318	–	(127)	–	1,821	(3,012)	–
Acquisition of investment properties (Note 38)	–	–	–	–	1,617	–	1,617
Transfer from/(to) investment properties (Note 4)	321,975	–	–	–	(111)	–	321,864
Translation differences	(55,914)	(3,877)	(874)	(42)	(8,291)	(179)	(69,177)
Elimination of accumulated depreciation on revaluation	(12,495)	–	–	–	–	–	(12,495)
At 31 December 2022	875,552	38,535	10,232	552	129,980	1,248	1,056,099
At 1 January 2023	875,552	38,535	10,232	552	129,980	1,248	1,056,099
Additions	10,706	832	290	70	9,536	13,886	35,320
Disposals/written off	(1,248)	–	(1)	(30)	(1,375)	–	(2,654)
Net change in revaluation recognised in Stapled Securityholders' funds	54,859	–	–	–	–	–	54,859
Reclassifications	–	–	–	–	(91)	91	–
Acquisition of investment properties (Note 38)	–	–	–	–	1,234	–	1,234
Acquisition of hotel (Note 38)	101,567	–	–	–	731	–	102,298
Transfer from investment properties (Note 4)	–	–	–	–	51	–	51
Transfer to assets held for sale (Note 15)	(101,369)	(7,843)	–	–	(5,541)	(251)	(115,004)
Translation differences	82	(31)	(49)	(19)	(683)	36	(664)
Elimination of accumulated depreciation on revaluation	(9,870)	–	–	–	–	–	(9,870)
At 31 December 2023	930,279	31,493	10,472	573	133,842	15,010	1,121,669

5 PROPERTY, PLANT AND EQUIPMENT (continued)

Stapled Group	At Valuation	At Cost					
	Land and buildings $'000	Plant and machinery $'000	Renovation $'000	Motor vehicles $'000	Office equipment, computers and furniture $'000	Assets under construction $'000	Total $'000
Accumulated depreciation							
At 1 January 2022	–	10,395	7,101	489	83,780	–	101,765
Charge for the year	15,939	4,557	726	42	14,509	–	35,773
Disposals/written off	–	–	–	–	(1,985)	–	(1,985)
Reclassifications	–	–	(1)	–	1	–	–
Translation differences	(3,444)	(1,225)	(642)	(35)	(6,491)	–	(11,837)
Elimination of accumulated depreciation on revaluation	(12,495)	–	–	–	–	–	(12,495)
At 31 December 2022	–	13,727	7,184	496	89,814	–	111,221
At 1 January 2023	–	13,727	7,184	496	89,814	–	111,221
Charge for the year	20,693	3,927	757	39	13,481	–	38,897
Disposals/written off	–	–	(1)	(27)	(1,290)	–	(1,318)
Transfer to assets held for sale (Note 15)	(10,895)	(3,583)	–	–	(4,523)	–	(19,001)
Reclassifications	–	–	1	–	(1)	–	–
Translation differences	72	16	(28)	(18)	(243)	–	(201)
Elimination of accumulated depreciation on revaluation	(9,870)	–	–	–	–	–	(9,870)
At 31 December 2023	–	14,087	7,913	490	97,238	–	119,728
Carrying amounts							
At 1 January 2022	541,981	31,791	3,967	105	44,151	2,772	624,767
At 31 December 2022	875,552	24,808	3,048	56	40,166	1,248	944,878
At 31 December 2023	930,279	17,406	2,559	83	36,604	15,010	1,001,941

5 PROPERTY, PLANT AND EQUIPMENT (continued)

For each revalued class of property, plant and equipment, the carrying amount that would have been recognised had the assets been carried under the cost model is as follows:

	CapitaLand Ascott BT Group		Stapled Group	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Land and buildings				
Carrying amount at cost	**508,623**	508,198	**823,455**	828,994

As at 31 December 2023, land and buildings are revalued to their fair values. The fair value of the land and buildings is determined by external property valuers having appropriate professional qualifications and recent experience in the location and category of the properties being valued.

Fair value hierarchy

The fair value measurement for the land and buildings have been categorised as level 3 fair values based on inputs to the valuation techniques used.

Valuation technique and significant unobservable inputs

Land and buildings are stated at fair value based on valuation performed by external property valuers. The fair values were derived based on the discounted cash flow method (2022: discounted cash flow method). In determining the fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of land and buildings include market-corroborated discount rate, terminal capitalisation rate and revenue per available unit.

The valuation of the Stapled Group's land and buildings is discussed with the ARC and Board of Directors in accordance with the Stapled Group's reporting policies.

5 PROPERTY, PLANT AND EQUIPMENT (continued)

The following table shows the significant unobservable inputs used in the valuation models:

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flow method	**Stapled Group** • Discount rate: Australia: 7.50% - 9.00% (2022: 7.50% - 8.60%) • Terminal capitalisation rate: Australia: 5.75% - 7.00% (2022: 5.25% - 6.25%) • Discount rate: Singapore: 5.82% (2022: 5.00%) • Terminal capitalisation rate: Singapore: 3.75% (2022: 3.50%) • Discount rate: Ireland: 8.70% (2022: Nil) • Terminal capitalisation rate: Ireland: 6.00% (2022: Nil)	The estimated fair value would increase (decrease) if: • the discount rate were lower (higher); or • the terminal capitalisation rate were lower (higher).

Sensitivity analysis for key unobservable inputs

The significant unobservable inputs used in the fair value measurement of the Stapled Group's land and buildings are discount rate and terminal capitalisation rate. Significant decreases in the discount rate and terminal capitalisation rate in isolation would result in a significantly higher fair value measurement. Conversely, a significant increase would result in a significantly lower fair value measurement.

6 INVESTMENT PROPERTIES UNDER DEVELOPMENT

	CapitaLand Ascott REIT Group and Stapled Group	
	2023	2022
	$'000	$'000
At 1 January	**385,707**	302,863
Acquisition of investment properties under development (Note 38)	**–**	103,735
Development costs and interest capitalised[1]	**42,343**	25,217
Transfer to investment properties (Note 4)	**(162,223)**	(125,908)
Net change in fair value of investment properties under development	**4,075**	80,082
Translation differences	**(1,902)**	(282)
At 31 December	**268,000**	385,707

(1) Capitalised costs included $160,000 (31 December 2022: $1,640,000) paid/payable to related corporations and borrowing costs of $4,402,000 (31 December 2022: $68,000).

As at 31 December 2022, Standard at Columbia, with a carrying value of $128,707,000 is pledged as security to the bank (Note 17). Standard at Columbia was transferred to investment properties after it obtained its Temporary Certificate of Occupancy on 30 June 2023.

Somerset Liang Court Property Singapore, with a gross floor area of about 13,000 square metres, is currently under development into a serviced residence with hotel licence. The Stapled Group owns a 100% interest in the property. Site works commenced in mid-July 2021 and foundation piling works were completed in 2022. Substructure works are ongoing and targeted to be competed in 2024. The property is on track to be completed in the second half of 2025.

Fair value hierarchy

The fair value of investment properties under development is determined by external property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of properties being valued.

The fair value measurement for the investment properties under development have been categorised as level 3 fair values based on inputs to the valuation techniques used.

Level 3 fair values

Reconciliations from the beginning balances to the ending balances for fair value measurements of level 3 are set out in the table above.

Valuation technique and significant unobservable inputs

Investment properties under development is stated at fair value based on valuation performed by external property valuers. In determining the fair value, the valuers have adopted the residual land value method. The key assumptions used to determine the fair value of investment properties under development include market-corroborated discount rate, terminal capitalisation rate, capitalisation rate and gross development costs.

The valuation of the Stapled Group's investment property under development portfolio is discussed with the ARC and Board of Directors in accordance with the Stapled Group's reporting policies.

6 INVESTMENT PROPERTIES UNDER DEVELOPMENT (continued)

The following table shows the significant unobservable inputs used in the valuation models:

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Under the residual land value method, the total gross development costs and developer's profit are deducted from the gross development value to arrive at the residual value of land. The gross development value is the estimated value of the property assuming satisfactory completion of the development as at the date of the valuation.	**Stapled Group** • Discount rates: Singapore 5.57% (2022: 4.80%) • Terminal capitalisation rates: Singapore 3.50% (2022: 3.25%) • Gross development costs: Singapore $143,730,000 (2022: $134,167,000) • Capitalisation rates: United States of America Nil (2022: 4.75%) • Gross development costs: United States of America Nil (2022: $131,281,000)	The estimated fair value would increase (decrease) if: • the discount rates were lower (higher); • the terminal capitalisation rates were lower (higher); or • the gross development costs decrease (increase).

Sensitivity analysis for key unobservable inputs

The significant unobservable inputs used in the fair value measurement of the Stapled Group's investment properties under development are discount rate, terminal capitalisation rate, capitalisation rate and gross development costs. Significant decreases in the discount rate, terminal capitalisation rate, capitalisation rate and gross development costs in isolation would result in a significantly higher fair value measurement. Conversely, a significant increase would result in a significantly lower fair value measurement.

7 INVESTMENT SECURITIES

CapitaLand Ascott REIT Group holds 1% interest in Ascendas Hospitality Australia Investment Fund No. 1 ("AHAIF1"). The CapitaLand Ascott REIT Group's ownership in AHAIF1 enables AHAIF1 to meet the Australian corporate law requirement for a Managed Investment Scheme and certain requirements to qualify as a Managed Investment Trust under the Australian tax law. AHAIF1 owns 100% equity interest in Ascendas Australia Hotel Trust, which owns the hotel properties in Australia. Investments in unquoted investment securities are measured at fair value with change in fair value recognised in the Statement of Total Return.

As at 31 December 2023, the fair value of the CapitaLand Ascott REIT Group's 1% interest in AHAIF1 is $2,454,000 (2022: $2,416,000). The effective interest held by the Stapled Group is 100%. Upon consolidation, the investment securities will be adjusted against the non-controlling interests of the CapitaLand Ascott BT Group.

8 GOODWILL

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Goodwill arising from business combination	**60,866**	60,866	**79,233**	79,233	**140,099**	140,099
Less: Impairment loss	**(60,866)**	(60,866)	**(79,233)**	(79,233)	**(140,099)**	(140,099)
	–	–	**–**	–	**–**	–

For the purposes of impairment testing, goodwill has been allocated to the CGUs as follows:

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
A-HREIT Group	**60,866**	60,866	**–**	–	**60,866**	60,866
A-HBT Group	**–**	–	**79,233**	79,233	**79,233**	79,233
	60,866	60,866	**79,233**	79,233	**140,099**	140,099

In 2019, the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group assessed the carrying amount of the CGUs (inclusive of goodwill allocated) for indicators of impairment. The recoverable amount of each CGU is determined based on their respective fair value less costs to sell, which is estimated to approximate the fair value of net assets of Ascendas Hospitality Real Estate Investment Trust ("A-HREIT") and its subsidiaries (the "A-HREIT Group") and Ascendas Hospitality Business Trust ("A-HBT") and its subsidiaries (the "A-HBT Group") acquired on 31 December 2019. Based on the CapitaLand Ascott REIT Group's, the CapitaLand Ascott BT Group's and the Stapled Group's assessment, the carrying amounts of the CGUs (inclusive of goodwill allocated) were determined to be higher than its recoverable amount, and impairment loss of $60,866,000, $79,233,000 and $140,099,000 (2022: $60,866,000, $79,233,000 and $140,099,000) were recognised respectively.

9 SUBSIDIARIES

The CapitaLand Ascott REIT Group and the CapitaLand Ascott BT Group have equity investments in subsidiaries.

Details of the significant subsidiaries are as follows:

Name of subsidiaries	Principal place of business/Country of incorporation	Effective equity interest held by the Stapled Group	
		2023	2022
		%	%
Held by CapitaLand Ascott REIT			
Ascott REIT MTN Pte. Ltd.	Singapore	**100**	100
Ascott REIT MTN (Euro) Pte. Ltd.	Singapore	**100**	100
Ascendas Hospitality Real Estate Investment Trust	Singapore	**100**	100
Held through CapitaLand Ascott REIT subsidiaries			
Ascendas Hospitality MTN Pte. Ltd.	Singapore	**100**	100
Ascott REIT Cannon Hill Trust[(a)]	Australia	**100**	100
Ascott REIT Seven Campbelltown Trust[(a)]	Australia	**100**	100
Ascott REIT Eight Mascot Trust[(a)]	Australia	**100**	100
Ascott REIT Nine SOP Trust[(a)]	Australia	**100**	100
Ascott REIT Fourteen MP Unit Trust[(a)]	Australia	**100**	100
Citadines Melbourne on Bourke Unit Trust[(a)]	Australia	**100**	100
Citadines St Georges Terrace (Perth) Unit Trust[(a)]	Australia	**100**	100
Citadines Connect Sydney Airport Unit Trust[(a)]	Australia	**100**	100
Somerset Heping (Shenyang) Property Co., Ltd.[(a)]	China	**100**	100
Suzhou Chong Rui Xin Shi Ji Real Estate Co., Ltd.[(a)]	China	**100**	100
Tianjin Consco Property Development Co., Ltd.[(a)]	China	**100**	100
Wangze (Dalian) Enterprise Co., Limited[(a)]	China	**100**	100
Wuhan Citadines Property Development Co., Ltd.[(a)]	China	**100**	100
Ascott Kleber SNC[(a)]	France	**100**	100
Oriville SAS[(a)]	France	**100**	100
Citadines Munich Arnulfpark GmbH & Co. KG[(b)]	Germany	**100**	100
Citadines Europaviertel (Frankfurt) GmbH & Co., KG[(b)]	Germany	**93**	93
Citadines Hamburg Michel GmbH & Co., KG[(b)]	Germany	**93**	93
PT Bumi Perkasa Andhika[(a)]	Indonesia	**100**	100
PT Ciputra Liang Court[(a)]	Indonesia	**57**	57
PT Menara Aspen Persada[(a), (c)]	Indonesia	**100**	–
ARC-CapitaLand Three TMK[(a)]	Japan	**100**	100
ARC-CapitaLand Four TMK[(a)]	Japan	**100**	100
Ascendas Hospitality Honmachi Tokutei Mokuteki Kaisha[(a)]	Japan	**100**	100
Ascendas Hospitality Tokutei Mokuteki Kaisha[(a)]	Japan	**100**	100
Citadines Central Shinjuku TMK[(a)]	Japan	**100**	100
Citadines Kyoto Gojo TMK[(a)]	Japan	**100**	100
Citadines Shinjuku TMK[(a)]	Japan	**100**	100
Crystal Residence TMK[(a)]	Japan	**100**	100
Infini Garden TMK[(a)]	Japan	**100**	100

9 SUBSIDIARIES (continued)

Name of subsidiaries	Principal place of business/Country of incorporation	Effective equity interest held by the Stapled Group 2023 %	2022 %
Held through CapitaLand Ascott REIT subsidiaries (continued)			
Sapphire Residence TMK[a]	Japan	**100**	100
Somerset Roppongi TMK[a]	Japan	**100**	100
Ascott REIT (Jersey) Limited[b]	United Kingdom/ Jersey	**100**	100
The Cavendish Hotel (London) Limited[a], [c]	United Kingdom	**100**	–
Somerset Ampang (Malaysia) Sdn. Bhd.[a]	Malaysia	**100**	100
Ascott Baumwall (Hamburg) BV[b]	Netherlands	**100**	100
Ascott Hospitality Holdings Philippines, Inc[a]	Philippines	**100**	100
Ascott Makati, Inc[a]	Philippines	**100**	100
SQ Resources, Inc[a]	Philippines	**63**	63
SN Resources, Inc[a]	Philippines	**97**	97
Barrydale SM LLC[b]	United States of America	**100**	100
SM Ascott LLC[b]	United States of America	**100**	100
Tribeca Ascott LLC[b]	United States of America	**100**	100
Columbia Student Property Owner, LLC[b]	United States of America	**90**	90
GT Student SM LLC[b]	United States of America	**100**	100
Kent ST SM LLC[b]	United States of America	**100**	100
NCST LP[b]	United States of America	**100**	100
PHL UC SM LLC[b]	United States of America	**100**	100
TTU Student SM LLC[b]	United States of America	**100**	100
UIUC 707 Student SM LLC[b]	United States of America	**100**	100
UNCW LP[b]	United States of America	**100**	100
Hanoi Tower Center Company Limited[a]	Vietnam	**76**	76
Mekong-Hacota Joint Venture Company Limited[a]	Vietnam	**58**	59
Saigon Office and Serviced Apartment Company Limited[a]	Vietnam	**67**	67
Somerset Hoa Binh Joint Venture Company Limited[a]	Vietnam	**90**	90
Somerset Central TD Company Limited[a]	Vietnam	**100**	100

9 SUBSIDIARIES (continued)

Name of subsidiaries	Principal place of business/Country of incorporation	Effective equity interest held by the Stapled Group 2023 %	2022 %
Held through CapitaLand Ascott BT			
Ascendas Hospitality Business Trust	Singapore	**100**	100
Held through CapitaLand Ascott BT subsidiaries			
Ascendas Australia Hotel Trust[a]	Australia	**100**	100
Ascendas Hospitality Australia Investment Fund No.1[b]	Australia	**100**	100
Ascendas Hospitality Australia Investment Fund No.2[b]	Australia	**100**	100
Ascendas Hospitality Operations Pty Ltd[a]	Australia	**100**	100
Ascendas Hotel Investment Company Pty Limited[a]	Australia	**100**	100
TUC T Bar Hotel (Dublin) Limited[b], [c]	Ireland	**100**	–
Ascendas Japan Namba Tokutei Mokuteki Kaisha[a]	Japan	**100**	100
CapitaLand Korea Hospitality No.6 Qualified Private Real Estate Investment LLC[b]	South Korea	**99**	99
CapitaLand Korea Hospitality Qualified Private Real Estate Investment Trust No.7[b]	South Korea	**99**	99

All significant subsidiaries are audited by KPMG LLP Singapore except for the following:

(a) Audited by other member firms of KPMG International.
(b) Not required to be audited by laws of country of incorporation.
(c) The subsidiaries were incorporated/acquired during the year.

10 NON-CONTROLLING INTERESTS

The following subsidiaries have material non-controlling interests ("NCI") and operate investment properties.

Name	Principal place of business/Country of incorporation	Ownership interests held by NCI 2023 %	2022 %
Held by CapitaLand Ascott REIT			
PT Ciputra Liang Court	Indonesia	**42.6**	42.6
Columbia Student Venture LLC Group	United States of America	**10.0**	10.0
Hanoi Tower Center Company Limited	Vietnam	**24.0**	24.0
Mekong-Hacota Joint Venture Company Limited	Vietnam	**41.3**	40.5
Saigon Office and Serviced Apartment Company Limited	Vietnam	**33.0**	33.0
Somerset Hoa Binh Joint Venture Company Limited	Vietnam	**10.0**	10.0

The CapitaLand Ascott REIT Group's interests in its subsidiaries in Vietnam are held under the terms of joint venture arrangements with unrelated third parties. Under the terms of these joint venture arrangements, the net profits of each of the subsidiaries in Vietnam, upon fulfilment of certain statutory financial obligations and the payment of other amounts due, are to be distributed to the shareholders of these subsidiaries in certain proportions during different periods in accordance with the terms of the relevant joint venture arrangements and/or the applicable investment license under which these subsidiaries operate.

10 NON-CONTROLLING INTERESTS (continued)

Under the investment license of Hanoi Tower Center Company Limited, Burton Engineering Pte Ltd is entitled to 76%, 70% and 50% of the distributed profits for each year during the first 25 years, the following ten years and the subsequent ten years, respectively, from the commencement of operations of Hanoi Tower Center Company Limited. From 9 February 2018, profits attributable to NCI of Hanoi Tower Center Company Limited increased from 24% to 30%.

Under the investment license of Saigon Office and Serviced Apartment Company Limited, East Australia Trading Company (S) Pte Ltd is entitled to 67%, 60% and 40% of the distributed profits for each year prior to the repayment of its capital bank loan, after the repayment of its capital bank loan and after 31 years from the commencement of operations of Saigon Office and Serviced Apartment Company Limited respectively. From 28 February 2022, profits attributable to NCI of Saigon Office and Serviced Apartment Company Limited increased from 33% to 40%.

The following summarises the financial information of each of the CapitaLand Ascott REIT Group's subsidiaries with material NCI, based on their respective financial statements prepared in accordance with FRSs/SFRS(I)s, modified for fair value adjustments on acquisition and differences in the Stapled Group's accounting policies.

CapitaLand Ascott REIT Group	PT Ciputra Liang Court $'000	Columbia Student Venture LLC Group $'000	Hanoi Tower Center Company Limited $'000	Mekong-Hacota Joint Venture Company Limited $'000	Saigon Office and Serviced Apartment Company Limited $'000	Somerset Hoa Binh Joint Venture Company Limited $'000	Other individually immaterial subsidiaries $'000	Total $'000
2023								
Revenue	5,315	4,997	14,024	7,598	8,133	3,704		
Profit/(Loss)	2,061	(7,101)	(4,212)	(709)	(1,153)	(4,342)		
Attributable to NCI:								
– Profit/(Loss)	877	(710)	(1,264)	(287)	(461)	(434)	674	(1,605)
Non-current assets	39,731	157,344	69,291	32,077	40,618	25,779		
Current assets	3,700	2,242	3,399	2,290	4,570	2,456		
Non-current liabilities	(892)	(7,499)	(1,300)	–	–	–		
Current liabilities	(1,871)	(89,701)	(2,758)	(984)	(2,177)	(10,319)		
Net assets	40,668	62,386	68,632	33,383	43,011	17,916		
Net assets attributable to NCI	17,313	6,239	16,472	13,794	14,194	1,792	6,145	75,949
Cash flows from/(used in) operating activities	913	(2,681)	7,173	3,132	3,670	1,216		
Cash flows from/(used in) investing activities	119	(36,616)	(590)	(236)	(462)	(153)		
Cash flows from/(used in) financing activities	–	40,827	(5,879)	(1,859)	(2,102)	–		
Net increase in cash and cash equivalents	1,032	1,530	704	1,037	1,106	1,063		
Dividends paid to NCI	–	–	(1,764)	(523)	(843)	–		

10 NON-CONTROLLING INTERESTS (continued)

CapitaLand Ascott REIT Group	PT Ciputra Liang Court $'000	Columbia Student Venture LLC Group $'000	Hanoi Tower Center Company Limited $'000	Mekong-Hacota Joint Venture Company Limited $'000	Saigon Office and Serviced Apartment Company Limited $'000	Somerset Hoa Binh Joint Venture Company Limited $'000	Other individually immaterial subsidiaries $'000	Total $'000
2022								
Revenue	5,490	–	11,108	6,509	7,123	2,584		
Profit/(Loss)	1,963	13,226	(747)	883	1,465	(2,889)		
Attributable to NCI:								
– Profit/(Loss)	836	1,323	(224)	350	579	(289)	268	2,843
Non-current assets	39,065	128,167	85,721	36,423	46,456	30,856		
Current assets	3,098	1,030	2,778	1,308	3,483	1,448		
Non-current liabilities	(882)	(45,089)	(3,503)	–	–	–		
Current liabilities	(2,262)	(13,547)	(2,457)	(1,751)	(2,240)	(9,717)		
Net assets	39,019	70,561	82,539	35,980	47,699	22,587		
Net assets attributable to NCI	16,611	7,056	19,809	14,558	15,741	2,259	5,412	81,446
Cash flows from operating activities	1,024	98	6,353	3,118	3,834	645		
Cash flows from/(used in) investing activities	27	(5,901)	(100)	(52)	41	(111)		
Cash flows from/(used in) financing activities	–	5,901	(5,125)	(2,608)	(8,055)	(336)		
Net increase/(decrease) in cash and cash equivalents	1,051	98	1,128	458	(4,180)	198		
Dividends paid to NCI	–	–	(947)	(139)	(706)	–		

10 NON-CONTROLLING INTERESTS (continued)

The NCI of the CapitaLand Ascott BT Group is immaterial as at 31 December 2023 and 2022, and therefore, the financial information is not presented.

The following summarises the financial information of each of the Stapled Group's subsidiaries with material NCI, based on their respective financial statements prepared in accordance with FRSs/SFRS(I)s, modified for fair value adjustments on acquisition and differences in the Stapled Group's accounting policies.

Stapled Group	PT Ciputra Liang Court $'000	Columbia Student Venture LLC Group $'000	Hanoi Tower Center Company Limited $'000	Mekong-Hacota Joint Venture Company Limited $'000	Saigon Office and Serviced Apartment Company Limited $'000	Somerset Hoa Binh Joint Venture Company Limited $'000	Other individually immaterial subsidiaries $'000	Total $'000
2023								
Revenue	5,315	4,997	14,024	7,598	8,133	3,704		
Profit/(Loss)	2,061	(7,101)	(4,212)	(709)	(1,153)	(4,342)		
Attributable to NCI:								
– Profit/(Loss)	877	(710)	(1,264)	(287)	(461)	(434)	805	(1,474)
Non-current assets	39,731	157,344	69,291	32,077	40,618	25,779		
Current assets	3,700	2,242	3,399	2,290	4,570	2,456		
Non-current liabilities	(892)	(7,499)	(1,300)	–	–	–		
Current liabilities	(1,871)	(89,701)	(2,758)	(984)	(2,177)	(10,319)		
Net assets	40,668	62,386	68,632	33,383	43,011	17,916		
Net assets attributable to NCI	17,313	6,239	16,472	13,794	14,194	1,792	7,839	77,643
Cash flows from/(used in) operating activities	913	(2,681)	7,173	3,132	3,670	1,216		
Cash flows from/(used in) investing activities	119	(36,616)	(590)	(236)	(462)	(153)		
Cash flows from/(used in) financing activities	–	40,827	(5,879)	(1,859)	(2,102)	–		
Net increase in cash and cash equivalents	1,032	1,530	704	1,037	1,106	1,063		
Dividends paid to NCI	–	–	(1,764)	(523)	(843)	–		

10 NON-CONTROLLING INTERESTS (continued)

Stapled Group	PT Ciputra Liang Court $'000	Columbia Student Venture LLC Group $'000	Hanoi Tower Center Company Limited $'000	Mekong-Hacota Joint Venture Company Limited $'000	Saigon Office and Serviced Apartment Company Limited $'000	Somerset Hoa Binh Joint Venture Company Limited $'000	Other individually immaterial subsidiaries $'000	Total $'000
2022								
Revenue	5,490	–	11,108	6,509	7,123	2,584		
Profit/(Loss)	1,963	13,226	(747)	883	1,465	(2,889)		
Attributable to NCI:								
– Profit/(Loss)	836	1,323	(224)	350	579	(289)	340	2,915
Non-current assets	39,065	128,167	85,721	36,423	46,456	30,856		
Current assets	3,098	1,030	2,778	1,308	3,483	1,448		
Non-current liabilities	(882)	(45,089)	(3,503)	–	–	–		
Current liabilities	(2,262)	(13,547)	(2,457)	(1,751)	(2,240)	(9,717)		
Net assets	39,019	70,561	82,539	35,980	47,699	22,587		
Net assets attributable to NCI	16,611	7,056	19,809	14,558	15,741	2,259	7,027	83,061
Cash flows from operating activities	1,024	98	6,353	3,118	3,834	645		
Cash flows from/(used in) investing activities	27	(5,901)	(100)	(52)	41	(111)		
Cash flows from/(used in) financing activities	–	5,901	(5,125)	(2,608)	(8,055)	(336)		
Net increase/(decrease) in cash and cash equivalents	1,051	98	1,128	458	(4,180)	198		
Dividends paid to NCI	–	–	(947)	(139)	(706)	–		

11 ASSOCIATE

	CapitaLand Ascott REIT Group and Stapled Group 2023 $'000	2022 $'000
Unquoted equity shares, at cost	–*	–*
Less: Share of associate post-acquisition revenue reserve	**(543)**	(550)
	(543)	(550)
Loan receivable	**3,781**	3,838
Less: Allowance for impairment loss	**(253)**	(253)
	2,985	3,035

* Less than $1,000

The loan to associate is unsecured, interest-free and repayable on demand with a notice period of twelve months. The loan to associate is not expected to be recalled in the next twelve months.

Movement in allowance for impairment loss is as follows:

	CapitaLand Ascott REIT Group and Stapled Group 2023 $'000	2022 $'000
At 1 January and 31 December	**253**	253

During the year, there was no additional allowance for impairment loss arising from the loan receivable as the ECL is not material. The recoverable amount for the loan to associate was estimated based on the higher of the value in use calculation using cash flow projection and the fair value of the net assets of associate at the reporting date. The fair value measurement was estimated based on net assets of the associate with maturity of less than one year.

Details of the associate are as follows:

Company name	East Australia Trading Company Limited
Nature of relationship with the CapitaLand Ascott REIT Group	Investment holding company held by the CapitaLand Ascott REIT Group
Country of incorporation	Hong Kong
Ownership interest/Voting rights held	40% (2022: 40%)

The associate is immaterial to the CapitaLand Ascott REIT Group and the Stapled Group. A member firm of KPMG International is the auditor of the associate. In 2023 and 2022, the CapitaLand Ascott REIT Group did not receive any dividends from the associate.

The following table summarises the financial information for the interest in the associate, based on the amounts reported in the CapitaLand Ascott REIT Group's and the Stapled Group's Statement of Total Return:

	2023 $'000	2022 $'000
Profit/(loss) after taxation	**7**	(27)

12 FINANCIAL DERIVATIVES

	CapitaLand Ascott REIT Group 2023 $'000	CapitaLand Ascott REIT Group 2022 $'000	CapitaLand Ascott BT Group 2023 $'000	CapitaLand Ascott BT Group 2022 $'000	Stapled Group 2023 $'000	Stapled Group 2022 $'000
Financial derivative assets						
Non-current						
Interest rate swaps	**21,684**	30,933	**–**	–	**21,684**	30,933
Cross currency interest rate swaps	**62,969**	39,009	**209**	–	**63,178**	39,009
	84,653	69,942	**209**	–	**84,862**	69,942
Current						
Interest rate swaps	**1,376**	1,001	**–**	3,024	**1,376**	4,025
Currency forwards	**69**	–	**–**	–	**69**	–
Cross currency interest rate swaps	**5,861**	20,462	**–**	–	**5,861**	20,462
	7,306	21,463	**–**	3,024	**7,306**	24,487
Financial derivative liabilities						
Non-current						
Interest rate swaps	**(5,923)**	–	**(566)**	–	**(6,489)**	–
Cross currency interest rate swaps	**(1,177)**	(6,939)	**–**	–	**(1,177)**	(6,939)
	(7,100)	(6,939)	**(566)**	–	**(7,666)**	(6,939)
Current						
Interest rate swaps	**–**	(5)	**–**	–	**–**	(5)
Cross currency interest rate swaps	**–**	–	**–**	(810)	**–**	(810)
	–	(5)	**–**	(810)	**–**	(815)

At the reporting date, the notional principal amounts of the financial instruments were as follows:

	CapitaLand Ascott REIT Group 2023 $'000	CapitaLand Ascott REIT Group 2022 $'000	CapitaLand Ascott BT Group 2023 $'000	CapitaLand Ascott BT Group 2022 $'000	Stapled Group 2023 $'000	Stapled Group 2022 $'000
Interest rate swaps	**799,304**	456,560	**32,813**	130,906	**832,117**	587,466
Cross currency interest rate swaps	**776,964**	745,039	**34,302**	34,817	**811,266**	779,856
Currency forwards	**7,019**	–	**–**	–	**7,019**	–
	1,583,287	1,201,599	**67,115**	165,723	**1,650,402**	1,367,322

13 DEFERRED TAX

Movements in deferred tax assets and liabilities are as follows:

CapitaLand Ascott REIT Group	At 1 January 2022 $'000 Restated	Credited/(Charged) to Statement of Total Return (Note 30) $'000 Restated	Translation differences $'000 Restated	At 31 December 2022 $'000 Restated	Credited/(Charged) to Statement of Total Return (Note 30) $'000	Acquisition of subsidiary $'000	Translation differences $'000	At 31 December 2023 $'000
Deferred tax assets								
Unutilised capital allowances	38	379	(23)	394	2	–	12	408
Unutilised tax losses	2,936	3,668	(366)	6,238	233	–	186	6,657
Provisions and accruals	99	20	(12)	107	31	–	–	138
Unrealised foreign exchange loss – trade	98	4,173	(272)	3,999	(647)	–	40	3,392
Lease liabilities	86,415	(2,917)	689	84,187	(510)	678	(1,304)	83,051
	89,586	5,323	16	94,925	(891)	678	(1,066)	93,646
Set-off of tax	(86,415)	2,917	(689)	(84,187)	510	(678)	1,304	(83,051)
	3,171	8,240	(673)	10,738	(381)	–	238	10,595
Deferred tax liabilities								
Investment properties	(108,556)	(19,678)	8,306	(119,928)	(32,856)	–	252	(152,532)
Property, plant and equipment	(1,478)	1,245	90	(143)	–	–	(4)	(147)
Revaluation gain from business combinations	(1,288)	–	–	(1,288)	–	–	–	(1,288)
Accrued income and interest receivable	(133)	71	(4)	(66)	28	–	3	(35)
Right-of-use assets	(86,415)	2,917	(689)	(84,187)	510	(678)	1,304	(83,051)
	(197,870)	(15,445)	7,703	(205,612)	(32,318)	(678)	1,555	(237,053)
Set-off of tax	86,415	(2,917)	689	84,187	(510)	678	(1,304)	83,051
	(111,455)	(18,362)	8,392	(121,425)	(32,828)	–	251	(154,002)
Net deferred tax (liabilities)/assets	(108,284)	(10,122)	7,719	(110,687)	(33,209)	–	489	(143,407)

13 DEFERRED TAX (continued)

CapitaLand Ascott BT Group	At 1 January 2022 $'000 Restated	Credited/ (Charged) to Statement of Total Return (Note 30) $'000 Restated	Charged to Stapled Security-holders' funds $'000 Restated	Translation differences $'000 Restated	At 31 December 2022 $'000 Restated	Credited/ (Charged) to Statement of Total Return (Note 30) $'000	Charged to Stapled Security-holders' funds $'000	Translation differences $'000	At 31 December 2023 $'000
Deferred tax assets									
Deferred income	154	–	–	(14)	140	(139)	–	(1)	–
Unutilised capital allowances	210	–	–	(19)	191	(88)	–	(1)	102
Provisions and accruals	4,041	145	–	(380)	3,806	77	–	(2)	3,881
Lease liabilities	4,999	(250)	–	(680)	4,069	(245)	–	(346)	3,478
	9,404	(105)	–	(1,093)	8,206	(395)	–	(350)	7,461
Set-off of tax	(4,999)	250	–	680	(4,069)	245	–	346	(3,478)
	4,405	145	–	(413)	4,137	(150)	–	(4)	3,983
Deferred tax liabilities									
Investment properties	(7,315)	(545)	–	1,029	(6,831)	432	–	550	(5,849)
Property, plant and equipment	(27,440)	(591)	(4,361)	3,071	(29,321)	–	(2,060)	8	(31,373)
Revaluation gain from business combinations	(2,780)	–	–	–	(2,780)	–	–	–	(2,780)
Unremitted earnings	(795)	268	–	1	(526)	(796)	–	1	(1,321)
Right-of-use assets	(4,999)	250	–	680	(4,069)	245	–	346	(3,478)
	(43,329)	(618)	(4,361)	4,781	(43,527)	(119)	(2,060)	905	(44,801)
Set-off of tax	4,999	(250)	–	(680)	4,069	(245)	–	(346)	3,478
	(38,330)	(868)	(4,361)	4,101	(39,458)	(364)	(2,060)	559	(41,323)
Net deferred tax (liabilities)/assets	(33,925)	(723)	(4,361)	3,688	(35,321)	(514)	(2,060)	555	(37,340)

13 DEFERRED TAX (continued)

Stapled Group	At 1 January 2022 $'000 Restated	Credited/ (Charged) to Statement of Total Return (Note 30) $'000 Restated	Charged to Stapled Security-holders' funds $'000 Restated	Translation differences $'000 Restated	At 31 December 2022 $'000 Restated	Credited/ (Charged) to Statement of Total Return (Note 30) $'000	Charged to Stapled Security-holders' funds $'000	Acquisition of subsidiary $'000	Translation differences $'000	At 31 December 2023 $'000
Deferred tax assets										
Deferred income	154	–	–	(14)	140	(139)	–	–	(1)	–
Unutilised capital allowances	248	379	–	(42)	585	(86)	–	–	11	510
Unutilised tax losses	2,936	3,668	–	(366)	6,238	233	–	–	186	6,657
Provisions and accruals	4,140	165	–	(392)	3,913	108	–	–	(2)	4,019
Unrealised foreign exchange loss – trade	98	4,173	–	(272)	3,999	(647)	–	–	40	3,392
Lease liabilities	91,414	(3,167)	–	9	88,256	(755)	–	678	(1,650)	86,529
	98,990	5,218	–	(1,077)	103,131	(1,286)	–	678	(1,416)	101,107
Set-off of tax	(91,414)	3,167	–	(9)	(88,256)	755	–	(678)	1,650	(86,529)
	7,576	8,385	–	(1,086)	14,875	(531)	–	–	234	14,578
Deferred tax liabilities										
Investment properties	(115,871)	(20,223)	–	9,335	(126,759)	(32,424)	–	–	802	(158,381)
Property, plant and equipment	(28,918)	654	(4,361)	3,161	(29,464)	–	(2,060)	–	4	(31,520)
Revaluation gain from business combinations	(4,068)	–	–	–	(4,068)	–	–	–	–	(4,068)
Unremitted earnings	(795)	268	–	1	(526)	(796)	–	–	1	(1,321)
Accrued income and interest receivable	(133)	71	–	(4)	(66)	28	–	–	3	(35)
Right-of-use assets	(91,414)	3,167	–	(9)	(88,256)	755	–	(678)	1,650	(86,529)
	(241,199)	(16,063)	(4,361)	12,484	(249,139)	(32,437)	(2,060)	(678)	2,460	(281,854)
Set-off of tax	91,414	(3,167)	–	9	88,256	(755)	–	678	(1,650)	86,529
	(149,785)	(19,230)	(4,361)	12,493	(160,883)	(33,192)	(2,060)	–	810	(195,325)
Net deferred tax (liabilities)/assets	(142,209)	(10,845)	(4,361)	11,407	(146,008)	(33,723)	(2,060)	–	1,044	(180,747)

13 DEFERRED TAX (continued)

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts determined after appropriate offsetting are included in the Statements of Financial Position as follows:

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Deferred tax assets	**10,595**	10,738	**3,983**	4,137	**14,578**	14,875
Deferred tax liabilities	**(154,002)**	(121,425)	**(41,323)**	(39,458)	**(195,325)**	(160,883)

As at 31 December 2023, deferred tax liabilities amounting to $8,180,000 (2022: $7,981,000) had not been recognised for taxes that would be payable on the undistributed earnings of certain subsidiaries as these earnings would not be distributed in the foreseeable future.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets have not been recognised in respect of the following items because it is not probable that future taxable profit will be available against which the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group can utilise the benefits therefrom:

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Tax losses	**208,892**	195,511	**15,932**	36,246	**224,824**	231,757
Deductible temporary differences	**4,576**	5,974	**–**	–	**4,576**	5,974
	213,468	201,485	**15,932**	36,246	**229,400**	237,731

Tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which the subsidiaries operate. The deductible temporary differences do not expire under the current tax legislation.

Unrecognised tax losses brought forward of the Stapled Group amounting to $3,495,000 (2022: $7,345,000) expired during the year. In addition, $46,511,000 (2022: $20,900,000) of the losses brought forward were utilised to set off against current year's taxable profit. The remaining balance of $181,751,000 (2022: $200,197,000) and unrecognised tax losses arising during the year of $43,073,000 (2022: $31,560,000) have been carried forward. Tax losses that have been carried forward and are subject to expiration as follows:

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Expiry dates						
– No expiry	**166,833**	148,733	**15,932**	36,246	**182,765**	184,979
– Within 1 to 5 years	**24,983**	25,124	**–**	–	**24,983**	25,124
– After 5 years	**17,076**	21,654	**–**	–	**17,076**	21,654
	208,892	195,511	**15,932**	36,246	**224,824**	231,757

14 TRADE AND OTHER RECEIVABLES

	Note	CapitaLand Ascott REIT Group 2023 $'000	CapitaLand Ascott REIT Group 2022 $'000	CapitaLand Ascott BT Group 2023 $'000	CapitaLand Ascott BT Group 2022 $'000	Stapled Group 2023 $'000	Stapled Group 2022 $'000
Trade receivables		**41,422**	36,168	**7,933**	7,416	**49,355**	43,584
Impairment loss	33	**(7,913)**	(7,297)	**(110)**	(118)	**(8,023)**	(7,415)
		33,509	28,871	**7,823**	7,298	**41,332**	36,169
Amounts due from related parties:							
– trade		**16,580**	29,971	**1,203**	2,231	**15,035**	26,193
– non-trade		**70,397**	47,144	**797**	2,118	**2,243**	3,857
– loan (interest-bearing)		**5,127**	2,257	**–**	–	**–**	–
Loans due from CapitaLand Ascott BT Group		**143,373**	107,287	**–**	–	**–**	–
Deposits		**1,854**	1,395	**231**	–	**2,085**	1,395
Deposit paid for acquisition of investment property		**7,455**	10,058	**–**	–	**7,455**	10,058
Other receivables		**20,098**	16,291	**2,556**	2,444	**22,654**	18,735
Impairment loss	33	**(4)**	(4)	**–**	–	**(4)**	(4)
		20,094	16,287	**2,556**	2,444	**22,650**	18,731
		298,389	243,270	**12,610**	14,091	**90,800**	96,403
Prepayments		**17,652**	14,071	**1,104**	1,713	**18,756**	15,784
		316,041	257,341	**13,714**	15,804	**109,556**	112,187

The non-trade amounts due from related parties mainly pertain to payments made on behalf of these entities. The non-trade amounts and loans due from related parties are unsecured, interest-free and repayable on demand except for an interest-bearing loan due from a related party at 5.41% (2022: 1.90%) per annum.

15 ASSETS HELD FOR SALE

	Note	CapitaLand Ascott REIT Group 2023 $'000	CapitaLand Ascott REIT Group 2022 $'000	CapitaLand Ascott BT Group 2023 $'000	CapitaLand Ascott BT Group 2022 $'000	Stapled Group 2023 $'000	Stapled Group 2022 $'000
Investment properties							
Somerset Grand Citra Jakarta	(a)	**737**	1,020	**–**	–	**737**	1,020
3 properties in Japan	(c)	**86,862**	–	**–**	–	**86,862**	–
Citadines Mount Sophia Property Singapore	(d)	**124,000**	–	**–**	–	**124,000**	–
		211,599	1,020	**–**	–	**211,599**	1,020
Property, plant and equipment							
2 properties in Australia	(e)	**–**	–	**95,628**	–	**95,628**	–
		211,599	1,020	**95,628**	–	**307,227**	1,020

15 ASSETS HELD FOR SALE (continued)

(a) In 2021, pursuant to the planned divestment of nine strata units in Somerset Grand Citra Jakarta (a serviced residence), the investment property pertaining to these nine units have been reclassified to assets held for sale.

During the year ended 31 December 2023, one strata unit (31 December 2022: two strata units) was divested. As at 31 December 2023, there are six remaining strata units. The Stapled Group owns a 100% interest in all six strata units, which have a combined gross floor area of about 490 square metres.

(b) On 3 April 2023, the CapitaLand Ascott REIT Group entered into a sale and purchase agreement with Extendam, an unrelated third party, to divest four serviced residences in regional France for a total consideration of EUR44.4 million ($64.7 million). The consideration of EUR44.4 million ($64.7 million) is approximately 63% above the properties' carrying value as at 31 December 2022 which was appraised based on the discounted cash flow method. The four properties are Citadines Croisette Cannes, Citadines Prado Chanot Marseille, Citadines Castellane Marseille and Citadines City Centre Lille. Accordingly, they were reclassified from "investment properties". Divestment of the four serviced residences was completed on 22 September 2023.

(c) On 16 December 2023, the CapitaLand Ascott REIT Group entered into a sale and purchase agreement with TMK 7C, an unrelated third party, to divest Hotel WBF Honmachi, Hotel WBF Kitasemba East and Hotel WBF Kitasemba West for a total consideration of JPY10.7 billion ($99.8 million). The Stapled Group owns a 100% interest in all three properties, which have gross floor areas of about 3,600 square metres, 3,100 square metres and 3,000 square metres respectively. The combined consideration of JPY10.7 billion ($99.8 million) is approximately 14.9% above the properties' carrying value as at 31 December 2022 which was appraised based on the discounted cash flow method.

(d) Pursuant to the planned divestment of Citadines Mount Sophia Property Singapore which was entered into and completed in the first quarter of 2024, the investment property and property, plant and equipment relating to Citadines Mount Sophia Property Singapore was reclassified to assets held for sale as at 31 December 2023.

(e) On 3 November 2023, the CapitaLand Ascott BT Group entered into two sale and purchase agreements with Silversea Investment Pty Ltd and Oceanfront Capital Pty Ltd, unrelated third parties, to divest Courtyard by Marriott Sydney-North Ryde for the consideration of AUD55.2 million ($48.4 million) and two sale and purchase agreements with Silversea Investment Pty Ltd and Silverworld Business Pty Ltd, unrelated third parties, to divest Novotel Sydney Parramatta for the consideration of AUD53.8 million ($47.2 million). The combined consideration of AUD109.0 million ($95.6 million) is approximately 4.9% above the properties' carrying value as at 27 October 2023 which was appraised based on the discounted cash flow method. The Stapled Group owns a 100% interest in Novotel Sydney Parramatta, which has a gross floor area of about 18,700 square metres.

Fair value hierarchy

On 31 December 2023, the Stapled Group's assets held for sale are valued based on independent valuation conducted by HVS using the discounted cash flow method, except for the two properties in Australia which were valued by Colliers using the discounted cash flow method.

The fair value measurement for assets held for sale for the Stapled Group have been categorised as level 3 fair values.

15 ASSETS HELD FOR SALE (continued)

Reconciliation of Level 3 fair value

The following table presents the reconciliation of the assets held for sale from the beginning balances to the ending balances for Level 3 fair values.

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Balance at 1 January	**1,020**	1,519	**–**	–	**1,020**	1,519
Disposal of assets held for sale	**(40,059)**	(431)	**–**	–	**(40,059)**	(431)
Transfer from investment properties (Note 4)	**250,507**	–	**–**	–	**250,507**	–
Transfer from property, plant and equipment (Note 5)	**375**	–	**95,628**	–	**96,003**	–
Net change in fair value recognised in Statement of Total Return	**(13)**	17	**–**	–	**(13)**	17
Translation difference	**(231)**	(85)	**–**	–	**(231)**	(85)
Balance at 31 December	**211,599**	1,020	**95,628**	–	**307,227**	1,020

16 CASH AND CASH EQUIVALENTS

	Note	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
		2023	**2022**	**2023**	**2022**	**2023**	**2022**
		$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cash at bank and in hand		**321,844**	282,275	**60,318**	62,303	**382,162**	344,578
Fixed deposits with financial institutions		**47,527**	16,976	**3,117**	2,080	**50,644**	19,056
Cash and cash equivalents		**369,371**	299,251	**63,435**	64,383	**432,806**	363,634
Restricted cash	(a)	**(6,473)**	(389)	**(3,120)**	(2,080)	**(9,593)**	(2,469)
Cash and cash equivalents in the Statements of Cash Flows		**362,898**	298,862	**60,315**	62,303	**423,213**	361,165

As at 31 December 2023, the interest rates per annum for cash and cash equivalent of the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group ranged from 0.00% to 6.00% (2022: 0.00% to 8.20%), 0.00% to 3.42% (2022: 0.00% to 1.66%) and 0.00% to 6.00% (2022: 0.00% to 8.20%) respectively.

(a) The restricted cash comprise:

- bank balances of certain subsidiaries pledged as collateral for certain borrowings of $6,476,000 (2022: $389,000); and
- security deposit of $3,117,000 (2022: $2,080,000) from a tenant which can only be drawn down as rental payment upon tenant's default or refunded to tenant upon lease expiry.

17 FINANCIAL LIABILITIES

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Non-current liabilities						
Secured bank loans	**879,165**	1,029,575	**51,626**	983	**930,791**	1,030,558
Unsecured bank loans	**722,565**	543,069	**48,517**	82,424	**771,082**	625,493
Medium term notes	**430,755**	448,930	**–**	–	**430,755**	448,930
Sustainability-linked notes	**353,371**	367,899	**–**	–	**353,371**	367,899
	2,385,856	2,389,473	**100,143**	83,407	**2,485,999**	2,472,880
Current liabilities						
Secured bank loans	**174,441**	73,476	**–**	–	**174,441**	73,476
Unsecured bank loans	**117,571**	52,781	**33,240**	175,462	**150,811**	228,243
Medium term notes	**237,110**	99,987	**–**	–	**237,110**	99,987
	529,122	226,244	**33,240**	175,462	**562,362**	401,706
	2,914,978	2,615,717	**133,383**	258,869	**3,048,361**	2,874,586

The weighted average effective interest rates per annum relating to bank loans, medium term notes and sustainability-linked notes at the reporting date for the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group are 4.34% (2022: 3.33%), 5.29% (2022: 4.45%) and 4.38% (2022: 3.43%) respectively.

Included in the CapitaLand Ascott REIT Group's, the CapitaLand Ascott BT Group's and the Stapled Group's bank loans, medium term notes and sustainability-linked notes is an amount of $11,384,000 (2022: $12,332,000), $683,000 (2022: $372,000) and $12,067,000 (2022: $12,704,000) respectively, relating to unamortised transaction costs.

Secured bank loans

The CapitaLand Ascott REIT Group's secured bank loans are secured on certain investment properties (Note 4), pledge of shares of certain subsidiaries, pledge over certain bank deposits (Note 17), assignment of rental proceeds from the properties, assignment of insurance policies on the properties and corporate guarantee from CapitaLand Ascott REIT.

The CapitaLand Ascott BT Group's secured bank loan is secured on an investment property (Note 4) and a hotel (Note 5).

Medium term notes

On 9 September 2009, a subsidiary of the CapitaLand Ascott REIT Group, Ascott REIT MTN Pte. Ltd., launched a $1.0 billion Multi-currency Medium Term Note Programme ("MTN Programme"). On 9 July 2020, the MTN Programme was amended to add the REIT Trustee and the BT Trustee-Manager as issuers and perpetual securities was added as a security which may be issued by the REIT Trustee and the BT Trustee-Manager ("Amended MTN Programme"). The Amended MTN Programme limit was increased to $2.0 billion. Under this Amended MTN Programme, the Ascott REIT MTN Pte. Ltd., the REIT Trustee and BT Trustee-Manager may, subject to compliance with all relevant laws, regulations and directives, from time to time issue fixed or floating interest rate notes and perpetual securities with aggregate principal amounts of $2.0 billion.

On 30 November 2011, a subsidiary of the CapitaLand Ascott REIT Group, Ascott REIT MTN (Euro) Pte. Ltd., established a US$2.0 billion Euro-Medium Term Note Programme ("EMTN Programme"). Under this EMTN Programme, Ascott REIT MTN (Euro) Pte. Ltd. may, subject to any applicable legal or regulatory restrictions, from time to time issue fixed or floating interest rate notes in series or tranches in Euro, Sterling Pound, US Dollar, Singapore Dollar, Chinese Renminbi or any other currency agreed between Ascott REIT MTN (Euro) Pte. Ltd. and the relevant dealer of the programme.

17 FINANCIAL LIABILITIES (continued)

Medium term notes (continued)

On 15 October 2014, a subsidiary of the A-HREIT Group, Ascendas Hospitality MTN Pte. Ltd., and A-HBT (jointly known as "Issuers"), established a $1.0 billion Multi-currency Stapled Medium Term Note Programme ("Stapled MTN Programme"). Under this Stapled MTN Programme, the Issuers may, subject to any applicable legal or regulatory restrictions, from time to time issue fixed or floating interest rate notes in series or tranches in Euro, Sterling Pound, US Dollar, Singapore Dollar, Chinese Renminbi or any other currency agreed between the Issuers and the relevant dealer of the programme.

Sustainability-linked notes

On 20 April 2022, the CapitaLand Ascott REIT Group issued $200.0 million of sustainability-linked notes. Under the conditions of the notes, there is a sustainability performance target of having at least 50% of the total gross floor area of the Stapled Group's portfolio being awarded with regional, national or internally recognised green building standards or certifications by a recognised third party by 31 December 2025.

On 7 November 2022, the CapitaLand Ascott REIT Group issued JPY16.5 billion of sustainability-linked notes. Under the conditions of the notes, there are sustainability performance targets of (i) achieving a 40.5% reduction in electricity consumption as a proxy for Scope 1 and 2 Carbon Emissions Intensity from the base year of 2019 for the eligible projects and (ii) achieving EDGE Greenbuilding Certifications for the eligible projects by 31 December 2028.

Subject to the conditions stipulated in the sustainability-linked notes, if the Stapled Group fails to satisfy any of the performance targets on the respective observation dates, the issuer shall pay in respect of each note an amount equal to the interest premium of 0.25% on the nominal value of the notes.

Sustainability-linked cross currency swap

On 6 September 2023, the CapitaLand Ascott REIT Group issued $120.0 million of fixed rate notes. At the same time, a cross currency swap was entered into to convert part of the Singapore dollar proceeds into Japanese Yen amounting to JPY11.0 billion at a fixed interest rate of 1.09% per annum. Under the conditions of the cross currency swap, there is sustainability performance target of having:

(i) at least 50% of the total gross floor area of the Stapled Group's portfolio being awarded with regional, national or internally recognised green building standards or certifications by a recognised third party by 31 December 2025; and

(ii) at least 60% of the total gross floor area of the Stapled Group's portfolio being awarded with regional, national or internally recognised green building standards or certifications by a recognised third party by 31 December 2026.

The Japanese Yen interest can be reduced slightly if the sustainability performance target is met by the respective sustainability performance target dates.

As at 31 December 2023, notes issued by the Stapled Group comprises:

- under the Amended MTN Programme:
  (i) $505.0 million (2022: $385.0 million) of fixed rate notes maturing between 2024 and 2028;
  (ii) $200.0 million (2022: $200.0 million) of fixed rate sustainability-linked notes maturing in 2027;
  (iii) JPY5.0 billion (2022: JPY5.0 billion) of fixed rate notes maturing in 2025; and
  (iv) JPY16.5 billion (2022: JPY16.5 billion) of fixed rate sustainability-linked notes maturing in 2029.
- under the EMTN Programme, EUR80.0 million (2022: EUR80.0 million) of fixed rate notes maturing in 2024.

17 FINANCIAL LIABILITIES (continued)

	Currency	Nominal interest rate %	Year of maturity	Face value $'000	Carrying amount $'000
CapitaLand Ascott REIT Group					
2023					
Medium term notes	EUR	2.75	2024	117,188	117,123
Medium term notes	JPY	0.97	2025	46,650	46,645
Medium term notes	SGD	4.00 – 5.00	2024 – 2028	505,000	504,097
Secured fixed rate loans	JPY	0.25 – 1.39	2024 – 2029	413,160	410,010
Secured fixed rate loans	USD	2.70 – 2.90	2028	108,440	107,846
Secured floating rate loans	JPY	0.17 – 1.02	2024 – 2029	95,278	94,715
Secured floating rate loans	RMB	4.45 – 4.70	2026 – 2032	15,933	15,917
Secured floating rate loans	USD	7.18 – 8.16	2024 – 2032	426,441	425,118
Sustainability-linked notes	JPY	1.05	2029	153,945	153,812
Sustainability-linked notes	SGD	3.63	2027	200,000	199,559
Unsecured fixed rate loans	USD	1.00	2025	91	91
Unsecured floating rate loans	EUR	4.98 – 5.28	2024 – 2027	161,866	161,434
Unsecured floating rate loans	GBP	6.20 – 6.84	2024 – 2028	307,567	305,542
Unsecured floating rate loans	JPY	1.31	2024	10,263	10,246
Unsecured floating rate loans	SGD	4.65 – 5.28	2024 – 2028	152,454	151,974
Unsecured floating rate loans	USD	6.95 – 8.15	2026 – 2029	212,086	210,849
				2,926,362	2,914,978
2022					
Medium term notes	EUR	2.75	2024	113,472	113,339
Medium term notes	JPY	0.97	2025	51,100	51,092
Medium term notes	SGD	3.52 – 5.00	2023 – 2026	385,000	384,486
Secured fixed rate loans	JPY	0.25 – 1.39	2024 – 2029	398,958	395,852
Secured fixed rate loans	USD	2.70 – 2.90	2028	110,066	109,333
Secured floating rate loans	JPY	0.16 – 1.01	2024 – 2029	100,718	98,480
Secured floating rate loans	RMB	4.70 – 4.80	2026 – 2032	17,487	17,487
Secured floating rate loans	USD	2.30 – 6.99	2023 – 2032	483,341	481,339
Secured floating rate loans	VND	4.00 – 4.50	2023	560	560
Sustainability-linked notes	JPY	1.05	2029	168,630	168,474
Sustainability-linked notes	SGD	3.63	2027	200,000	199,425
Unsecured fixed rate loans	USD	1.00	2025	160	160
Unsecured floating rate loans	AUD	3.92 – 4.35	2024	46,391	46,279
Unsecured floating rate loans	EUR	1.69 – 3.92	2024	92,905	92,771
Unsecured floating rate loans	GBP	2.28 – 3.49	2024	35,137	35,052
Unsecured floating rate loans	JPY	0.58 – 1.30	2023 – 2024	63,364	63,273
Unsecured floating rate loans	SGD	3.97 – 5.86	2025 – 2026	137,270	136,369
Unsecured floating rate loans	USD	3.54 – 6.91	2026 – 2029	223,490	221,946
				2,628,049	2,615,717

17 FINANCIAL LIABILITIES (continued)

	Currency	Nominal interest rate %	Year of maturity	Face value $'000	Carrying amount $'000
CapitaLand Ascott BT Group					
2023					
Secured fixed rate loans	JPY	1.39	2027	933	906
Secured floating rate loans	EUR	5.22	2028	51,270	50,720
Unsecured fixed rate loans	KRW	3.55	2024	33,248	33,240
Unsecured floating rate loans*	USD	6.63	2025	48,615	48,517
				134,066	133,383
2022					
Secured fixed rate loans	JPY	1.39	2027	1,022	983
Unsecured fixed rate loans	KRW	3.55	2024	33,280	33,236
Unsecured floating rate loans	AUD	4.56	2023	175,595	175,462
Unsecured floating rate loans*	USD	3.39	2025	49,344	49,188
				259,241	258,869
Stapled Group					
2023					
Medium term notes	EUR	2.75	2024	117,188	117,123
Medium term notes	JPY	0.97	2025	46,650	46,645
Medium term notes	SGD	4.00 – 5.00	2024 – 2028	505,000	504,097
Secured fixed rate loans	JPY	0.25 – 1.39	2024 – 2029	414,093	410,916
Secured fixed rate loans	USD	2.70 – 2.90	2028	108,440	107,846
Secured floating rate loans	JPY	0.17 – 1.02	2024 – 2029	95,278	94,715
Secured floating rate loans	EUR	5.22	2028	51,270	50,720
Secured floating rate loans	RMB	4.45 – 4.70	2026 – 2032	15,933	15,917
Secured floating rate loans	USD	7.18 – 8.16	2024 – 2032	426,441	425,118
Sustainability-linked notes	JPY	1.05	2029	153,945	153,812
Sustainability-linked notes	SGD	3.63	2027	200,000	199,559
Unsecured fixed rate loans	KRW	3.55	2024	33,248	33,240
Unsecured fixed rate loans	USD	1.00	2025	91	91
Unsecured floating rate loans	EUR	4.98 – 5.28	2024 – 2027	161,866	161,434
Unsecured floating rate loans	GBP	6.20 – 6.84	2024 – 2028	307,567	305,542
Unsecured floating rate loans	JPY	1.31	2024	10,263	10,246
Unsecured floating rate loans	SGD	4.65 – 5.28	2024 – 2028	152,454	151,974
Unsecured floating rate loans	USD	6.63 – 8.15	2025 – 2029	260,701	259,366
				3,060,428	3,048,361

* In 2022, the CapitaLand Ascott BT Group has drawn down a USD36.0 million unsecured floating rate loan. The margin for the loan has been reduced after 12 months from the first utilisation date as no event of default has occurred and Global Real Estate Sustainability Benchmark rating achievement has been met.

17 FINANCIAL LIABILITIES (continued)

	Currency	Nominal interest rate %	Year of maturity	Face value $'000	Carrying amount $'000
Stapled Group					
2022					
Medium term notes	EUR	2.75	2024	113,472	113,339
Medium term notes	JPY	0.97	2025	51,100	51,092
Medium term notes	SGD	3.52 – 5.00	2023 – 2026	385,000	384,486
Secured fixed rate loans	JPY	0.25 – 1.39	2024 – 2029	399,980	396,835
Secured fixed rate loans	USD	2.70 – 2.90	2028	110,066	109,333
Secured floating rate loans	JPY	0.16 – 1.01	2024 – 2029	100,718	98,480
Secured floating rate loans	RMB	4.70 – 4.80	2026 – 2032	17,487	17,487
Secured floating rate loans	USD	2.30 – 6.99	2023 – 2032	483,341	481,339
Secured floating rate loans	VND	4.00 – 4.50	2023	560	560
Sustainability-linked notes	JPY	1.05	2029	168,630	168,474
Sustainability-linked notes	SGD	3.63	2027	200,000	199,425
Unsecured fixed rate loans	KRW	3.55	2024	33,280	33,236
Unsecured fixed rate loans	USD	1.00	2025	160	160
Unsecured floating rate loans	AUD	3.92 – 4.56	2023 – 2024	221,986	221,741
Unsecured floating rate loans	EUR	1.69 – 3.92	2024	92,905	92,771
Unsecured floating rate loans	GBP	2.28 – 3.49	2024	35,137	35,052
Unsecured floating rate loans	JPY	0.58 – 1.30	2023 – 2024	63,364	63,273
Unsecured floating rate loans	SGD	3.97 – 5.86	2025 – 2026	137,270	136,369
Unsecured floating rate loans	USD	3.39 – 6.91	2025 – 2029	272,834	271,134
				2,887,290	2,874,586

Guarantees

The CapitaLand Ascott REIT Group has provided corporate guarantees to banks amounting to $558,279,000 (2022: $401,213,000) for bank loans undertaken by its subsidiaries which expire in 2025, 2026, 2028, 2029 and 2032. The CapitaLand Ascott BT Group has provided corporate guarantees to banks amounting to $33,248,000 (2022: $208,475,000) for unsecured bank loans undertaken by its subsidiaries which expire in 2024.

The earliest period that the guarantees could be called is within one year (2022: one year) from the reporting date.

At the reporting date, the CapitaLand Ascott REIT Group and the CapitaLand Ascott BT Group do not consider it probable that a claim will be made under these guarantees.

Loan covenant

As at 31 December 2023, the Stapled Group has complied with all debt covenants or obtained waivers to defer testing of debt covenant compliance to after the year end.

17 FINANCIAL LIABILITIES (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities

CapitaLand Ascott REIT Group	Bank loans and notes $'000	Interest payable[1] (Note 18) $'000	Lease liabilities (Note 20) $'000	Total $'000
Balance as at 1 January 2022	2,379,714	5,455	275,879	2,661,048
Changes from financing cash flows				
Proceeds from borrowings and issuance of notes	1,554,606	–	–	1,554,606
Repayment of borrowings and notes	(1,319,220)	–	–	(1,319,220)
Payment of transaction costs on borrowings and notes	(7,842)	–	–	(7,842)
Payment of lease liabilities	–	–	(7,897)	(7,897)
Interest paid	–	(45,587)	(10,379)	(55,966)
Total changes from financing cash flows	227,544	(45,587)	(18,276)	163,681
Other changes				
Finance costs	3,498	48,108	10,379	61,985
Effect of changes in foreign exchange rates	(108,393)	(12)	(968)	(109,373)
Acquisition of investment properties (Note 38)	113,354	–	–	113,354
Balance as at 31 December 2022	2,615,717	7,964	267,014	2,890,695
Balance as at 1 January 2023	2,615,717	7,964	267,014	2,890,695
Changes from financing cash flows				
Proceeds from borrowings and issuance of notes	704,147	–	–	704,147
Repayment of borrowings and notes	(499,073)	–	–	(499,073)
Payment of transaction costs on borrowings and notes	(2,966)	–	–	(2,966)
Payment of lease liabilities	–	–	(9,000)	(9,000)
Interest paid	–	(64,131)	(9,716)	(73,847)
Total changes from financing cash flows	202,108	(64,131)	(18,716)	119,261
Other changes				
Finance costs	3,291	67,788	9,716	80,795
Effect of changes in foreign exchange rates	(73,219)	(57)	(4,395)	(77,671)
Modification of lease liability	–	–	7,635	7,635
Acquisition of investment properties (Note 38)	167,081	–	2,711	169,792
Balance as at 31 December 2023	2,914,978	11,564	263,965	3,190,507

(1) Net of interest receivables of $7,522,000 (2022: $6,212,000) from cross currency interest rate swaps.

17 FINANCIAL LIABILITIES (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities *(continued)*

CapitaLand Ascott BT Group	Bank loans and notes $'000	Interest payable[1] (Note 18) $'000	Lease liabilities (Note 20) $'000	Total $'000
Balance as at 1 January 2022	349,210	1,152	99,972	450,334
Changes from financing cash flows				
Proceeds from borrowings	92,243	–	–	92,243
Repayment of borrowings and notes	(161,770)	–	–	(161,770)
Payment of transaction costs on borrowings	(231)	–	–	(231)
Payment of lease liabilities	–	–	(4,989)	(4,989)
Interest paid	–	(6,559)	(7,542)	(14,101)
Total changes from financing cash flows	(69,758)	(6,559)	(12,531)	(88,848)
Other changes				
Finance costs	294	6,640	7,542	14,476[2]
Effect of changes in foreign exchange rates	(20,877)	(136)	(13,595)	(34,608)
Balance as at 31 December 2022	258,869	1,097	81,388	341,354
Balance as at 1 January 2023	258,869	1,097	81,388	341,354
Changes from financing cash flows				
Proceeds from borrowings	51,270	–	–	51,270
Repayment of borrowings	(175,468)	–	–	(175,468)
Payment of transaction costs on borrowings	(557)	–	–	(557)
Payment of lease liabilities	–	–	(4,890)	(4,890)
Interest paid	–	(6,582)	(6,388)	(12,970)
Total changes from financing cash flows	(124,755)	(6,582)	(11,278)	(142,615)
Other changes				
Finance costs	242	5,678	6,388	12,308[2]
Effect of changes in foreign exchange rates	(973)	73	(6,931)	(7,831)
Balance as at 31 December 2023	133,383	266	69,567	203,216

(1) Net of interest receivables of $38,000 (2022: $789,000) from cross currency interest rate swaps and including interest payable to CapitaLand Ascott REIT Group of $Nil (2022: $51,000) from interest bearing loan due to related parties.
(2) Excludes financial expenses from remeasuring the security deposits of $125,000 (2022: $140,000).

17 FINANCIAL LIABILITIES (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities *(continued)*

Stapled Group	Bank loans and notes $'000	Interest payable[1] (Note 18) $'000	Lease liabilities (Note 20) $'000	Total $'000
Balance as at 1 January 2022	2,728,924	6,542	275,879	3,011,345
Changes from financing cash flows				
Proceeds from borrowings and issuance of notes	1,646,849	–	–	1,646,849
Repayment of borrowings and notes	(1,480,990)	–	–	(1,480,990)
Payment of transaction costs on borrowings and notes	(8,073)	–	–	(8,073)
Payment of lease liabilities	–	–	(7,897)	(7,897)
Interest paid	–	(52,146)	(10,379)	(62,525)
Total changes from financing cash flows	157,786	(52,146)	(18,276)	87,364
Other changes				
Finance costs	3,792	54,701	10,379	68,872[2]
Effect of changes in foreign exchange rates	(129,270)	(87)	(968)	(130,325)
Acquisition of investment properties (Note 38)	113,354	–	–	113,354
Balance as at 31 December 2022	2,874,586	9,010	267,014	3,150,610
Balance as at 1 January 2023	2,874,586	9,010	267,014	3,150,610
Changes from financing cash flows				
Proceeds from borrowings and issuance of notes	755,417	–	–	755,417
Repayment of borrowings and notes	(674,541)	–	–	(674,541)
Payment of transaction costs on borrowings and notes	(3,523)	–	–	(3,523)
Payment of lease liabilities	–	–	(9,000)	(9,000)
Interest paid	–	(70,653)	(9,716)	(80,369)
Total changes from financing cash flows	77,353	(70,653)	(18,716)	(12,016)
Other changes				
Finance costs	3,533	73,456	9,716	86,705[2]
Effect of changes in foreign exchange rates	(74,192)	17	(4,395)	(78,570)
Modification of lease liability	–	–	7,635	7,635
Acquisition of investment properties (Note 38)	167,081	–	2,711	169,792
Balance as at 31 December 2023	3,048,361	11,830	263,965	3,324,156

(1) Net of interest receivables of $7,560,000 (2022: $7,001,000) from cross currency interest rate swaps.
(2) Excludes financial expenses from remeasuring the security deposits of $125,000 (2022: $140,000).

18 TRADE AND OTHER PAYABLES

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Trade payables and accrued operating expenses	**100,646**	93,935	**26,206**	25,251	**126,852**	119,186
Amounts due to associate (non-trade)	**1,876**	1,884	**–**	–	**1,876**	1,884
Amounts due to related parties:						
– trade	**18,816**	22,292	**5,485**	7,776	**21,553**	24,059
– non-trade	**2,612**	3,734	**68,225**	43,294	**1,886**	1,623
– milestone payment for acquisition of investment properties	**91,879**	28,428	**–**	–	**91,879**	28,428
– milestone payment for acquisition of a hotel	**–**	–	**30,105**	–	**30,105**	–
– loan (interest-bearing)	**3,921**	3,919	**5,127**	2,257	**3,921**	3,919
Amounts due to the REIT Manager	**7,623**	5,976	**–**	–	**7,623**	5,976
Amounts due to the BT Trustee-Manager	**–**	–	**1,156**	255	**1,156**	255
Amounts due to the REIT Trustee	**254**	235	**–**	–	**254**	235
Amounts due to non-controlling interests (non-trade)	**652**	686	**–**	–	**652**	686
Loans due to CapitaLand Ascott REIT Group	**–**	–	**143,373**	107,287	**–**	–
Interest payable	**19,086**	14,176	**304**	1,835	**19,390**	16,011
Rental deposits and advance rental	**39,212**	37,167	**5,673**	4,814	**44,885**	41,981
Trade and other payables (current)	**286,577**	212,432	**285,654**	192,769	**352,032**	244,243
Other payables	**–**	–	**309**	409	**309**	409
Rental deposits	**–**	32	**7,826**	8,215	**7,826**	8,247
Trade and other payables (non-current)	**–**	32	**8,135**	8,624	**8,135**	8,656

The non-trade amounts due to associate and related parties mainly pertain to payments made on behalf by these entities. These amounts and loans due to the CapitaLand Ascott REIT Group are unsecured, interest-free and repayable on demand. The effective interest rate for the interest-bearing loan to related parties in the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group are 2.33% (2022: 2.27%), 5.41% (2022: 1.90%) and 2.33% (2022: 2.27%) per annum respectively.

The non-trade amounts due to non-controlling interests mainly pertain to interest-bearing loans extended to the Stapled Group with an effective interest rate of 7.20% (2022: 3.97%) per annum.

Milestone payment for acquisition of investment properties will be paid to the vendor by the CapitaLand Ascott REIT Group when:

(i) 70% of the renovation works have been completed by the master lessee of La Clef Tour Eiffel Paris; and

(ii) 70% of the renovation works have been completed for The Cavendish London.

Milestone payment for acquisition of a hotel will be paid to the vendor by the CapitaLand Ascott BT Group when 70% of the renovation works have been completed for Temple Bar Hotel.

The non-current rental deposits are refundable to tenant upon the lease expiry ranging from December 2025 to June 2038.

19 DEFERRED INCOME

	CapitaLand Ascott REIT Group 2023 $'000	CapitaLand Ascott REIT Group 2022 $'000	CapitaLand Ascott BT Group 2023 $'000	CapitaLand Ascott BT Group 2022 $'000	Stapled Group 2023 $'000	Stapled Group 2022 $'000
Current	**425**	–	**120**	135	**545**	135
Non-current	**7,969**	–	**747**	876	**8,716**	876
Total	**8,394**	–	**867**	1,011	**9,261**	1,011
At 1 January	**–**	–	**1,011**	2,097	**1,011**	2,097
Additions during the year	**8,500**	–	**–**	–	**8,500**	–
Amount amortised during the year						
– Gross revenue (Note 23)	**(106)**	–	**–**	(786)	**(106)**	(786)
– Finance income (Note 25)	**–**	–	**(125)**	(140)	**(125)**	(140)
Translation differences	**–**	–	**(19)**	(160)	**(19)**	(160)
	8,394	–	**867**	1,011	**9,261**	1,011

Deferred income relates to the following:

(i) Cash reimbursement received from Accor for its 50% share of the $30.0 million capital expenditure incurred by the Accor Australia hotels for refurbishment works which was completed in 2013. The reimbursement by Accor is conditional upon the non-termination of the hotel management agreement signed between Ascendas Hotel Investment Company Pty Limited and Accor prior to 30 June 2017 and on a pro-rata basis if the termination occurs after 30 June 2017 but before 30 June 2022. Deferred income is credited to the Statement of Total Return as rental income on a straight-line basis. The deferred income was fully amortised during the year ended 31 December 2022.

(ii) Difference between the considerations received for rental deposits arising from the master leases and its fair value on initial recognition. Deferred income is credited to the Statement of Total Return as finance income.

(iii) Key money contribution of $8.5 million received from Ascott International Management Pte Ltd ("AIMPL") for the rebranding and renovation of the property during the year, upon rebranding of the property to The Robertson House by The Crest Collection in 2023. In the event of termination of the hotel management agreement signed between AHBT and AIMPL on 30 September 2022, AHBT will return a percentage of the key money contributed by AIMPL based on the remaining duration of the hotel management agreement from the date the property is rebranded as The Robertson House by The Crest Collection. Deferred income is credited to the Statement of Total Return as rental income on a straight-line basis.

20 LEASE LIABILITIES

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	$'000	$'000	$'000	$'000	$'000	$'000
Current	**10,288**	9,646	**5,155**	5,185	**10,288**	9,646
Non-current	**253,677**	257,368	**64,412**	76,203	**253,677**	257,368
Total	**263,965**	267,014	**69,567**	81,388	**263,965**	267,014

The investment properties of the CapitaLand Ascott BT Group included a right-of-use asset relating to the operating lease for Ariake Hotel on adoption of FRS 116/SFRS(I) 16. AAGK, a subsidiary of CapitaLand Ascott BT, leases Ariake Hotel from Ascendas Hospitality Tokutei Mokuteki Kaisha, a subsidiary of CapitaLand Ascott REIT. FRS 116/SFRS(I) 16 requires AAGK to recognise a right-of-use asset and lease liability relating to this operating lease. There is no impact for the Stapled Group as the intra-group transaction will be eliminated upon consolidation.

Leases as lessee (FRS 116/SFRS(I) 16)

The CapitaLand Ascott REIT Group leases the land on which three (2022: three) of the investment properties were constructed. The leases have initial tenures ranging from 25 to 48 years (2022: 25 to 48 years).

The CapitaLand Ascott REIT Group also leases the commercial podium under a 33-year master lease in Somerset Olympic Tower Property Tianjin. The operating lease payables are based on the fixed component of the rent payable under the lease agreement, adjusted for incremental rent which have been provided for in the agreement.

Information about leases for which the CapitaLand Ascott REIT Group is a lessee is presented below.

Amounts recognised in the Statement of Total Return

	CapitaLand Ascott REIT Group and Stapled Group	
	2023	2022
	$'000	$'000
Lease under FRS 116/SFRS(I) 16		
Interest expense on lease liabilities	**9,716**	10,379
Change in fair value of right-of-use assets	**9,471**	9,059
Variable lease payments not capitalised in lease liabilities		
Variable lease payments which do not depend on an index or rate[1]	**374**	351

(1) The CapitaLand Ascott REIT Group manages certain units at one of the investment properties on behalf of third-party unit owners. The variable lease payments paid to these unit owners are based on a percentage of the net operational profit derived from the investment property. Such variable lease payments are recognised in the Statement of Total Return when incurred and amounted to $374,000 (2022: $351,000) for the year ended 31 December 2023.

20 LEASE LIABILITIES (continued)

Amounts recognised in Statement of Cash Flows

	CapitaLand Ascott REIT Group and Stapled Group 2023 $'000	CapitaLand Ascott REIT Group and Stapled Group 2022 $'000
Payment of lease liabilities	**9,000**	7,897
Interest paid	**9,716**	10,379
Total cash outflow for leases	**18,716**	18,276

21 STAPLED SECURITYHOLDERS' FUNDS

Foreign currency translation reserve

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign entities, effective portion of the hedging instrument which is used to hedge against the Stapled Group's net investment in foreign currencies as well as from the translation of foreign currency loans used to hedge or form part of the Stapled Group's net investments in foreign entities.

Capital reserve

The subsidiaries incorporated in China are required to transfer 10% of their profits after taxation, as determined under the accounting principles and relevant financial regulations of China, to a general reserve until the reserve balance reaches 50% of the subsidiary's registered capital. The transfer to this reserve must be made before the distribution of dividends to shareholders.

The capital reserve of the subsidiary can be used to make good previous years' losses, if any, and may be converted to paid-in capital of the subsidiary in proportion to the existing interests of equity owners, provided that the balance after such conversion is not less than 25% of the registered capital.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments relating to forecast hedged transactions.

Asset revaluation reserve

The revaluation reserve relates to the revaluation of land and buildings, net of deferred tax.

Capital management

The Managers review the Stapled Group's capital structure regularly, which the Stapled Group defines as total Stapled Securityholders' funds (excluding non-controlling interests) and the level of distribution to Stapled Securityholders. The Stapled Group uses a combination of debt and equity to fund acquisition and asset enhancement projects.

21 STAPLED SECURITYHOLDERS' FUNDS (continued)

Capital management (continued)

The objectives of the Managers are to:

(a) maintain a strong balance sheet by adopting and maintaining a target gearing range;

(b) secure diversified funding sources from financial institutions and/or capital markets;

(c) adopt a proactive interest rate management strategy to manage risks related to interest rate fluctuations; and

(d) manage the foreign currency exposure of income and capital values of overseas assets through hedging, where appropriate.

The Managers seek to maintain a combination of debt and equity in order to balance the cost of capital and the returns to Stapled Securityholders. The Managers also monitor the externally imposed capital requirements closely and ensures that the capital structure adopted complies with the requirements.

CapitaLand Ascott REIT 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 (the "Aggregate Leverage") of a property fund should not exceed 50.0% of the fund's Deposited Property before 1 January 2022. It was announced that after 1 January 2022, the Aggregate Leverage limit is revised to 45% with the exception that the Aggregate Leverage limit may exceed 45% of the fund's deposited property (up to a maximum of 50%) only if the property fund has a minimum adjusted interest coverage ratio of 2.5 times after taking into account the interest payment obligations arising from the new borrowings.

As at the reporting date, CapitaLand Ascott REIT has a credit rating of BBB from Fitch Ratings (2022: BBB- from Fitch Ratings). The Aggregate Leverage of the CapitaLand Ascott REIT Group as at 31 December 2023 was 40.3% (2022: 39.7%) of the CapitaLand Ascott REIT Group's Deposited Property. This complied with the Aggregate Leverage limit.

The aggregate leverage of the Stapled Group as at 31 December 2023 was 37.9% (2022: 38.0%).

There were no changes in the Stapled Group's approach to capital management during the year.

22 STAPLED SECURITIES IN ISSUE AND PERPETUAL SECURITIES

(a) Stapled Securities in issue

	CapitaLand Ascott REIT Units		CapitaLand Ascott BT Units		Stapled Securities	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
	'000	**'000**	**'000**	**'000**	**'000**	**'000**
At 1 January	**3,445,625**	3,276,547	**3,445,625**	3,276,547	**3,445,625**	3,276,547
Issue of new Stapled Securities:						
– Equity fund raising	**292,293**	151,786	**292,293**	151,786	**292,293**	151,786
– Management fees paid in Stapled Securities	**22,234**	17,292	**22,234**	17,292	**22,234**	17,292
– Acquisition fees paid in Stapled Securities	**3,152**	–	**3,152**	–	**3,152**	–
At 31 December	**3,763,304**	3,445,625	**3,763,304**	3,445,625	**3,763,304**	3,445,625

22 STAPLED SECURITIES IN ISSUE AND PERPETUAL SECURITIES (continued)

(a) Stapled Securities in issue (continued)

During the financial year ended 31 December 2023, the REIT Manager and the BT Trustee-Manager issued Stapled Securities as follows:

(a) 191,755,000 Stapled Securities at an issue price of $1.043 per Stapled Security amounting to $200,000,465 by way of a private placement to institutional and other investors.

(b) 100,538,407 Stapled Securities by way of a non-renounceable preferential offering at an issue price of $1.025 per Stapled Security based on 29 new Stapled Securities for every 1,000 existing Stapled Securities amounting to $103,051,867.

(c) 19,903,216 Stapled Securities at issue prices ranging from $0.9719 to $1.097 per Stapled Security, amounting to $23,479,000, as payment of the REIT Manager's base management fees for the period from 1 October 2022 to 30 September 2023 and the REIT Manager's performance fees for the period from 1 January 2022 to 31 December 2022.

(d) 2,330,636 Stapled Securities at issue prices ranging from $0.9719 to $1.097 per Stapled Security, amounting to $2,385,000 as payment of the BT Trustee-Manager's base management fees and performance fees for the period from 1 October 2022 to 30 September 2023.

During the financial year ended 31 December 2022, the REIT Manager and the BT Trustee-Manager issued Stapled Securities as follows:

(a) 151,786,000 Stapled Securities at an issue price of $1.120 per Stapled Security amounting to $170,000,320 by way of a private placement to institutional and other investors.

(b) 15,300,375 Stapled Securities at issue prices ranging from $1.0144 to $1.1354 per Stapled Security, amounting to $16,135,000, as payment of the REIT Manager's base management fees for the period from 1 October 2021 to 30 September 2022 and the REIT Manager's performance fees for the period from 1 January 2021 to 31 December 2021.

(c) 1,991,954 Stapled Securities at issue prices ranging from $1.0144 to $1.1354 per Stapled Security, amounting to $2,123,000 as payment of the BT Trustee-Manager's base management fees and performance fees for the period from 1 October 2021 to 30 September 2022.

Each CapitaLand Ascott BT Unit was stapled to one CapitaLand Ascott REIT Unit to form one Stapled Security in accordance with the Stapling Deed entered into between the REIT Manager, the REIT Trustee and the BT Trustee-Manager and cannot be traded separately. Each Stapled Security represents an undivided interest in the Stapled Group.

A holder of the Stapled Security has no equitable or proprietary interest in the underlying assets of the Stapled Group and is not entitled to the transfer to it of any asset (or any part thereof) or of any real estate, any interest in any asset and real estate-related assets (or any part thereof) of the Stapled Group.

The holders of the Stapled Securities are entitled to receive distributions as and when declared by the Stapled Group.

A Stapled Securityholder's liability is limited to the amount paid or payable for any Stapled Securities in the Stapled Group.

Each CapitaLand Ascott REIT Unit and CapitaLand Ascott BT Unit carry the same voting rights.

22 STAPLED SECURITIES IN ISSUE AND PERPETUAL SECURITIES (continued)

(b) Perpetual securities

On 30 June 2015, CapitaLand Ascott REIT issued $250.0 million of fixed rate perpetual securities with an initial distribution rate of 4.68% per annum with the first distribution rate reset falling on 30 June 2020 and subsequent resets occurring every five years thereafter. As announced on 29 May 2020, the $250.0 million perpetual securities would not be redeemed. The distribution rate applicable to the perpetual securities was reset to 3.07% per annum on 30 June 2020.

On 4 September 2019, CapitaLand Ascott REIT issued $150.0 million of fixed rate perpetual securities with an initial distribution rate of 3.88% per annum with the first distribution rate reset falling on 4 September 2024 and subsequent resets occurring every five years thereafter.

The perpetual securities have no fixed redemption date and redemption is at the option of CapitaLand Ascott REIT in accordance with the terms of issue of the securities. The distribution will be payable semi-annually at the discretion of CapitaLand Ascott REIT and will be non-cumulative.

In terms of distribution payments or in the event of winding-up of CapitaLand Ascott REIT:

- These perpetual securities rank *pari passu* with the holders of preferred Units (if any) and rank ahead of the Stapled Securityholders of CLAS, but junior to the claims of all other present and future creditors of CapitaLand Ascott REIT.
- CapitaLand Ascott REIT shall not declare or pay any distributions to the Stapled Securityholders, or make redemptions, unless CapitaLand Ascott REIT declares or pays any distributions to the holders of the perpetual securities.

These perpetual securities are classified as equity instruments and recorded within the Statements of Movements in Stapled Securityholders' Funds. The $396,298,000 (2022: $396,298,000) presented on the Statements of Financial Position represents the $400,000,000 (2022: $400,000,000) perpetual securities net of issue costs and include total return attributable to perpetual securities holders from issue date.

23 GROSS REVENUE

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Gross rental income	**560,935**	468,203	**27,907**	25,928	**575,297**	479,577
Hospitality income	**20,257**	14,931	**–**	–	**20,257**	14,931
Hotel revenue	**–**	–	**143,776**	123,079	**143,776**	123,079
Amortisation of deferred income (Note 19)	**106**	–	**–**	786	**106**	786
Car park income	**5,122**	2,869	**–**	–	**5,122**	2,869
	586,420	486,003	**171,683**	149,793	**744,558**	621,242

24 DIRECT EXPENSES

	CapitaLand Ascott REIT Group 2023 $'000	CapitaLand Ascott REIT Group 2022 $'000	CapitaLand Ascott BT Group 2023 $'000	CapitaLand Ascott BT Group 2022 $'000	Stapled Group 2023 $'000	Stapled Group 2022 $'000
Operations and maintenance expenses	**60,802**	51,314	**17,453**	14,381	**78,255**	65,695
Staff costs	**66,020**	55,391	**50,244**	40,486	**116,264**	95,877
Serviced residence management fees	**25,809**	17,299	**477**	307	**26,286**	17,606
Property tax	**33,194**	31,471	**6,135**	6,005	**39,329**	37,476
Depreciation of property, plant and equipment	**12,025**	12,514	**2,252**	2,763	**14,277**	15,277
Marketing and selling expenses	**38,944**	28,301	**13,848**	10,598	**52,792**	38,899
Administrative and general expenses	**38,244**	32,958	**11,533**	10,727	**49,777**	43,685
Other direct expenses	**20,349**	16,309	**11,246**	9,624	**29,329**	23,909
	295,387	245,557	**113,188**	94,891	**406,309**	338,424
Contributions to defined contribution plans included in staff costs	**4,516**	3,959	**4,208**	3,098	**8,724**	7,057

25 FINANCE INCOME AND COSTS

	CapitaLand Ascott REIT Group 2023 $'000	CapitaLand Ascott REIT Group 2022 $'000	CapitaLand Ascott BT Group 2023 $'000	CapitaLand Ascott BT Group 2022 $'000	Stapled Group 2023 $'000	Stapled Group 2022 $'000
Finance income						
Interest income from a related party	**9**	46	**–**	–	**–**	–
Financial income arising from remeasuring the deferred income (Note 19)	**–**	–	**125**	140	**125**	140
Bank deposits	**3,116**	1,130	**1,193**	198	**4,309**	1,328
	3,125	1,176	**1,318**	338	**4,434**	1,468
Finance costs						
Amortisation of transaction costs	**(3,291)**	(3,498)	**(242)**	(294)	**(3,533)**	(3,792)
Interest on bank loans	**(105,685)**	(64,236)	**(10,266)**	(9,690)	**(115,951)**	(73,926)
Cash flow hedges, reclassified from hedging reserve	**15,369**	1,095	**2,700**	1,292	**18,069**	2,387
Cross currency interest rate swaps(1)	**23,857**	16,497	**1,925**	1,846	**25,782**	18,343
Interest expense on lease liabilities	**(9,716)**	(10,379)	**–**	–	**(9,716)**	(10,379)
Interest expense on lease liabilities paid/payable to the CapitaLand Ascott REIT Group	**–**	–	**(6,388)**	(7,542)	**–**	–
Interest paid/payable to a related corporation	**(90)**	(91)	**(9)**	(46)	**(90)**	(91)
Financial expense from remeasuring the security deposits	**–**	–	**(125)**	(140)	**(125)**	(140)
Others	**(1,239)**	(1,373)	**(28)**	(42)	**(1,266)**	(1,414)
	(80,795)	(61,985)	**(12,433)**	(14,616)	**(86,830)**	(69,012)

(1) Interest income arising from cross currency interest rate swaps are classified within finance costs as these financial derivatives were entered into by the Stapled Group as cash flow hedging instruments for certain bank loans.

26 MANAGERS' MANAGEMENT FEES

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	$'000	$'000	$'000	$'000	$'000	$'000
REIT Manager's fees(1)						
– Base fee	**18,176**	17,053	**–**	–	**18,176**	17,053
– Performance fee	**11,142**	8,534	**–**	–	**11,142**	8,534
	29,318	25,587	**–**	–	**29,318**	25,587
BT Trustee-Manager's fees(1)						
– Base fee	**–**	–	**830**	956	**830**	956
– Performance fee	**–**	–	**1,851**	1,713	**1,851**	1,713
	–	–	**2,681**	2,669	**2,681**	2,669
Onshore fees paid/payable to related entities of the Managers(2)	**272**	279	**1,946**	1,884	**2,218**	2,163
	29,590	25,866	**4,627**	4,553	**34,217**	30,419

(1) A total of 22,134,460 (2022: 18,634,723) Stapled Securities and 2,350,563 (2022: 2,169,590) Stapled Securities were issued or will be issued as payment of the REIT Manager's management fees and the BT Trustee-Manager's management fees amounting to $22,340,000 (2022: $19,481,000) and $2,329,000 (2022: $2,276,000) respectively in respect of the year ended 31 December 2023. The cash portion is derived after deducting the onshore fees payable to the other appointed asset managers.

(2) This relates to management fees paid/payable to related entities for asset management services for some of the properties in Australia, Japan and South Korea.

Under the CapitaLand Ascott REIT Trust Deed and the CapitaLand Ascott BT Trust Deed, part of the fees payable to the Managers can be paid by certain subsidiaries of the CapitaLand Ascott REIT Group and the CapitaLand Ascott BT Group to certain nominated entities of the Managers in certain jurisdictions outside Singapore in which the Stapled Group has a presence (namely, Australia, Japan and South Korea).

The onshore fees form part of, are and not in addition to, the fees payable to the REIT Manager and the BT Trustee-Manager.

27 PROFESSIONAL FEES

Professional fees of the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group include valuation fees of $652,000, $142,000 and $794,000 respectively (2022: $720,000, $138,000 and $858,000 respectively).

28 NET INCOME

The following items have been included in arriving at net income for the year:

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Audit fees paid to:						
– auditors of the Stapled Group and other firms affiliated with KPMG International Limited	**3,211**	3,461	**447**	449	**3,658**	3,910
Non-audit fees(1) paid to:						
– auditors of the Stapled Group and other firms affiliated with KPMG International Limited	**123**	62	**–**	–	**123**	62
Loss on disposal of property, plant and equipment	**65**	345	**–**	–	**1,313**	345
Impairment loss on trade and other receivables recognised/(written back)	**35**	389	**(8)**	27	**27**	416
Write-off of trade and other receivables	**404**	276	**23**	–	**427**	276

(1) Total non-audit fees amounted to $204,000 (2022: $143,000), of which audit-related services of $81,000 (2022: $81,000) has been capitalised as capital expenditure.

29 PROFIT FROM DIVESTMENTS

Divestment of assets held for sale

On 22 September 2023, the CapitaLand Ascott REIT Group completed the divestment of four serviced residence properties in France for a total consideration of $64.7 million. The four properties are Citadines Croisette Cannes, Citadines Prado Chanot Marseille, Citadines Castellane Marseille and Citadines City Centre Lille. The disposed serviced residence properties contributed profit after tax of $1,979,000 from 1 January 2023 to the date of disposal.

	CapitaLand Ascott REIT Group and Stapled Group	
	2023 $'000	2022 $'000
Gain on divestment of assets held for sale	**16,016**	99

30 INCOME TAX EXPENSE

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Current tax expense						
Current year	**33,553**	15,507	**489**	2,673	**34,042**	18,180
Under/(Over) provided in prior years	**672**	(219)	**(1,961)**	(18)	**(1,289)**	(237)
Withholding tax	**4,107**	3,758	**1,861**	1,017	**5,968**	4,775
	38,332	19,046	**389**	3,672	**38,721**	22,718
Deferred tax expense						
Origination and reversal of temporary differences	**33,327**	11,797	**514**	699	**33,841**	12,496
(Over)/Under provided in prior years	**(118)**	(1,675)	**–**	24	**(118)**	(1,651)
	33,209	10,122	**514**	723	**33,723**	10,845
Income tax expense	**71,541**	29,168	**903**	4,395	**72,444**	33,563
Reconciliation of effective tax rate						
Total return before income tax	**295,021**	273,742	**26,984**	4,444	**302,225**	259,783
Income tax using the Singapore tax rate of 17% (2022: 17%)	**50,154**	46,536	**4,587**	755	**51,378**	44,163
Effect of different tax rates in foreign jurisdictions	**25,386**	22,337	**460**	581	**25,846**	22,918
Tax rebate/relief/exemption	**(211)**	(58)	**–**	–	**(211)**	(58)
Income not subject to tax	**(88,299)**	(101,039)	**(9,298)**	(5,910)	**(94,241)**	(103,864)
Tax benefits not recognised	**13,415**	10,699	**–**	–	**13,415**	10,699
Expenses not deductible for tax purposes	**78,668**	56,473	**11,301**	9,338	**89,976**	65,854
Utilisation of previously unrecognised tax losses	**(6,516)**	(1,067)	**(6,047)**	(1,392)	**(12,563)**	(2,459)
Tax transparency	**(5,717)**	(6,577)	**–**	–	**(5,717)**	(6,577)
Under/(Over) provision in prior years	**554**	(1,894)	**(1,961)**	6	**(1,407)**	(1,888)
Withholding tax	**4,107**	3,758	**1,861**	1,017	**5,968**	4,775
	71,541	29,168	**903**	4,395	**72,444**	33,563

No income tax effects have been recognised for those items recognised directly in Stapled Securityholders' funds.

30 INCOME TAX EXPENSE (continued)

Global minimum tax under Pillar Two

To address concerns about uneven profit distribution and tax contributions of large multinational corporations, various agreements have been reached at the global level, including an agreement by over 140 jurisdictions to introduce a global minimum tax rate of 15%. In December 2021, the Organisation for Economic Co-operation and Development (OECD) released a set of model rules, followed by detailed commentary and administrative guidance in 2022 and 2023, that are expected to be used by individual jurisdictions that signed the agreement to amend their local tax laws.

In 2023, various jurisdictions in which the Stapled Group operates in have started the process of enacting tax legislations to implement the Pillar Two model rules. Management is closely monitoring the progress of the legislative process in each jurisdiction that the Stapled Group operates in, and has engaged tax consultants to assist the Stapled Group in calculating the impact of the top-up tax arising from the enacted/substantively enacted legislation. However, due to the complex nature of the legislations and calculations to determine the adjustments required for Pillar Two, the Stapled Group did not have sufficient information to reasonably determine the potential quantitative impact as at the balance sheet date. As at 31 December 2023, the Stapled Group did not have subsidiaries with significant operations in countries where the statutory tax rate is less than 15%. Accordingly, any top-up tax is not expected to have a significant impact to the Stapled Group.

31 EARNINGS PER STAPLED SECURITY

Basic earnings per Stapled Security

The calculation of basic earnings per Stapled Security for the Stapled Group was based on the total return for the year attributable to Stapled Securityholders and a weighted average number of Stapled Securities outstanding.

	Stapled Group	
	2023	**2022**
	$'000	**$'000**
Total return attributable to Stapled Securityholders and perpetual securities holders	**231,255**	223,305
Less: Total return attributable to perpetual securities holders	**(13,495)**	(13,495)
Total return attributable to Stapled Securityholders	**217,760**	209,810

	Stapled Group	
	2023	**2022**
	'000	**'000**
Issued Stapled Securities at the beginning of the year	**3,445,625**	3,276,547
Effect of issue of new Stapled Securities:		
– Equity fund raising	**106,328**	54,061
– Management fees paid in Stapled Securities	**13,535**	9,954
– Acquisition fees paid in Stapled Securities	**2,141**	–
Weighted average number of Stapled Securities outstanding during the year	**3,567,629**	3,340,562

31 EARNINGS PER STAPLED SECURITY (continued)

Diluted earnings per Stapled Security

The calculation of diluted earnings per Stapled Security for the Stapled Group was based on the total return for the year attributable to Stapled Securityholders and a weighted average number of Stapled Securities outstanding after adjustment for the effects of all dilutive potential Stapled Securities.

	Stapled Group	
	2023	**2022**
	'000	**'000**
Weighted average number of Stapled Securities used in calculation of basic earnings per Stapled Security	**3,567,629**	3,340,562
Weighted average number of unissued Stapled Securities for base and performance fees	**21,371**	17,502
Weighted average number of Stapled Securities outstanding (diluted) during the year	**3,589,000**	3,358,064

32 ISSUE EXPENSES

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Underwriting fees and selling commission	**1,713**	1,870	**1,417**	–	**3,130**	1,870
Professional fees	**245**	179	**183**	–	**428**	179
Other expenses	**1,222**	244	**1,020**	–	**2,242**	244
	3,180	2,293	**2,620**	–	**5,800**	2,293

These expenses were deducted/(credited) directly against Stapled Securityholders' funds:

– issue expenses relating to equity fund raising	**3,180**	2,293	**2,620**	–	**5,800**	2,293
– reversal of over provision of issue expenses	**–**	(24)	**–**	–	**–**	(24)
	3,180	2,269	**2,620**	–	**5,800**	2,269

33 FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Stapled Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Stapled Group's exposure to each of the above risks, the Stapled Group's objectives, policies and processes for measuring and managing risk, and the Stapled Group's management of capital. Further quantitative disclosures are included throughout these financial statements. There were no changes in the Stapled Group's approach to financial risk management during the year.

Risk management framework

Risk management is integral to the whole business of the Stapled Group. The Stapled 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 Managers continually monitor the Stapled 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 Stapled Group's activities.

The ARC oversees how management monitors compliance with the Stapled Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Stapled Group. The ARC 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 ARC.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Stapled Group as and when they fall due.

Exposure to credit risk

Trade receivables

The Managers have established credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed by the serviced residence management companies before lease agreements are entered into with customers. Cash and fixed deposits are placed with financial institutions which are regulated. Transactions involving derivative financial instruments are allowed only with counterparties that are of high quality.

As at 31 December 2023 and 31 December 2022, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset on the Statements of Financial Position.

Concentration of credit risk relating to trade receivables is limited due to the CapitaLand Ascott REIT Group's, the CapitaLand Ascott BT Group's and the Stapled Group's varied tenants and a credit policy of collecting rental deposits on certain leases. These tenants are from a wide range of nationalities and are engaged in a wide spectrum of business activities.

33 FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	2022	2023	2022	2023	2022
	$'000	$'000	$'000	$'000	$'000	$'000
Singapore	**3,030**	3,515	**311**	614	**3,341**	4,129
Australia	**4,106**	4,149	**3,178**	5,301	**7,284**	9,450
China	**1,070**	1,740	**–**	–	**1,070**	1,740
Europe (excluding United Kingdom)	**4,071**	3,477	**–**	–	**4,071**	3,477
Indonesia	**399**	355	**–**	–	**399**	355
Ireland	**–**	–	**329**	–	**329**	–
Japan	**4,126**	1,412	**1,152**	1	**5,278**	1,413
Malaysia	**33**	39	**–**	–	**33**	39
Philippines	**4,023**	2,617	**–**	–	**4,023**	2,617
South Korea	**–**	–	**2,853**	1,382	**2,853**	1,382
United Kingdom	**2,616**	3,189	**–**	–	**2,616**	3,189
United States of America	**9,283**	7,663	**–**	–	**9,283**	7,663
Vietnam	**752**	715	**–**	–	**752**	715
	33,509	28,871	**7,823**	7,298	**41,332**	36,169

A summary of the Stapled Group's exposures to credit risk for trade receivables is as follows:

	Not credit impaired 2023 $'000	Credit impaired 2023 $'000	Total 2023 $'000	Not credit impaired 2022 $'000	Credit impaired 2022 $'000	Total 2022 $'000
CapitaLand Ascott REIT Group						
Current	**23,302**	**8**	**23,310**	19,624	11	19,635
Within 30 days	**5,449**	**3**	**5,452**	3,601	–	3,601
30 to 60 days	**1,426**	**–**	**1,426**	1,374	–	1,374
More than 60 days	**3,925**	**7,309**	**11,234**	4,844	6,714	11,558
Total gross carrying amount	**34,102**	**7,320**	**41,422**	29,443	6,725	36,168
Loss allowance	**(593)**	**(7,320)**	**(7,913)**	(572)	(6,725)	(7,297)
	33,509	**–**	**33,509**	28,871	–	28,871
CapitaLand Ascott BT Group						
Current	**4,357**	**–**	**4,357**	5,143	–	5,143
Within 30 days	**2,683**	**–**	**2,683**	929	20	949
30 to 60 days	**193**	**–**	**193**	272	–	272
More than 60 days	**666**	**34**	**700**	1,052	–	1,052
Total gross carrying amount	**7,899**	**34**	**7,933**	7,396	20	7,416
Loss allowance	**(76)**	**(34)**	**(110)**	(98)	(20)	(118)
	7,823	**–**	**7,823**	7,298	–	7,298
Stapled Group						
Current	**27,659**	**8**	**27,667**	24,767	11	24,778
Within 30 days	**8,132**	**3**	**8,135**	4,530	20	4,550
30 to 60 days	**1,619**	**–**	**1,619**	1,646	–	1,646
More than 60 days	**4,591**	**7,343**	**11,934**	5,896	6,714	12,610
Total gross carrying amount	**42,001**	**7,354**	**49,355**	36,839	6,745	43,584
Loss allowance	**(669)**	**(7,354)**	**(8,023)**	(670)	(6,745)	(7,415)
	41,332	**–**	**41,332**	36,169	–	36,169

33 FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

There is an increase in credit-impaired balances for specific customers with liquidity constraints arising from the COVID-19 pandemic which contributed to the change in impairment allowances of $456,000 (2022: $628,000).

The movement in impairment losses in respect of trade and other receivables during the year is as follows:

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At 1 January	**7,301**	6,585	**118**	100	**7,419**	6,685
Impairment losses recognised/(reversed)	**35**	389	**(8)**	27	**27**	416
Acquired from acquisition of investment properties	**590**	808	**–**	–	**590**	808
Utilised during the year	**(34)**	(335)	**–**	–	**(34)**	(335)
Translation differences	**25**	(146)	**–**	(9)	**25**	(155)
At 31 December	**7,917**	7,301	**110**	118	**8,027**	7,419

Based on historical default rates, the Stapled Group believes that, except for those recognised, no additional impairment is necessary in respect of trade and other receivables not past due. These receivables relate to customers that have a good credit record with the Stapled Group and/or rental deposits held.

Impairment losses

Expected credit loss assessment for customers of the Stapled Group

The credit quality of trade receivables of the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group is assessed based on credit policies established by the CapitaLand Ascott REIT Group and the CapitaLand Ascott BT Group. Trade and other receivables with high credit risk will be identified and monitored by the respective property. The CapitaLand Ascott REIT Group's, the CapitaLand Ascott BT Group's and the Stapled Group's credit risk exposure in relation to trade receivables are set out in the provision matrix as follows:

		Past due			
	Current	**Within 30 days**	**30 to 60 days**	**More than 60 days**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
2023					
CapitaLand Ascott REIT Group					
Expected loss rate	0.48%	1.30%	1.40%	68.62%	
Trade receivables	23,310	5,452	1,426	11,234	41,422
Loss allowance	113	71	20	7,709	7,913
CapitaLand Ascott BT Group					
Expected loss rate	1.72%	0.04%	0.00%	4.86%	
Trade receivables	4,357	2,683	193	700	7,933
Loss allowance	75	1	–	34	110
Stapled Group					
Expected loss rate	0.68%	0.89%	1.24%	64.88%	
Trade receivables	27,667	8,135	1,619	11,934	49,355
Loss allowance	188	72	20	7,743	8,023

33 FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

Expected credit loss assessment for customers of the Stapled Group (continued)

	Current $'000	Past due Within 30 days $'000	Past due 30 to 60 days $'000	Past due More than 60 days $'000	Total $'000
2022					
CapitaLand Ascott REIT Group					
Expected loss rate	0.88%	1.69%	1.24%	60.97%	
Trade receivables	19,635	3,601	1,374	11,558	36,168
Loss allowance	172	61	17	7,047	7,297
CapitaLand Ascott BT Group					
Expected loss rate	1.44%	3.69%	1.84%	0.38%	
Trade receivables	5,143	949	272	1,052	7,416
Loss allowance	74	35	5	4	118
Stapled Group					
Expected loss rate	0.99%	2.11%	1.34%	55.92%	
Trade receivables	24,778	4,550	1,646	12,610	43,584
Loss allowance	246	96	22	7,051	7,415

No ageing analysis of other receivables is presented as majority of the outstanding balances as at 31 December 2023 is current.

Non-trade amounts due from related parties

Expected credit losses associated with the non-trade amounts due from related parties are assessed from estimated cash flows recoverable from the related parties based on the review of their financial strength (i.e. fair value of underlying net assets) and cash flow projections of their operations as at the reporting date.

The Stapled Group did not recognise any impairment arising from the amounts due from related parties as the ECL is not material.

Financial derivatives

The financial derivatives are entered into with banks and financial institution counterparties, which are regulated.

Cash and cash equivalents

The Stapled Group held cash and cash equivalents of $432,806,000 at 31 December 2023 (2022: $363,634,000). The cash and cash equivalents are held with banks and financial institution counterparties which are rated AA- to BBB-, based on Standard & Poor's ratings.

Impairment on cash and cash equivalents has been measured on the 1-day expected loss basis and reflects the short maturities of the exposures. The Stapled 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 was negligible.

33 FINANCIAL INSTRUMENTS (continued)

Liquidity risk

Liquidity risk is the risk that the Stapled Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Typically, the Stapled Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Stapled Group's reputation. The Managers also monitor and observe the CIS Code issued by MAS concerning limits on total borrowings. As at year end, the Stapled Group maintained several lines of credit and has complied with all debt covenants or obtained waivers to defer testing of debt covenant compliance to after the year end.

The Managers monitor and maintain a level of cash and cash equivalents deemed adequate by management to finance the Stapled Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Stapled Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

As at 31 December 2023, the Stapled Group is in a net current liabilities position of $83.6 million (2022: $169.7 million) and has current financial liabilities of $562.4 million (2022: $401.7 million) due in the next 12-months. The Managers are in discussions with various financial institutions to refinance these financial liabilities. The Managers do not expect any issue in refinancing these financial liabilities. In-addition, the Stapled Group has unutilised credit facilities of approximately $894.8 million (2022: $1,065.0 million) expiring between February 2024 and June 2028, that can be drawn down to meet short-term financing needs. The Stapled Group also holds investment properties amounting to $4.1 billion (2022: $3.4 billion) which are not pledged as securities to banks for banking facilities as at year end.

Notes issued by the Stapled Group as at 31 December 2023 are as follows: (a) $905.6 million (2022: $804.7 million) under the $2.0 billion (2022: $2.0 billion) Amended MTN Programme; (b) $117.2 million (2022: $113.5 million) under the US$2.0 billion (2022: US$2.0 billion) EMTN Programme.

33 FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

The following are the contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

CapitaLand Ascott REIT Group	Carrying amount $'000	Contractual cash flows $'000	Cash flows Within 1 year $'000	Within 2 to 5 years $'000	More than 5 years $'000
2023					
Non-derivative financial liabilities					
Floating rate loans	1,375,795	(1,664,831)	(303,660)	(1,129,482)	(231,689)
Fixed rate loans	517,947	(551,057)	(74,836)	(270,656)	(205,565)
Fixed rate notes	1,021,236	(1,122,894)	(268,308)	(699,264)	(155,322)
Lease liabilities	263,965	(369,919)	(20,342)	(84,806)	(264,771)
Trade and other payables[1]	279,670	(279,670)	(279,670)	–	–
	3,458,613	(3,988,371)	(946,816)	(2,184,208)	(857,347)
Derivative financial instruments					
Interest rate swaps					
– assets	(23,060)	26,808	14,708	11,367	733
– liabilities	5,923	(6,364)	390	(6,764)	10
Cross currency interest rate swaps					
– assets	(68,830)	121,951	26,898	95,053	–
– liabilities	1,177	(396)	143	(539)	–
Currency forwards					
– assets	(69)	(138)	(138)	–	–
	(84,859)	141,861	42,001	99,117	743
	3,373,754	(3,846,510)	(904,815)	(2,085,091)	(856,604)
2022					
Non-derivative financial liabilities					
Floating rate loans	1,193,556	(1,377,767)	(177,613)	(960,401)	(239,753)
Fixed rate loans	505,345	(545,402)	(6,663)	(225,326)	(313,413)
Fixed rate notes	916,816	(1,005,888)	(128,718)	(705,256)	(171,914)
Lease liabilities	267,014	(364,230)	(19,522)	(81,919)	(262,789)
Trade and other payables[1]	207,874	(207,957)	(207,842)	(115)	–
	3,090,605	(3,501,244)	(540,358)	(1,973,017)	(987,869)
Derivative financial instruments					
Interest rate swaps					
– assets	(31,934)	35,485	12,792	20,489	2,204
– liabilities	5	(6)	(6)	–	–
Cross currency interest rate swaps					
– assets	(59,471)	101,426	36,044	65,382	–
– liabilities	6,939	11,049	6,394	4,655	–
	(84,461)	147,954	55,224	90,526	2,204
	3,006,144	(3,353,290)	(485,134)	(1,882,491)	(985,665)

(1) Excluding advance rental, liability for employee benefits and effect of the offsetting of financial assets and financial liabilities under enforceable master netting arrangement.

33 FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

CapitaLand Ascott BT Group	Carrying amount $'000	Cash flows: Contractual cash flows $'000	Within 1 year $'000	Within 2 to 5 years $'000	More than 5 years $'000
2023					
Non-derivative financial liabilities					
Floating rate loans	99,237	(117,844)	(5,917)	(111,927)	–
Fixed rate loans	34,146	(34,495)	(33,526)	(969)	–
Lease liabilities	69,567	(100,974)	(10,916)	(43,664)	(46,394)
Trade and other payables[(1)]	283,789	(284,656)	(275,964)	(910)	(7,782)
	486,739	(537,969)	(326,323)	(157,470)	(54,176)
Derivative financial instruments					
Interest rate swaps					
– liabilities	566	(593)	206	(799)	–
Cross currency interest rate swaps					
– assets	(209)	3,435	1,835	1,600	–
	357	2,842	2,041	801	–
	487,096	(535,127)	(324,282)	(156,669)	(54,176)
2022					
Non-derivative financial liabilities					
Floating rate loans	224,650	(236,358)	(183,535)	(52,823)	–
Fixed rate loans	34,219	(35,816)	(1,195)	(34,621)	–
Lease liabilities	81,388	(122,563)	(11,957)	(47,830)	(62,776)
Trade and other payables[(1)]	193,982	(194,992)	(185,766)	(996)	(8,230)
	534,239	(589,729)	(382,453)	(136,270)	(71,006)
Derivative financial instruments					
Interest rate swaps					
– assets	(3,024)	3,821	3,821	–	–
Cross currency interest rate swaps					
– liabilities	810	786	786	–	–
	(2,214)	4,607	4,607	–	–
	532,025	(585,122)	(377,846)	(136,270)	(71,006)

(1) Excluding advance rental, liability for employee benefits and effect of the offsetting of financial assets and financial liabilities under enforceable master netting arrangement.

33 FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

Stapled Group	Carrying amount $'000	Cash flows: Contractual cash flows $'000	Within 1 year $'000	Within 2 to 5 years $'000	More than 5 years $'000
2023					
Non-derivative financial liabilities					
Floating rate loans	1,475,032	(1,782,675)	(309,577)	(1,241,409)	(231,689)
Fixed rate loans	552,093	(585,552)	(108,362)	(271,625)	(205,565)
Fixed rate notes	1,021,236	(1,122,894)	(268,308)	(699,264)	(155,322)
Lease liabilities	263,965	(369,919)	(20,342)	(84,806)	(264,771)
Trade and other payables[(1)]	343,259	(344,127)	(335,435)	(910)	(7,782)
	3,655,585	(4,205,167)	(1,042,024)	(2,298,014)	(865,129)
Derivative financial instruments					
Interest rate swaps					
– assets	(23,060)	26,808	14,708	11,367	733
– liabilities	6,489	(6,957)	596	(7,563)	10
Cross currency interest rate swaps					
– assets	(69,039)	125,386	28,733	96,653	–
– liabilities	1,177	(396)	143	(539)	–
Currency forwards					
– assets	(69)	(138)	(138)	–	–
	(84,502)	144,703	44,042	99,918	743
	3,571,083	(4,060,464)	(997,982)	(2,198,096)	(864,386)
2022					
Non-derivative financial liabilities					
Floating rate loans	1,418,206	(1,614,125)	(361,148)	(1,013,224)	(239,753)
Fixed rate loans	539,564	(581,218)	(7,858)	(259,947)	(313,413)
Fixed rate notes	916,816	(1,005,888)	(128,718)	(705,256)	(171,914)
Lease liabilities	267,014	(364,230)	(19,522)	(81,919)	(262,789)
Trade and other payables[(1)]	240,896	(241,991)	(232,650)	(1,111)	(8,230)
	3,382,496	(3,807,452)	(749,896)	(2,061,457)	(996,099)
Derivative financial instruments					
Interest rate swaps					
– assets	(34,958)	39,306	16,613	20,489	2,204
– liabilities	5	(6)	(6)	–	–
Cross currency interest rate swaps					
– assets	(59,471)	101,426	36,044	65,382	–
– liabilities	7,749	11,835	7,180	4,655	–
	(86,675)	152,561	59,831	90,526	2,204
	3,295,821	(3,654,891)	(690,065)	(1,970,931)	(993,895)

(1) Excluding advance rental, liability for employee benefits and effect of the offsetting of financial assets and financial liabilities under enforceable master netting arrangement.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

The interest payments on the Stapled Group's sustainability-linked notes take into consideration the Stapled Group's expectation of its ability to meet the sustainability-linked performance targets, and may change if the Stapled Group expects that it can no longer meet this target.

33 FINANCIAL INSTRUMENTS (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 income of the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group and their holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. Market risk is managed through established investment policies and guidelines. These policies and guidelines are reviewed regularly taking into consideration changes in the overall market environment.

Foreign currency risk

The CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group have exposure to foreign currency risk as a result of its operations in several countries. The currencies giving rise to this risk are Singapore Dollar ("SGD"), Australian Dollar ("AUD"), Chinese Renminbi ("RMB"), Euro ("EUR"), Sterling Pound ("GBP"), Hong Kong Dollar ("HKD"), Indonesian Rupiah ("IDR"), Korean Won ("KRW"), Japanese Yen ("JPY"), Malaysian Ringgit ("MYR"), Philippine Peso ("PHP"), US Dollar ("USD") and Vietnam Dong ("VND").

In order to manage the foreign currency risk, the Managers adopt foreign currency risk management strategies that include:

- entering into foreign currency forward contracts to hedge the foreign currency income from the overseas assets;
- the use of certain foreign currency denominated borrowings to match the capital values of the overseas assets as a natural hedge, whenever possible; and
- the use of certain foreign currency denominated borrowings, which include bank loans and medium term notes, and cross currency interest rate swaps to hedge against the currency risk arising from the Stapled Group's net investments in certain subsidiaries.

33 FINANCIAL INSTRUMENTS (continued)

***Foreign currency risk** (continued)*

The exposures to foreign currencies risk (excluding cross currency interest rate swaps that are designated as a hedge of net investments in foreign operations) as reported to the management of the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group were as follows:

CapitaLand Ascott REIT Group	Singapore Dollar $'000	Australian Dollar $'000	Chinese Renminbi $'000	Euro $'000	Sterling Pound $'000	Hong Kong Dollar $'000	Indonesian Rupiah $'000	Japanese Yen $'000	Malaysian Ringgit $'000	Philippine Peso $'000	US Dollar $'000	Vietnam Dong $'000	Total foreign currencies $'000
31 December 2023													
Loan receivables – associate	–	–	–	–	–	–	–	–	–	–	3,528	–	3,528
Trade and other receivables[1]	12,506	4,559	1,362	25,471	3,694	–	659	13,146	167	5,846	11,476	1,304	80,190
Intra-group receivables	47	36,012	5,431	240,057	213,017	–	–	106,365	10,445	525	(8)	3	611,894
Cash and cash equivalents	19,979	43,771	13,864	81,959	44,595	–	4,045	85,510	1,009	13,859	49,468	11,312	369,371
Trade and other payables[2]	(35,368)	(10,620)	(7,964)	(59,499)	(81,226)	(13,415)	(4,392)	(12,820)	(983)	(4,294)	(29,652)	(6,071)	(266,304)
Intra-group payables	(1,792)	(10)	–	–	–	–	–	–	–	(524)	(70)	–	(2,396)
Financial liabilities	(853,842)	–	(15,917)	(278,989)	(306,744)	–	–	(715,583)	–	–	(743,903)	–	(2,914,978)
Lease liabilities	–	–	(10,955)	–	(2,687)	–	–	–	–	(15,062)	(235,261)	–	(263,965)
Gross currency exposure	(858,470)	73,712	(14,179)	8,999	(129,351)	(13,415)	312	(523,382)	10,638	350	(944,422)	6,548	(2,382,660)
Add/(less): Net exposure denominated in the respective entities' functional currencies	856,774	(26,104)	6,107	(46,419)	135,677	8	(417)	412,391	(386)	(101)	908,193	(6,548)	2,239,175
Add: Loan designated for net investment hedge[3]	–	–	–	279,054	141,176	–	–	210,858	–	–	–	–	631,088
Net exposure	(1,696)	47,608	(8,072)	241,634	147,502	(13,407)	(105)	99,867	10,252	249	(36,229)	–	487,603

(1) Excluding prepayments.
(2) Excluding advance rental and liability for employee benefits.
(3) Stated at face value (excluding unamortised transaction costs).

33 FINANCIAL INSTRUMENTS (continued)

***Foreign currency risk** (continued)*

CapitaLand Ascott REIT Group	Singapore Dollar $'000	Australian Dollar $'000	Chinese Renminbi $'000	Euro $'000	Sterling Pound $'000	Hong Kong Dollar $'000	Indonesian Rupiah $'000	Japanese Yen $'000	Malaysian Ringgit $'000	Philippine Peso $'000	US Dollar $'000	Vietnam Dong $'000	Total foreign currencies $'000
31 December 2022													
Loan receivables – associate	–	–	–	–	–	–	–	–	–	–	3,585	–	3,585
Trade and other receivables[1]	14,845	4,521	1,920	31,012	4,374	–	750	12,786	144	3,254	11,586	1,469	86,661
Intra-group receivables	47	34,099	5,088	257,798	121,154	–	–	114,257	10,456	444	267	2	543,612
Cash and cash equivalents	17,341	19,142	15,155	44,750	42,713	1	3,125	77,671	838	17,388	53,380	7,747	299,251
Trade and other payables[2]	(29,751)	(9,475)	(8,190)	(61,602)	(11,965)	(13,598)	(2,371)	(12,047)	(737)	(8,931)	(27,468)	(5,854)	(191,989)
Intra-group payables	(2,414)	(10)	–	–	–	–	–	–	–	(266)	(67)	–	(2,757)
Financial liabilities	(719,567)	(46,391)	(17,487)	(206,254)	(35,137)	–	–	(777,427)	–	–	(812,894)	(560)	(2,615,717)
Lease liabilities	–	–	(11,724)	–	–	–	–	–	–	(15,232)	(240,058)	–	(267,014)
Gross currency exposure	(719,499)	1,886	(15,238)	65,704	121,139	(13,597)	1,504	(584,760)	10,701	(3,343)	(1,011,669)	2,804	(2,144,368)
Add/(less): Net exposure denominated in the respective entities' functional currencies	716,771	(14,588)	17,917	(15,184)	(32,892)	12	(1,504)	412,357	(400)	3,691	909,428	(2,804)	1,992,804
Add: Loan designated for net investment hedge[3]	–	–	–	206,377	35,137	–	–	283,094	–	–	–	–	524,608
Add: Cross currency interest rate swap	–	–	–	–	–	–	–	–	–	–	69,739	–	69,739
Net exposure	(2,728)	(12,702)	2,679	256,897	123,384	(13,585)	–	110,691	10,301	348	(32,502)	–	442,783

(1) Excluding prepayments.
(2) Excluding advance rental and liability for employee benefits.
(3) Stated at face value (excluding unamortised transaction costs).

33 FINANCIAL INSTRUMENTS (continued)

Foreign currency risk *(continued)*

CapitaLand Ascott BT Group	Singapore Dollar $'000	Australian Dollar $'000	Euro $'000	Japanese Yen $'000	Korean Won $'000	US Dollar $'000	Total foreign currencies $'000
31 December 2023							
Trade and other receivables[1]	593	5,152	370	1,498	2,959	38	10,610
Intra-group receivables	–	151,659	–	34,382	–	–	186,041
Cash and cash equivalents	5,842	16,504	7,693	19,676	13,619	101	63,435
Trade and other payables[2]	(8,153)	(11,454)	(34,455)	(6,327)	(5,148)	(54)	(65,591)
Financial liabilities	753	–	(50,720)	(905)	(33,240)	(49,271)	(133,383)
Gross currency exposure	(965)	161,861	(77,112)	48,324	(21,810)	(49,186)	61,112
Add/(less): Net exposure denominated in the respective entities' functional currencies	965	(4,550)	77,112	(13,464)	29,067	–	89,130
Add: Cross currency interest rate swap	–	–	–	–	–	34,302	34,302
Net exposure	–	157,311	–	34,860	7,257	(14,884)	184,544
31 December 2022							
Trade and other receivables[1]	617	7,293	–	376	1,414	42	9,742
Intra-group receivables	–	141,715	–	36,995	105	–	178,815
Cash and cash equivalents	3,618	33,462	–	17,905	9,185	213	64,383
Trade and other payables[2]	327	(26,762)	–	(6,454)	(4,370)	(113)	(37,372)
Financial liabilities	34	(175,462)	–	(983)	(33,236)	(49,222)	(258,869)
Gross currency exposure	4,596	(19,754)	–	47,839	(26,902)	(49,080)	(43,301)
Add/(less): Net exposure denominated in the respective entities' functional currencies	(4,596)	166,139	–	(9,934)	30,733	–	182,342
Net exposure	–	146,385	–	37,905	3,831	(49,080)	139,041

(1) Excluding prepayments.
(2) Excluding advance rental and liability for employee benefits.

33 FINANCIAL INSTRUMENTS (continued)

***Foreign currency risk** (continued)*

Stapled Group	Singapore Dollar $'000	Australian Dollar $'000	Chinese Renminbi $'000	Euro $'000	Sterling Pound $'000	Hong Kong Dollar $'000	Indonesian Rupiah $'000	Japanese Yen $'000	Malaysian Ringgit $'000	Philippine Peso $'000	Korean Won $'000	US Dollar $'000	Vietnam Dong $'000	Total foreign currencies $'000
31 December 2023														
Loan receivables – associate	–	–	–	–	–	–	–	–	–	–	–	3,528	–	3,528
Trade and other receivables[1]	13,099	9,711	1,362	25,841	3,694	–	659	14,644	167	5,846	2,959	11,514	1,304	90,800
Intra-group receivables	47	187,671	5,431	240,057	213,017	–	–	140,747	10,445	525	–	(8)	3	797,935
Cash and cash equivalents	25,821	60,275	13,864	89,652	44,595	–	4,045	105,186	1,009	13,859	13,619	49,569	11,312	432,806
Trade and other payables[2]	(43,521)	(22,074)	(7,964)	(93,954)	(81,226)	(13,415)	(4,392)	(19,147)	(983)	(4,294)	(5,148)	(29,706)	(6,071)	(331,895)
Intra-group payables	(1,792)	(10)	–	–	–	–	–	–	–	(524)	–	(70)	–	(2,396)
Financial liabilities	(853,089)	–	(15,917)	(329,709)	(306,744)	–	–	(716,488)	–	–	(33,240)	(793,174)	–	(3,048,361)
Lease liabilities	–	–	(10,955)	–	(2,687)	–	–	–	–	(15,062)	–	(235,261)	–	(263,965)
Gross currency exposure	(859,435)	235,573	(14,179)	(68,113)	(129,351)	(13,415)	312	(475,058)	10,638	350	(21,810)	(993,608)	6,548	(2,321,548)
Add/(less): Net exposure denominated in the respective entities' functional currencies	857,739	(30,654)	6,107	30,693	135,677	8	(417)	398,927	(386)	(101)	29,067	908,193	(6,548)	2,328,305
Add: Loan designated for net investment hedge[3]	–	–	–	279,054	141,176	–	–	210,858	–	–	–	–	–	631,088
Add: Cross currency interest rate swap	–	–	–	–	–	–	–	–	–	–	–	34,302	–	34,302
Net exposure	(1,696)	204,919	(8,072)	241,634	147,502	(13,407)	(105)	134,727	10,252	249	7,257	(51,113)	–	672,147

(1) Excluding prepayments.
(2) Excluding advance rental and liability for employee benefits.
(3) Stated at face value (excluding unamortised transaction costs).

33 FINANCIAL INSTRUMENTS (continued)

Foreign currency risk (continued)

Stapled Group	Singapore Dollar $'000	Australian Dollar $'000	Chinese Renminbi $'000	Euro $'000	Sterling Pound $'000	Hong Kong Dollar $'000	Indonesian Rupiah $'000	Japanese Yen $'000	Malaysian Ringgit $'000	Philippine Peso $'000	Korean Won $'000	US Dollar $'000	Vietnam Dong $'000	Total foreign currencies $'000
31 December 2022														
Loan receivables – associate	–	–	–	–	–	–	–	–	–	–	–	3,585	–	3,585
Trade and other receivables(1)	15,462	11,814	1,920	31,012	4,374	–	750	13,162	144	3,254	1,414	11,628	1,469	96,403
Intra-group receivables	47	175,814	5,088	257,798	121,154	–	–	151,252	10,456	444	105	267	2	722,427
Cash and cash equivalents	20,959	52,604	15,155	44,750	42,713	1	3,125	95,576	838	17,388	9,185	53,593	7,747	363,634
Trade and other payables(2)	(29,424)	(36,237)	(8,190)	(61,602)	(11,965)	(13,598)	(2,371)	(18,501)	(737)	(8,931)	(4,370)	(27,581)	(5,854)	(229,361)
Intra-group payables	(2,414)	(10)	–	–	–	–	–	–	–	(266)	–	(67)	–	(2,757)
Financial liabilities	(719,533)	(221,853)	(17,487)	(206,254)	(35,137)	–	–	(778,410)	–	–	(33,236)	(862,116)	(560)	(2,874,586)
Lease liabilities	–	–	(11,724)	–	–	–	–	–	–	(15,232)	–	(240,058)	–	(267,014)
Gross currency exposure	(714,903)	(17,868)	(15,238)	65,704	121,139	(13,597)	1,504	(536,921)	10,701	(3,343)	(26,902)	(1,060,749)	2,804	(2,187,669)
Add/(less): Net exposure denominated in the respective entities' functional currencies	712,175	151,551	17,917	(15,184)	(32,892)	12	(1,504)	402,423	(400)	3,691	30,733	909,428	(2,804)	2,175,146
Add: Loan designated for net investment hedge(3)	–	–	–	206,377	35,137	–	–	283,094	–	–	–	–	–	524,608
Add: Cross currency interest rate swap	–	–	–	–	–	–	–	–	–	–	–	69,739	–	69,739
Net exposure	(2,728)	133,683	2,679	256,897	123,384	(13,585)	–	148,596	10,301	348	3,831	(81,582)	–	581,824

(1) Excluding prepayments.
(2) Excluding advance rental and liability for employee benefits.
(3) Stated at face value (excluding unamortised transaction costs).

Results of the analysis as presented in the above table represent an aggregation of the effects on each of the Stapled Group entities' Statements of Financial Position measured in the respective functional currencies, translated into Singapore dollars at the exchange rate at the reporting date for presentation purposes.

33 FINANCIAL INSTRUMENTS (continued)

Foreign currency risk *(continued)*

Sensitivity analysis

The following table indicates the approximate increase/(decrease) in the Statement of Total Return of the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group in response to a 10% increase in foreign exchange rates to which the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group has significant exposure at the reporting date as compared to the functional currencies of the respective entities. The sensitivity analysis includes balances in group companies where the denomination of the balances is in a currency other than the functional currencies of the lender or the borrower.

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Singapore Dollar(1)	**(170)**	(273)	**–**	–	**(170)**	(273)
Australian Dollar(2)	**4,761**	(1,270)	**15,731**	14,639	**20,492**	13,369
Chinese Renminbi(2)	**(807)**	268	**–**	–	**(807)**	268
Euro(2)	**24,163**	25,690	**–**	–	**24,163**	25,690
Sterling Pound(2)	**14,750**	12,338	**–**	–	**14,750**	12,338
Hong Kong Dollar(2)	**(1,341)**	(1,359)	**–**	–	**(1,341)**	(1,359)
Indonesian Rupiah(4)	**(11)**	–	**–**	–	**(11)**	–
Japanese Yen(3)	**9,987**	11,069	**3,486**	3,791	**13,473**	14,860
Malaysian Ringgit(2)	**1,025**	1,030	**–**	–	**1,025**	1,030
Philippine Peso(2)	**25**	35	**–**	–	**25**	35
Korean Won(2)	**–**	–	**726**	383	**726**	383
US Dollar(4)	**(3,623)**	(3,250)	**(1,488)**	(4,908)	**(5,111)**	(8,158)

(1) As compared to functional currencies of Chinese Renminbi and US Dollar.
(2) As compared to functional currency of Singapore Dollar.
(3) As compared to functional currencies of Singapore Dollar and Chinese Renminbi.
(4) As compared to functional currencies of Singapore Dollar, Chinese Renminbi, Indonesian Rupiah, Philippine Peso, Hong Kong Dollar and Vietnam Dong.

A decrease in foreign exchange rates to which the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group have significant exposure at the reporting date as compared to the functional currencies of the respective entities would have had the equal but opposite effect on the above currencies to the amounts shown above. The analysis assumed that all other variables, in particular interest rates, remain constant and does not take into account the translation related risk, associated tax effects and share of non-controlling interests.

33 FINANCIAL INSTRUMENTS (continued)

Interest rate risk

The Stapled Group's exposure to changes in interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities. The CapitaLand Ascott REIT Group and the CapitaLand Ascott BT Group adopt a policy of ensuring that up to 80% 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 floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

At 31 December 2023, the Stapled Group has interest rate swaps classified as cash flow hedges with notional contractual amount of $832.1 million (2022: $587.5 million) which pay fixed interest rates averaging 2.45% to 2.78% (2022: 0.30% to 1.21%) per annum and receive variable rates on the notional amount and cross currency interest rate swaps classified as cash flow hedge with notional contractual amount of $124.6 million (2022: $194.9 million) which pay fixed interest rates and receive variable rates.

The Stapled Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts. If a hedging relationship is directly affected by uncertainty arising from interest rate benchmark reform, then the Stapled Group assumes for this purpose that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

The Stapled Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the critical terms method. When all critical terms match, the economic relationship is considered 100% effective. Hedge ineffectiveness may occur due to changes in the critical terms of either the interest rate swaps or borrowings.

At the reporting date, the interest rate profile of the interest-bearing financial instruments was as follows:

	Carrying amount					
	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Fixed rate instruments						
Financial liabilities	**(1,539,183)**	(1,422,161)	**(34,146)**	(34,219)	**(1,573,329)**	(1,456,380)
Variable rate instruments						
Financial liabilities	**(1,375,795)**	(1,193,556)	**(99,237)**	(224,650)	**(1,475,032)**	(1,418,206)

To manage its exposure to interest rate movements on its variable rate financial liabilities, the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group enter into interest rate swaps and cross currency interest rate swaps. The following cross currency interest rate swaps are used to exchange:

a) floating rate interest on USD loan of USD25.4 million (2022: USD76.3 million) for fixed rate JPY interest; and

b) floating rate interest on SGD loan of SGD90.3 million (2022: SGD90.3 million) for fixed rate JPY interest.

The hedge relationships for which hedge accounting have been adopted are effective in the financial year ended 31 December 2023 and 31 December 2022.

Fair value sensitivity analysis for fixed rate instruments

The CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group do not account for any fixed rate financial liabilities at fair value through total return, and the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group do not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rate at the reporting date would not affect the Statement of Total Return.

33 FINANCIAL INSTRUMENTS (continued)

***Interest rate risk** (continued)*

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rate at the reporting date would increase/(decrease) Stapled Securityholders' funds and Statement of Total Return by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2022.

	Statement of Total Return		Stapled Securityholders' funds	
	100 bp increase $'000	100 bp decrease $'000	100 bp increase $'000	100 bp decrease $'000
CapitaLand Ascott REIT Group				
31 December 2023				
Variable rate financial liabilities	(13,819)	13,819	–	–
Interest rate swaps/Cross currency interest rate swaps	8,224	(8,224)	1,762	(1,762)
Cash flow sensitivity (net)	(5,595)	5,595	1,762	(1,762)
31 December 2022				
Variable rate financial liabilities	(12,007)	12,007	–	–
Interest rate swaps/Cross currency interest rate swaps	6,166	(6,166)	1,328	(1,328)
Cash flow sensitivity (net)	(5,841)	5,841	1,328	(1,328)
CapitaLand Ascott BT Group				
31 December 2023				
Variable rate financial liabilities	(999)	999	–	–
Interest rate swaps/Cross currency interest rate swaps	671	(671)	164	(164)
Cash flow sensitivity (net)	(328)	328	164	(164)
31 December 2022				
Variable rate financial liabilities	(2,249)	2,249	–	–
Interest rate swaps/Cross currency interest rate swaps	1,657	(1,657)	409	(409)
Cash flow sensitivity (net)	(592)	592	409	(409)
Stapled Group				
31 December 2023				
Variable rate financial liabilities	(14,818)	14,818	–	–
Interest rate swaps/Cross currency interest rate swaps	8,895	(8,895)	1,926	(1,926)
Cash flow sensitivity (net)	(5,923)	5,923	1,926	(1,926)
31 December 2022				
Variable rate financial liabilities	(14,256)	14,256	–	–
Interest rate swaps/Cross currency interest rate swaps	7,823	(7,823)	1,737	(1,737)
Cash flow sensitivity (net)	(6,433)	6,433	1,737	(1,737)

33 FINANCIAL INSTRUMENTS (continued)

Hedge accounting

At 31 December 2023, the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group held the following instruments to hedge exposures to changes in foreign currency and interest rates.

CapitaLand Ascott REIT Group	Carrying amount			Changes in fair value used for calculating hedge ineffectiveness				
	Contractual notional amount $'000	Assets/ (Liabilities) $'000	Financial statement line item	Hedging instrument $'000	Hedged item $'000	Hedge ineffectiveness recognised in Statement of Total Return $'000	Weighted average hedge rate	Maturity date
Cash flow hedges								
Interest rate risk								
– Interest rate swaps to hedge floating rate borrowings	799,304	17,137	Derivative financial instruments	771	(771)	–	2.45%	2024 – 2029
– USD/JPY cross currency interest rate swap to swap USD floating rate interest for JPY fixed rate interest	–	–[(1)]	Derivative financial instruments	860	(860)	–	–	–
– SGD/JPY cross currency interest rate swap to swap SGD floating rate interest for JPY fixed rate interest	90,300	913	Derivative financial instruments	(1,127)	1,127	–	5.41%	2025
Foreign exchange risk								
– USD floating rate loan designated under the USD/JPY cross currency interest rate swap	–	–[(1)]	Borrowings	2,503	(2,503)	–	–	–

(1) During the year, the USD/JPY cross currency interest rate swap has matured, and the USD floating rate loan was repaid.

33 FINANCIAL INSTRUMENTS (continued)

Hedge accounting (continued)

CapitaLand Ascott REIT Group	Carrying amount: Contractual notional amount $'000	Carrying amount: Assets/ (Liabilities) $'000	Carrying amount: Financial statement line item	Changes in fair value used for calculating hedge ineffectiveness: Hedging instrument $'000	Changes in fair value used for calculating hedge ineffectiveness: Hedged item $'000	Changes in fair value used for calculating hedge ineffectiveness: Hedge ineffectiveness recognised in Statement of Total Return $'000	Weighted average hedge rate	Maturity date
Net investment hedges								
Foreign exchange risk								
– Borrowings to hedge net investments in foreign operations	–	(629,235)	Borrowings	10,391	(10,391)	–	–	2024 - 2029
– Cross currency interest rate swaps to hedge net investments in foreign operations	686,664	41,850	Derivative financial instruments	29,214	(29,214)	–	EUR 1:$1.49 JPY100.07:$1	2024 - 2028
– USD/JPY cross currency interest rate swap to hedge JPY net investments	–	–	Derivative financial instruments	5,548	(5,548)	–	–	–
– SGD/JPY cross currency interest rate swap to hedge JPY net investments	–[(2)]	24,890	Derivative financial instruments	6,279	(6,279)	–	JPY77.52:$1	2025

(2) Contractual notional amount of the SGD/JPY cross currency interest rate swap is disclosed under "Cash flow hedges".

33 FINANCIAL INSTRUMENTS (continued)

Hedge accounting (continued)

CapitaLand Ascott BT Group	Contractual notional amount $'000	Carrying amount: Assets/ (Liabilities) $'000	Carrying amount: Financial statement line item	Changes in fair value used for calculating hedge ineffectiveness: Hedging instrument $'000	Changes in fair value used for calculating hedge ineffectiveness: Hedged item $'000	Changes in fair value used for calculating hedge ineffectiveness: Hedge ineffectiveness recognised in Statement of Total Return $'000	Weighted average hedge rate	Maturity date
Cash flow hedges								
Interest rate risk								
– Interest rate swaps to hedge floating rate borrowings	32,813	(566)	Derivative financial instruments	(1,251)	1,251	–	2.78%	2026 - 2028
– USD/JPY cross currency interest rate swap to swap USD floating rate interest for JPY fixed rate interest	34,302	83	Derivative financial instruments	232	(232)	–	3.54%	2025
Net investment hedges								
Foreign exchange risk								
– USD/JPY cross currency interest rate swap to hedge JPY net investments	–[1]	126	Derivative financial instruments	412	(412)	–	JPY141:USD1	2025

(1) Contractual notional amount of the USD/JPY cross currency interest rate swap is disclosed under "Cash flow hedges".

33 FINANCIAL INSTRUMENTS (continued)

Hedge accounting (continued)

Stapled Group	Carrying amount: Contractual notional amount $'000	Carrying amount: Assets/ (Liabilities) $'000	Carrying amount: Financial statement line item	Changes in fair value used for calculating hedge ineffectiveness: Hedging instrument $'000	Changes in fair value used for calculating hedge ineffectiveness: Hedged item $'000	Changes in fair value used for calculating hedge ineffectiveness: Hedge ineffectiveness recognised in Statement of Total Return $'000	Weighted average hedge rate	Maturity date
Cash flow hedges								
Interest rate risk								
– Interest rate swaps to hedge floating rate borrowings	832,117	16,571	Derivative financial instruments	(483)	483	–	2.45% to 2.78%	2024 - 2029
– USD/JPY cross currency interest rate swap to swap USD floating rate interest for JPY fixed rate interest	34,302	83	Derivative financial instruments	1,092	(1,092)	–	3.54%	2025
– SGD/JPY cross currency interest rate swap to swap SGD floating rate interest for JPY fixed rate interest	90,300	913	Derivative financial instruments	(1,127)	1,127	–	5.41%	2025
Foreign exchange risk								
– USD floating rate loan designated under the USD/JPY cross currency interest rate swap	–	–[(1)]	Borrowings	2,503	(2,503)	–	–	–

(1) During the year, the USD floating rate loan was repaid.

33 FINANCIAL INSTRUMENTS (continued)

Hedge accounting (continued)

Stapled Group	Carrying amount			Changes in fair value used for calculating hedge ineffectiveness				
	Contractual notional amount $'000	Assets/ (Liabilities) $'000	Financial statement line item	Hedging instrument $'000	Hedged item $'000	Hedge ineffectiveness recognised in Statement of Total Return $'000	Weighted average hedge rate	Maturity date
Net investment hedges								
Foreign exchange risk								
– Borrowings to hedge net investments in foreign operations	–	(629,235)	Borrowings	10,391	(10,391)	–	–	2024 - 2029
– Cross currency interest rate swaps to hedge net investments in foreign operations	686,664	41,850	Derivative financial instruments	29,214	(29,214)	–	EUR 1:$1.49 JPY100.07:$1	2024 - 2028
– USD/JPY cross currency interest rate swap to hedge JPY net investments	–[(2)]	126	Derivative financial instruments	5,960	(5,960)	–	JPY141:USD1	2025
– SGD/JPY cross currency interest rate swap to hedge JPY net investments	–[(2)]	24,890	Derivative financial instruments	6,279	(6,279)	–	JPY77.52:$1	2025

(2) Contractual notional amount of the USD/JPY and SGD/JPY cross currency interest rate swap is disclosed under "Cash flow hedges".

33 FINANCIAL INSTRUMENTS (continued)

Hedge accounting (continued)

At 31 December 2022, the CapitaLand Ascott REIT Group, the CapitaLand Ascott BT Group and the Stapled Group held the following instruments to hedge exposures to changes in foreign currency and interest rates.

	Carrying amount			Changes in fair value used for calculating hedge ineffectiveness				
CapitaLand Ascott REIT Group	**Contractual notional amount $'000**	**Assets/ (Liabilities) $'000**	**Financial statement line item**	**Hedging instrument $'000**	**Hedged item $'000**	**Hedge ineffectiveness recognised in Statement of Total Return $'000**	**Weighted average hedge rate**	**Maturity date**
Cash flow hedges								
Interest rate risk								
– Interest rate swaps to hedge floating rate borrowings	456,560	31,929	Derivative financial instruments	33,112	(33,112)	–	1.21%	2023 – 2029
– USD/JPY cross currency interest rate swap to swap USD floating rate interest for JPY fixed rate interest	69,739	488	Derivative financial instruments	1,644	(1,644)	–	2.91%	2023
– SGD/JPY cross currency interest rate swap to swap SGD floating rate interest for JPY fixed rate interest	90,300	2,040	Derivative financial instruments	1,229	(1,229)	–	2.37%	2025
Foreign exchange risk								
– USD floating rate loan designated under the USD/JPY cross currency interest rate swap	–	(69,629)	Borrowings	(884)	884	–	–	2023

33 FINANCIAL INSTRUMENTS (continued)

Hedge accounting (continued)

CapitaLand Ascott REIT Group	Carrying amount			Changes in fair value used for calculating hedge ineffectiveness				
	Contractual notional amount $'000	Assets/ (Liabilities) $'000	Financial statement line item	Hedging instrument $'000	Hedged item $'000	Hedge ineffectiveness recognised in Statement of Total Return $'000	Weighted average hedge rate	Maturity date
Net investment hedges								
Foreign exchange risk								
– Borrowings to hedge net investments in foreign operations	–	(524,001)	Borrowings	9,283	(9,283)	–	–	2023 – 2029
– Cross currency interest rate swaps to hedge net investments in foreign operations	585,000	20,693	Derivative financial instruments	26,848	(26,848)	–	EUR 1:$1.54 JPY97.80:$1	2023 – 2027
– USD/JPY cross currency interest rate swap to hedge JPY net investments	– [(1)]	10,701	Derivative financial instruments	7,068	(7,068)	–	JPY83.20:$1	2023
– SGD/JPY cross currency interest rate swap to hedge JPY net investments	– [(1)]	18,610	Derivative financial instruments	10,516	(10,516)	–	JPY77.52:$1	2025

(1) Contractual notional amount of the USD/JPY and SGD/JPY cross currency interest rate swap is disclosed under "Cash flow hedges".

33 FINANCIAL INSTRUMENTS (continued)

Hedge accounting (continued)

		Carrying amount		Changes in fair value used for calculating hedge ineffectiveness				
CapitaLand Ascott BT Group	**Contractual notional amount $'000**	**Assets/ (Liabilities) $'000**	**Financial statement line item**	**Hedging instrument $'000**	**Hedged item $'000**	**Hedge ineffectiveness recognised in Statement of Total Return $'000**	**Weighted average hedge rate**	**Maturity date**
Cash flow hedges								
Interest rate risk								
– Interest rate swaps to hedge floating rate borrowings	130,906	3,024	Derivative financial instruments	3,425	(3,425)	–	0.30%	2023
– USD/JPY cross currency interest rate swap to swap USD floating rate interest for JPY fixed rate interest	34,817	(166)	Derivative financial instruments	(175)	175	–	2.20%	2023
Net investment hedges								
Foreign exchange risk								
– USD/JPY cross currency interest rate swap to hedge JPY net investments	–[1]	(644)	Derivative financial instruments	(644)	644	–	JPY135:USD1	2023

(1) Contractual notional amount of the USD/JPY cross currency interest rate swap is disclosed under "Cash flow hedges".

33 FINANCIAL INSTRUMENTS (continued)

Hedge accounting (continued)

Stapled Group	Contractual notional amount $'000	Carrying amount: Assets/ (Liabilities) $'000	Carrying amount: Financial statement line item	Changes in fair value used for calculating hedge ineffectiveness: Hedging instrument $'000	Changes in fair value used for calculating hedge ineffectiveness: Hedged item $'000	Changes in fair value used for calculating hedge ineffectiveness: Hedge ineffectiveness recognised in Statement of Total Return $'000	Weighted average hedge rate	Maturity date
Cash flow hedges								
Interest rate risk								
– Interest rate swaps to hedge floating rate borrowings	587,466	34,953	Derivative financial instruments	36,559	(36,559)	–	0.30% to 1.21%	2023 – 2029
– USD/JPY cross currency interest rate swap to swap USD floating rate interest for JPY fixed rate interest	104,556	322	Derivative financial instruments	1,469	(1,469)	–	2.20% to 2.91%	2023
– SGD/JPY cross currency interest rate swap to swap SGD floating rate interest for JPY fixed rate interest	90,300	2,040	Derivative financial instruments	1,229	(1,229)	–	2.37%	2025
Foreign exchange risk								
– USD floating rate loan designated under the USD/JPY cross currency interest rate swap	–	(69,629)	Borrowings	(884)	884	–	–	2023

33 FINANCIAL INSTRUMENTS (continued)

Hedge accounting (continued)

Stapled Group	Carrying amount: Contractual notional amount $'000	Carrying amount: Assets/ (Liabilities) $'000	Carrying amount: Financial statement line item	Changes in fair value used for calculating hedge ineffectiveness: Hedging instrument $'000	Changes in fair value used for calculating hedge ineffectiveness: Hedged item $'000	Changes in fair value used for calculating hedge ineffectiveness: Hedge ineffectiveness recognised in Statement of Total Return $'000	Weighted average hedge rate	Maturity date
Net investment hedges								
Foreign exchange risk								
– Borrowings to hedge net investments in foreign operations	–	(524,001)	Borrowings	9,283	(9,283)	–	–	2023 - 2029
– Cross currency interest rate swaps to hedge net investments in foreign operations	585,000	20,693	Derivative financial instruments	26,848	(26,848)	–	EUR 1:$1.54 JPY97.80:$1	2023 – 2027
– USD/JPY cross currency interest rate swap to hedge JPY net investments	–[1]	10,057	Derivative financial instruments	6,424	(6,424)	–	JPY83.20:$1 JPY135:USD1	2023
– SGD/JPY cross currency interest rate swap to hedge JPY net investments	–[1]	18,610	Derivative financial instruments	10,516	(10,516)	–	JPY77.52:$1	2025

(1) Contractual notional amount of the USD/JPY and SGD/JPY cross currency interest rate swap is disclosed under "Cash flow hedges".

33 FINANCIAL INSTRUMENTS (continued)

Hedge accounting (continued)

The following table provides a reconciliation by risk category of components of Stapled Securityholders' funds resulting from cash flow hedge accounting.

Hedging reserve	CapitaLand Ascott REIT Group 2023 $'000	CapitaLand Ascott REIT Group 2022 $'000	CapitaLand Ascott BT Group 2023 $'000	CapitaLand Ascott BT Group 2022 $'000	Stapled Group 2023 $'000	Stapled Group 2022 $'000
Balance as at 1 January	**33,964**	(42)	**3,428**	1,470	**37,430**	1,444
Cash flow hedges						
Change in fair value						
– Interest rate risk	**504**	35,985	**(1,019)**	3,250	**(518)**	39,257
– Foreign exchange risk	**2,503**	(884)	**–**	–	**2,503**	(884)
Amounts reclassified to Statement of Total Return						
– Interest rate risk	**(15,369)**	(1,095)	**(2,673)**	(1,292)	**(18,069)**	(2,387)
Balance as at 31 December	**21,602**	33,964	**(264)**	3,428	**21,346**	37,430

Net investment hedge

A foreign currency exposure arises from the Stapled Group's net investment in its subsidiaries in Europe and Japan that has a EUR, GBP and JPY functional currency respectively. The risk arises from the fluctuation in spot exchange rates between the EUR, GBP, JPY and SGD, which causes the amount of the net investment to vary.

The hedged risk in the net investment hedges are the risk of a weakening EUR, GBP and JPY against the SGD that will result in a reduction in the carrying amount of the Stapled Group's net investment in its subsidiaries in Europe and Japan.

Part of the Stapled Group's net investments in certain subsidiaries in Europe and Japan are hedged through the use of EUR, GBP and JPY denominated borrowings.

The Stapled Group also entered into cross currency interest rate swaps to swap fixed rate SGD medium term notes for fixed rate EUR and JPY obligations. The SGD medium term notes, which together with the cross currency interest rate swap arrangement, have been used to hedge the Stapled Group's foreign currency risk on the net investment in the subsidiaries in Europe and Japan.

The Stapled Group has also designated USD and SGD denominated borrowings, together with certain cross currency interest rate swaps, to hedge its net investment in the subsidiaries in Japan.

Cross currency interest rate swaps were entered into to swap floating rate USD loan and floating rate SGD loan for fixed rate JPY obligations. The JPY portion of this cross currency interest rate swap have been designated as a hedge of the Stapled Group's foreign currency risk on the net investment in the subsidiaries in Japan. The USD floating rate loan and SGD floating rate loan, together with the swap of the floating USD interest and floating SGD interest for fixed JPY interest under the cross currency interest rate swap, is designated as a cash flow hedge. During the year, the USD/JPY cross currency interest rate swap has matured, and the USD floating rate loan was repaid.

33 FINANCIAL INSTRUMENTS (continued)

Net investment hedge *(continued)*

As at the reporting date, the carrying amount of these borrowings was $629,235,000 (2022: $524,001,000) and the fair value of the borrowings was $634,785,000 (2022: $529,983,000). The net investment hedges were effective during the year. The Stapled Group's investments in other subsidiaries are not hedged.

The Stapled Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency and amount. The Stapled Group assess the effectiveness of each hedging relationship by comparing changes in the carrying amount of the debt that is attributable 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).

Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Stapled Group's Statement of Financial Position; or
- are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the Statement of Financial Position.

Financial instruments such as loans and receivables and financial liabilities are not disclosed in the tables below unless they are offset in the Statement of Financial Position.

The Stapled Group's derivative transactions that are not transacted on an exchange are entered into under ISDA Master Netting Agreements. In general, under such agreements, the amounts owed by each counterparty that are due on a single day in respect of all transactions outstanding in the same currency under the agreement are aggregated into a single net amount being payable by one party to the other. In certain circumstances, for example when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions.

The above ISDA agreements do not meet the criteria for offsetting in the Statement of Financial Position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Stapled Group or the counterparties. In addition, the Stapled Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

33 FINANCIAL INSTRUMENTS (continued)

Financial assets and financial liabilities subject to offsetting and enforceable master netting arrangement

CapitaLand Ascott REIT Group	Gross amount of recognised financial assets/ (liabilities) $'000	Gross amount of recognised financial assets/ (liabilities) offset in the Statement of Financial Position $'000	Net amount of financial assets/ (liabilities) presented in the Statement of Financial Position $'000	Related amount not offset in the Statement of Financial Position $'000	Net amount $'000
31 December 2023					
Financial assets					
Interest rate swaps	23,060	–	23,060	–	23,060
Cross currency interest rate swaps	68,830	–	68,830	–	68,830
Currency forwards	69	–	69	–	69
Trade and other receivables	11,366	(11,366)	–	–	–
Financial liabilities					
Interest rate swaps	(5,923)	–	(5,923)	–	(5,923)
Cross currency interest rate swaps	(1,177)	–	(1,177)	–	(1,177)
Trade and other payables	(13,242)	11,366	(1,876)	–	(1,876)
31 December 2022					
Financial assets					
Interest rate swaps	31,934	–	31,934	–	31,934
Cross currency interest rate swaps	59,471	–	59,471	–	59,471
Trade and other receivables	11,536	(11,536)	–	–	–
Financial liabilities					
Interest rate swaps	(5)	–	(5)	–	(5)
Cross currency interest rate swaps	(6,939)	–	(6,939)	–	(6,939)
Trade and other payables	(13,420)	11,536	(1,884)	–	(1,884)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL INSTRUMENTS (continued)

Financial assets and financial liabilities subject to offsetting and enforceable master netting arrangement *(continued)*

CapitaLand Ascott BT Group	Gross amount of recognised financial assets/ (liabilities) $'000	Gross amount of recognised financial assets/ (liabilities) offset in the Statement of Financial Position $'000	Net amount of financial assets/ (liabilities) presented in the Statement of Financial Position $'000	Related amount not offset in the Statement of Financial Position $'000	Net amount $'000
31 December 2023					
Financial assets					
Cross currency interest rate swaps	209	–	209	–	209
Financial liabilities					
Interest rate swaps	(566)	–	(566)	–	(566)
31 December 2022					
Financial assets					
Interest rate swaps	3,024	–	3,024	–	3,024
Financial liabilities					
Cross currency interest rate swaps	(810)	–	(810)	–	(810)

33 FINANCIAL INSTRUMENTS (continued)

Financial assets and financial liabilities subject to offsetting and enforceable master netting arrangement *(continued)*

Stapled Group	Gross amount of recognised financial assets/ (liabilities) $'000	Gross amount of recognised financial assets/ (liabilities) offset in the Statement of Financial Position $'000	Net amount of financial assets/ (liabilities) presented in the Statement of Financial Position $'000	Related amount not offset in the Statement of Financial Position $'000	Net amount $'000
31 December 2023					
Financial assets					
Interest rate swaps	23,060	–	23,060	–	23,060
Cross currency interest rate swaps	69,039	–	69,039	–	69,039
Currency forwards	69	–	69	–	69
Trade and other receivables	11,366	(11,366)	–	–	–
Financial liabilities					
Interest rate swaps	(6,489)	–	(6,489)	–	(6,489)
Cross currency interest rate swaps	(1,177)	–	(1,177)	–	(1,177)
Trade and other payables	(13,242)	11,366	(1,876)	–	(1,876)
31 December 2022					
Financial assets					
Interest rate swaps	34,958	–	34,958	–	34,958
Cross currency interest rate swaps	59,471	–	59,471	–	59,471
Trade and other receivables	11,536	(11,536)	–	–	–
Financial liabilities					
Interest rate swaps	(5)	–	(5)	–	(5)
Cross currency interest rate swaps	(7,749)	–	(7,749)	–	(7,749)
Trade and other payables	(13,420)	11,536	(1,884)	–	(1,884)

The gross amounts of financial assets and financial liabilities and their net amounts as presented in the Statements of Financial Position that are disclosed in the above tables are measured in the Statements of Financial Position on the following basis:

- cross currency interest rate swaps, currency forwards and interest rate swaps – fair value; and
- trade and other receivables and trade and other payables – amortised cost.

34 RELATED PARTIES

In the normal course of the operations of the CapitaLand Ascott REIT Group, the REIT Manager's management fees and the REIT Trustee's fees have been paid or are payable to the REIT Manager and the REIT Trustee, respectively.

In the normal course of the operations of the CapitaLand Ascott BT Group, the BT Trustee-Manager's management fees and the BT Trustee-Manager's trustee fees have been paid or are payable to the BT Trustee-Manager.

During the financial year, other than those disclosed elsewhere in the financial statements, there were the following significant related party transactions, which were carried out in the normal course of business on arm's length commercial terms:

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'000**	**2023 $'000**	**2022 $'000**
Acquisition fees paid/payable to the REIT Manager	**4,469**	3,524	**–**	–	**4,469**	3,524
Acquisition fees paid/payable to the BT Trustee-Manager	**–**	–	**1,023**	–	**1,023**	–
Amortisation of deferred income	**(106)**	–	**–**	–	**(106)**	–
Divestment fees paid/payable to the REIT Manager	**325**	6	**–**	–	**325**	6
Rental income received/receivable from related corporations	**(2,915)**	(3,259)	**(680)**	–	**(3,595)**	(3,259)
Rental income received/receivable from master lease arrangements with related corporations	**(39,069)**	(51,566)	**–**	–	**(39,069)**	(51,566)
Rental income received/receivable from master lease arrangements with the CapitaLand Ascott BT Group	**(13,545)**	(14,554)	**–**	–	**–**	–
Serviced residence management fees paid/payable to related corporations	**19,102**	12,861	**376**	215	**19,478**	13,076
Service fee paid/payable to related corporations	**22,154**	18,298	**708**	506	**22,862**	18,804

35 FINANCIAL RATIOS

	CapitaLand Ascott REIT Group		Stapled Group	
	2023	**2022**	**2023**	**2022**
	%	**%**	**%**	**%**
Ratio of expenses to average net asset value[1]				
– including performance component of the REIT Manager's management fees	**1.07**	0.98	**1.11**	1.01
– excluding performance component of the REIT Manager's management fees	**0.79**	0.76	**0.83**	0.78
Portfolio turnover rate[2]	**1.58**	0.01	**1.39**	0.01

(1) The annualised ratio is computed in accordance with guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses at the CapitaLand Ascott REIT Group and the Stapled Group level, excluding property related expenses, borrowing costs and foreign exchange gains/(losses).
(2) The annualised ratio is computed based on the lesser of purchases or sales of underlying properties of the CapitaLand Ascott REIT Group and the Stapled Group expressed as a percentage of weighted average net asset value.

36 OPERATING SEGMENTS

Segment information is presented in respect of the geographical segments of the Stapled Group. The operations of each of the Stapled Group's geographical segments are separately managed because of the different economic environments in which they operate in. For each of the reportable segments, the CEO of the Managers review internal management reports on a monthly basis, at minimum, for strategic decision making, performance assessment and resource allocation purpose.

Performance measurement based on segment gross profit and non-financial assets as well as financial assets attributable to each segment is used as the Managers believe that such information is most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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 items comprise mainly finance costs, corporate assets and expenses, and income tax expense. 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. Information regarding the reportable segments of the Stapled Group is presented in the following tables.

36 OPERATING SEGMENTS

Information about reportable segments

Geographical segments

The principal business of the Stapled Group are investing in investment properties.

Stapled Group	Singapore $'000	Australia $'000	Belgium $'000	China $'000	France $'000	Germany $'000	Indonesia $'000	Ireland $'000	Japan $'000	Subtotal $'000
Year ended 31 December 2023										
Gross rental income	53,452	39,094	16,621	23,377	30,410	15,937	13,906	–	74,850	267,647
Hotel revenue	12,389	129,796	–	–	–	–	–	1,591	–	143,776
Other income	2,705	2,350	803	723	2,716	664	211	–	4,135	14,307
Gross revenue	68,546	171,240	17,424	24,100	33,126	16,601	14,117	1,591	78,985	425,730
Direct expenses	(39,767)	(121,223)	(11,712)	(18,573)	(3,296)	(1,803)	(9,352)	(1,084)	(26,714)	(233,524)
Segment gross profit	28,779	50,017	5,712	5,527	29,830	14,798	4,765	507	52,271	192,206
Net change in fair value of investment properties, investment properties under development and assets held for sale	52,404	773	17,829	(27,295)	5,161	22,708	1,810	–	35,175	108,565
Depreciation of buildings, plant and machinery	(4,716)	(19,788)	–	–	–	–	–	(116)	–	(24,620)

36 OPERATING SEGMENTS (continued)

Information about reportable segments (continued)

Geographical segments (continued)

Stapled Group	Malaysia $'000	Philippines $'000	South Korea $'000	Spain $'000	United Kingdom $'000	United States of America $'000	Vietnam $'000	Subtotal $'000	Total $'000
Year ended 31 December 2023									
Gross rental income	3,666	20,735	8,450	9,833	61,443	168,598	34,925	307,650	575,297
Hotel revenue	–	–	–	–	–	–	–	–	143,776
Other income	80	1,582	–	493	927	6,525	1,571	11,178	25,485
Gross revenue	3,746	22,317	8,450	10,326	62,370	175,123	36,496	318,828	744,558
Direct expenses	(3,055)	(14,871)	(529)	(5,405)	(35,127)	(95,257)	(18,541)	(172,785)	(406,309)
Segment gross profit	691	7,446	7,921	4,921	27,243	79,866	17,955	146,043	338,249
Net change in fair value of investment properties, investment properties under development and assets held for sale	(3,633)	(3,787)	3,234	16,116	43,817	(37,536)	(25,644)	(7,433)	101,132
Depreciation of buildings, plant and machinery	–	–	–	–	–	–	–	–	(24,620)
Finance income									4,434
Finance costs									(86,830)
Profit from divestments									16,016
Unallocated net expense									(46,156)
Reportable segment profit before income tax									302,225
Income tax expense									(72,444)
Total return for the year									229,781

36 OPERATING SEGMENTS (continued)

Information about reportable segments (continued)

Geographical segments *(continued)*

Stapled Group	Singapore $'000	Australia $'000	Belgium $'000	China $'000	France $'000	Germany $'000	Indonesia $'000	Japan $'000	Subtotal $'000
Year ended 31 December 2022									
Gross rental income	46,380	34,491	11,259	22,336	25,167	12,783	13,601	54,613	220,630
Hotel revenue	4,511	118,568	–	–	–	–	–	–	123,079
Other income	484	2,799	702	678	2,078	589	155	2,956	10,441
Gross revenue	51,375	155,858	11,961	23,014	27,245	13,372	13,756	57,569	354,150
Direct expenses	(22,172)	(108,554)	(8,587)	(18,118)	(2,247)	(1,135)	(8,543)	(20,401)	(189,757)
Segment gross profit	29,203	47,304	3,374	4,896	24,998	12,237	5,213	37,168	164,393
Net change in fair value of investment properties, investment properties under development and assets held for sale	68,165	6,867	(3,368)	(14,364)	(3,188)	(1,968)	1,794	5,745	59,683
Depreciation of buildings, plant and machinery	(1,179)	(19,317)	–	–	–	–	–	–	(20,496)
Revaluation surplus on land and buildings	–	5,393	–	–	–	–	–	–	5,393

36 OPERATING SEGMENTS (continued)

Information about reportable segments (continued)

Geographical segments *(continued)*

Stapled Group	Malaysia $'000	Philippines $'000	South Korea $'000	Spain $'000	United Kingdom $'000	United States of America $'000	Vietnam $'000	Subtotal $'000	Total $'000
Year ended 31 December 2022									
Gross rental income	3,608	18,531	5,471	7,073	51,645	146,235	26,384	258,947	479,577
Hotel revenue	–	–	–	–	–	–	–	–	123,079
Other income	108	1,033	–	391	743	4,651	1,219	8,145	18,586
Gross revenue	3,716	19,564	5,471	7,464	52,388	150,886	27,603	267,092	621,242
Direct expenses	(2,753)	(14,072)	(509)	(3,976)	(29,524)	(84,249)	(13,584)	(148,667)	(338,424)
Segment gross profit	963	5,492	4,962	3,488	22,864	66,637	14,019	118,425	282,818
Net change in fair value of investment properties, investment properties under development and assets held for sale	37	1,024	2,964	(3,562)	16,019	57,223	(11,035)	62,670	122,353
Depreciation of buildings, plant and machinery	–	–	–	–	–	–	–	–	(20,496)
Revaluation surplus on land and buildings	–	–	–	–	–	–	–	–	5,393
Finance income									1,468
Finance costs									(69,012)
Profit from divestments									99
Unallocated net expense									(62,840)
Reportable segment profit before income tax									259,783
Income tax expense									(33,563)
Total return for the year									226,220

36 OPERATING SEGMENTS (continued)

Information about reportable segments (continued)

Geographical segments *(continued)*

Stapled Group	Singapore $'000	Australia $'000	Belgium $'000	China $'000	France $'000	Germany $'000	Indonesia $'000	Ireland $'000	Japan $'000	Subtotal $'000
2023										
Assets and liabilities										
Reportable segment assets	1,476,508	1,023,004	80,315	255,519	661,014	264,557	150,820	123,137	1,403,488	5,438,362
Reportable segment liabilities	135,462	65,581	52,413	82,941	375,867	151,963	10,741	87,138	1,354,445	2,316,551
Other Segmental Information										
Capital expenditure:										
- investment properties	110	159	260	72	1,129	387	1,032	-	8,372	11,521
- property, plant and equipment	7,823	3,218	658	1,032	228	-	460	9,888	795	24,102
- investment properties under development	6,925	-	-	-	-	-	-	-	-	6,925
Depreciation	6,632	22,589	130	631	-	-	348	238	386	30,954
2022										
Assets and liabilities										
Reportable segment assets	1,369,143	1,018,501	61,586	294,934	633,664	242,631	94,245	-	1,408,562	5,123,266
Reportable segment liabilities	90,082	296,058	39,700	87,719	332,658	125,672	7,079	-	1,372,505	2,351,473
Other Segmental Information										
Capital expenditure:										
- investment properties	60	2,159	350	72	4,742	28	-	-	8,523	15,934
- property, plant and equipment	966	2,362	770	509	-	-	216	-	443	5,266
- investment properties under development	18,579	-	-	-	-	-	-	-	-	18,579
Depreciation	3,194	22,713	156	640	-	-	357	-	283	27,343

36 OPERATING SEGMENTS (continued)

Information about reportable segments (continued)

Geographical segments *(continued)*

Stapled Group	Malaysia $'000	Philippines $'000	South Korea $'000	Spain $'000	United Kingdom $'000	United States of America $'000	Vietnam $'000	Subtotal $'000	Total $'000
2023									
Assets and liabilities									
Reportable segment assets	36,528	150,040	171,070	74,232	942,584	1,708,742	209,267	3,292,463	8,730,825
Reportable segment liabilities	913	31,223	36,647	41,087	419,127	1,034,608	20,375	1,583,980	3,900,531
Other Segmental Information									
Capital expenditure:									
– investment properties	–	3	72	139	5,982	3,583	(212)*	9,567	21,088
– property, plant and equipment	169	680	–	214	4,454	3,859	1,842	11,218	35,320
– investment properties under development	–	–	–	–	–	35,418	–	35,418	42,343
Depreciation	71	1,286	–	81	1,063	4,022	1,420	7,943	38,897
2022									
Assets and liabilities									
Reportable segment assets	41,510	156,101	165,575	57,858	510,850	1,733,712	234,821	2,900,427	8,023,693
Reportable segment liabilities	702	31,088	37,292	26,568	57,589	1,050,345	23,841	1,227,425	3,578,898
Other Segmental Information									
Capital expenditure:									
– investment properties	–	(38)*	156	59	236	(3,273)*	358	(2,502)	13,432
– property, plant and equipment	19	601	–	95	874	5,293	339	7,221	12,487
– investment properties under development	–	–	–	–	–	6,638	–	6,638	25,217
Depreciation	63	1,604	–	81	1,133	4,220	1,329	8,430	35,773

* Negative due to reversal of over-provision of prior year's capital expenditure

36 OPERATING SEGMENTS (continued)

Major customers

Revenue from related corporations accounted for approximately $39,069,000 (2022: $51,566,000) of the gross revenue of the Stapled Group. Such revenue is attributable to the France segment and Germany segment (2022: France segment, Germany segment and Singapore segment).

37 FAIR VALUE OF ASSETS AND LIABILITIES

(a) Determining fair value

A number of the Stapled Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods and processes. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Financial derivatives

The fair values of cross currency interest rate swaps, currency forwards and interest rate swaps are based on broker quotes. These quotes are tested for reasonableness by discounting estimated future cash flows based on terms and maturity of each contract and using market interest rates or exchange rates, where applicable, for a similar financial instrument at the measurement date.

(ii) Non-derivative financial liabilities

The fair value of quoted interest-bearing borrowings is their quoted ask price at the reporting date. Fair value for unquoted interest-bearing borrowings is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

(iii) Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate for a similar instrument at the reporting date.

37 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(b) Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

CapitaLand Ascott REIT Group	Note	Carrying amount: Mandatorily at FVTPL $'000	Carrying amount: Fair value – hedging instruments $'000	Carrying amount: Amortised cost $'000	Carrying amount: Other financial liabilities $'000	Carrying amount: Total $'000	Fair value: Level 1 $'000	Fair value: Level 2 $'000	Fair value: Level 3 $'000	Fair value: Total $'000
31 December 2023										
Financial assets measured at fair value										
Investment securities	7	2,454	–	–	–	2,454	–	–	2,454	2,454
Interest rate swaps used for hedging	12	–	23,060	–	–	23,060	–	23,060	–	23,060
Cross currency interest rate swaps used for hedging	12	–	68,830	–	–	68,830	–	68,830	–	68,830
Currency forwards	12	69	–	–	–	69	–	69	–	69
		2,523	91,890	–	–	94,413				
Financial assets not measured at fair value										
Loan to associate	11	–	–	3,528	–	3,528				
Trade and other receivables[1]	14	–	–	298,389	–	298,389				
Cash and cash equivalents	16	–	–	369,371	–	369,371				
		–	–	671,288	–	671,288				
Financial liabilities measured at fair value										
Interest rate swaps used for hedging	12	–	(5,923)	–	–	(5,923)	–	(5,923)	–	(5,923)
Cross currency interest rate swaps used for hedging	12	–	(1,177)	–	–	(1,177)	–	(1,177)	–	(1,177)
		–	(7,100)	–	–	(7,100)				
Financial liabilities not measured at fair value										
Bank loans	17	–	–	–	(1,893,742)	(1,893,742)	–	(1,883,921)	–	(1,883,921)
Medium term notes	17	–	–	–	(667,865)	(667,865)	–	(671,988)	–	(671,988)
Sustainability-linked notes	17	–	–	–	(353,371)	(353,371)	–	(354,908)	–	(354,908)
Trade and other payables[2]	18	–	–	–	(268,303)	(268,303)				
		–	–	–	(3,183,281)	(3,183,281)				

(1) Excluding prepayments.
(2) Excluding advance rental, liability for employee benefits and rental deposits (non-current).

37 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(b) Accounting classifications and fair values (continued)

CapitaLand Ascott REIT Group	Note	Carrying amount: Mandatorily at FVTPL $'000	Carrying amount: Fair value – hedging instruments $'000	Carrying amount: Amortised cost $'000	Carrying amount: Other financial liabilities $'000	Carrying amount: Total $'000	Fair value: Level 1 $'000	Fair value: Level 2 $'000	Fair value: Level 3 $'000	Fair value: Total $'000
31 December 2022										
Financial assets measured at fair value										
Investment securities	7	2,416	–	–	–	2,416	–	–	2,416	2,416
Interest rate swaps used for hedging	12	–	31,934	–	–	31,934	–	31,934	–	31,934
Cross currency interest rate swaps used for hedging	12	–	59,471	–	–	59,471	–	59,471	–	59,471
		2,416	91,405	–	–	93,821				
Financial assets not measured at fair value										
Loan to associate	11	–	–	3,585	–	3,585				
Trade and other receivables[1]	14	–	–	243,270	–	243,270				
Cash and cash equivalents	16	–	–	299,251	–	299,251				
		–	–	546,106	–	546,106				
Financial liabilities measured at fair value										
Interest rate swaps used for hedging	12	–	(5)	–	–	(5)	–	(5)	–	(5)
Cross currency interest rate swaps used for hedging	12	–	(6,939)	–	–	(6,939)	–	(6,939)	–	(6,939)
		–	(6,944)	–	–	(6,944)				
Financial liabilities not measured at fair value										
Bank loans	17	–	–	–	(1,698,901)	(1,698,901)	–	(1,683,254)	–	(1,683,254)
Medium term notes	17	–	–	–	(548,917)	(548,917)	–	(551,309)	–	(551,309)
Sustainability-linked notes	17	–	–	–	(367,899)	(367,899)	–	(361,347)	–	(361,347)
Trade and other payables[2]	18	–	–	–	(196,306)	(196,306)				
Rental deposits (non-current)	18	–	–	–	(32)	(32)	–	(31)	–	(31)
		–	–	–	(2,812,055)	(2,812,055)				

(1) Excluding prepayments.
(2) Excluding advance rental, liability for employee benefits and rental deposits (non-current).

37 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(b) Accounting classifications and fair values (continued)

CapitaLand Ascott BT Group	Note	Carrying amount: Fair value – hedging instruments $'000	Carrying amount: Amortised cost $'000	Carrying amount: Other financial liabilities $'000	Carrying amount: Total $'000	Fair value: Level 1 $'000	Fair value: Level 2 $'000	Fair value: Level 3 $'000	Fair value: Total $'000
31 December 2023									
Financial assets measured at fair value									
Cross currency interest rate swaps used for hedging	12	209	–	–	209	–	209	–	209
Financial assets not measured at fair value									
Trade and other receivables[1]	14	–	12,610	–	12,610				
Cash and cash equivalents	16	–	63,435	–	63,435				
		–	76,045	–	76,045				
Financial liabilities measured at fair value									
Interest rate swaps used for hedging	12	(566)	–	–	(566)	–	(566)	–	(566)
Financial liabilities not measured at fair value									
Bank loans	17	–	–	(133,383)	(133,383)	–	(133,656)	–	(133,656)
Trade and other payables[2]	18	–	–	(275,963)	(275,963)				
Rental deposits (non-current)	18	–	–	(7,826)	(7,826)	–	(6,930)	–	(6,930)
		–	–	(417,172)	(417,172)				

(1) Excluding prepayments.
(2) Excluding advance rental, liability for employee benefits and rental deposits (non-current).

37 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(b) Accounting classifications and fair values (continued)

		Carrying amount				Fair value			
CapitaLand Ascott BT Group	Note	Fair value – hedging instruments $'000	Amortised cost $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 December 2022									
Financial assets measured at fair value									
Interest rate swaps used for hedging	12	3,024	–	–	3,024	–	3,024	–	3,024
Financial assets not measured at fair value									
Trade and other receivables[1]	14	–	14,091	–	14,091				
Cash and cash equivalents	16	–	64,383	–	64,383				
		–	78,474	–	78,474				
Financial liabilities measured at fair value									
Cross currency interest rate swaps used for hedging	12	(810)	–	–	(810)	–	(810)	–	(810)
Financial liabilities not measured at fair value									
Bank loans	17	–	–	(258,869)	(258,869)	–	(258,673)	–	(258,673)
Trade and other payables[2]	18	–	–	(185,767)	(185,767)				
Rental deposits (non-current)	18	–	–	(8,215)	(8,215)	–	(7,109)	–	(7,109)
		–	–	(452,851)	(452,851)				

(1) Excluding prepayments.
(2) Excluding advance rental, liability for employee benefits and rental deposits (non-current).

37 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(b) Accounting classifications and fair values (continued)

Stapled Group	Note	Carrying amount					Fair value			
		Mandatorily at FVTPL $'000	Fair value – hedging instruments $'000	Amortised cost $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 December 2023										
Financial assets measured at fair value										
Interest rate swaps used for hedging	12	–	23,060	–	–	23,060	–	23,060	–	23,060
Cross currency interest rate swaps used for hedging	12	–	69,039	–	–	69,039	–	69,039	–	69,039
Currency forwards	12	69	–	–	–	69	–	69	–	69
		69	92,099	–	–	92,168				
Financial assets not measured at fair value										
Loan to associate	11	–	–	3,528	–	3,528				
Trade and other receivables[1]	14	–	–	90,800	–	90,800				
Cash and cash equivalents	16	–	–	432,806	–	432,806				
		–	–	527,134	–	527,134				
Financial liabilities measured at fair value										
Interest rate swaps used for hedging	12	–	(6,489)	–	–	(6,489)	–	(6,489)	–	(6,489)
Cross currency interest rate swaps used for hedging	12	–	(1,177)	–	–	(1,177)	–	(1,177)	–	(1,177)
		–	(7,666)	–	–	(7,666)				
Financial liabilities not measured at fair value										
Bank loans	17	–	–	–	(2,027,125)	(2,027,125)	–	(2,017,577)	–	(2,017,577)
Medium term notes	17	–	–	–	(667,865)	(667,865)	–	(671,988)	–	(671,988)
Sustainability-linked notes	17	–	–	–	(353,371)	(353,371)	–	(354,908)	–	(354,908)
Trade and other payables[2]	18	–	–	–	(324,067)	(324,067)				
Rental deposits (non-current)	18	–	–	–	(7,826)	(7,826)	–	(6,930)	–	(6,930)
		–	–	–	(3,380,254)	(3,380,254)				

(1) Excluding prepayments.
(2) Excluding advance rental, liability for employee benefits and rental deposits (non-current).

37 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(b) Accounting classifications and fair values (continued)

Stapled Group	Note	Carrying amount: Fair value – hedging instruments $'000	Carrying amount: Amortised cost $'000	Carrying amount: Other financial liabilities $'000	Carrying amount: Total $'000	Fair value: Level 1 $'000	Fair value: Level 2 $'000	Fair value: Level 3 $'000	Fair value: Total $'000
31 December 2022									
Financial assets measured at fair value									
Interest rate swaps used for hedging	12	34,958	–	–	34,958	–	34,958	–	34,958
Cross currency interest rate swaps used for hedging	12	59,471	–	–	59,471	–	59,471	–	59,471
		94,429	–	–	94,429				
Financial assets not measured at fair value									
Loan to associate	11	–	3,585	–	3,585				
Trade and other receivables[1]	14	–	96,403	–	96,403				
Cash and cash equivalents	16	–	363,634	–	363,634				
		–	463,622	–	463,622				
Financial liabilities measured at fair value									
Interest rate swaps used for hedging	12	(5)	–	–	(5)	–	(5)	–	(5)
Cross currency interest rate swaps used for hedging	12	(7,749)	–	–	(7,749)	–	(7,749)	–	(7,749)
		(7,754)	–	–	(7,754)				
Financial liabilities not measured at fair value									
Bank loans	17	–	–	(1,957,770)	(1,957,770)	–	(1,941,927)	–	(1,941,927)
Medium term notes	17	–	–	(548,917)	(548,917)	–	(551,309)	–	(551,309)
Sustainability-linked notes	17	–	–	(367,899)	(367,899)	–	(361,347)	–	(361,347)
Trade and other payables[2]	18	–	–	(221,113)	(221,113)				
Rental deposits (non-current)	18	–	–	(8,247)	(8,247)	–	(7,140)	–	(7,140)
		–	–	(3,103,946)	(3,103,946)				

(1) Excluding prepayments.
(2) Excluding advance rental, liability for employee benefits and rental deposits (non-current).

During the years ended 31 December 2023 and 2022, there were no transfers between Level 1 and 2 of the fair value hierarchy.

38 ACQUISITION OF INVESTMENT PROPERTIES AND HOTEL

During the year ended 31 December 2023, the CapitaLand Ascott REIT Group acquired two properties, namely Eslead Residence Osaka Fukushima East and Granfore Hakata Waterfront, from unrelated third parties.

On 30 November 2023, the CapitaLand Ascott REIT Group acquired the following from related corporations:

- a 100% effective interest in the property, The Cavendish London, through the acquisition of 100% issued shares in Ascott St James (Jersey) Limited; and
- a 100% effective interest in the property, Ascott Kuningan Jakarta, through the acquisition of 100% issued shares in Ascott Kuningan (S) Pte. Ltd. and 100% issued shares in Ascott Tower (S) Pte. Ltd..

On 30 November 2023, the CapitaLand Ascott BT Group acquired Temple Bar Hotel from a related corporation.

The assets in the acquired entities largely consist of investment properties and property, plant and equipment without substantive processes. Substantially all of the fair value of the gross assets acquired is concentrated in the portfolio of the investment properties and hotel, which represents a group of similar identifiable assets. The Stapled Group applied the concentration test and the acquisition of the entities has been assessed and accounted for as an acquisition of assets in the financial statements.

During the year ended 31 December 2022, the CapitaLand Ascott REIT Group acquired four properties, namely Eslead College Gate Kindaimae, Eslead Residence Bentencho Grande, Eslead Residence Umeda Grande and Paloma Kent, from unrelated third parties.

On 30 November 2022, the CapitaLand Ascott REIT Group acquired the following from related corporations:

- a 100% effective interest in the property, La Clef Tour Eiffel Paris, through the acquisition of 100% issued shares in Ascott Holdings (France) SAS and 0.01% issued shares in Ascott Kleber SNC; and
- a 100% effective interest in the property, Somerset Central TD Hai Phong City, through the acquisition of 100% issued shares in Somerset Central TD Company Limited; and
- additional 45% effective interest in the property, Standard at Columbia, through the acquisition of 50% of the issued shares in Columbia PBSA Venture Pte. Ltd.; and
- 100% of the trust beneficial interests in a portfolio of five rental housing properties in Japan comprising House Saison Shijo-Dori, Marunouchi Central Heights, S-Residence Gakuenzaka, S-Residence Namba Viale and S-Residence Shukugawa; and
- Quest Cannon Hill.

The assets in the acquired entities largely consist of investment properties, property, plant and equipment, and investment properties under development without substantive processes. Substantially all of the fair value of the gross assets acquired is concentrated in the portfolio of the investment properties, which represents a group of similar identifiable assets. The CapitaLand Ascott REIT Group applied the concentration test and the acquisition of the entities has been assessed and accounted for as an acquisition of assets in the financial statements.

38 ACQUISITION OF INVESTMENT PROPERTIES AND HOTEL (continued)

Asset acquisition: identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

CapitaLand Ascott REIT Group	Note	2023 $'000	2022 $'000
Investment properties	4	**476,999**	344,623
Property, plant and equipment	5	**1,234**	1,617
Investment properties under development	6	**–**	103,735
Trade and other receivables		**1,939**	2,030
Cash and cash equivalents		**6,543**	1,287
Financial liabilities		**(167,081)**	(113,354)
Trade and other payables		**(7,534)**	(18,860)
Current tax liabilities		**(253)**	98
Lease liabilities		**(2,711)**	–
Non-controlling interests		**–**	(5,752)
Total identifiable assets		**309,136**	315,424
Less: amount previously accounted for as joint venture, remeasured at fair value		**–**	(24,584)
Net identifiable assets acquired		**309,136**	290,840
Realisation of reserves previously accounted for as a joint venture		**–**	(1,299)
Total consideration		**309,136**	289,541
Less: Deposit paid in prior year		**(1,875)**	(798)
Less: Milestone payment		**(62,582)**	(28,428)
Add: Consideration to be refunded from vendor		**–**	2,442
Less: Cash and cash equivalents acquired		**(6,543)**	(1,287)
Net cash outflow on acquisition		**238,136**	261,470

CapitaLand Ascott BT Group	Note	2023 $'000	2022 $'000
Property, plant and equipment	5	**102,298**	–
Less: Milestone payment		**(30,105)**	–
Net cash outflow on acquisition		**72,193**	–

38 ACQUISITION OF INVESTMENT PROPERTIES AND HOTEL (continued)

Stapled Group	Note	2023 $'000	2022 $'000
Investment properties	4	**476,999**	344,623
Property, plant and equipment	5	**103,532**	1,617
Investment properties under development	6	**–**	103,735
Trade and other receivables		**1,939**	2,030
Cash and cash equivalents		**6,543**	1,287
Financial liabilities		**(167,081)**	(113,354)
Trade and other payables		**(7,534)**	(18,860)
Current tax liabilities		**(253)**	98
Lease liabilities		**(2,711)**	–
Non-controlling interests		**–**	(5,752)
Total identifiable assets		**411,434**	315,424
Less: amount previously accounted for as joint venture, remeasured at fair value		**–**	(24,584)
Net identifiable assets acquired		**411,434**	290,840
Realisation of reserves previously accounted for as a joint venture		**–**	(1,299)
Total consideration		**411,434**	289,541
Less: Deposit paid in prior year		**(1,875)**	(798)
Less: Milestone payment		**(92,687)**	(28,428)
Add: Consideration to be refunded from vendor		**–**	2,442
Less: Cash and cash equivalents acquired		**(6,543)**	(1,287)
Net cash outflow on acquisition		**310,329**	261,470

39 COMMITMENTS

Leases as lessor

The Stapled Group leases out some of its investment properties on long term arrangements. All leases are classified as operating leases from a lessor perspective. The leases have initial tenure ranging from three to 25 years, with options to renew for some of the leases. The operating lease receivables are based on the fixed component of the rent receivable under the lease agreements, adjusted for increases in rent where such increases have been provided for in the agreements.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Less than one year	**57,114**	54,806	**27,061**	29,229	**73,259**	72,077
One to two years	**56,904**	50,681	**25,959**	28,770	**71,947**	67,493
Two to three years	**55,419**	46,773	**18,330**	27,667	**62,833**	62,483
Three to four years	**52,624**	45,082	**18,137**	19,378	**59,845**	52,503
Four to five years	**49,431**	42,230	**18,137**	19,185	**56,652**	49,458
More than five years	**238,416**	231,294	**67,622**	91,254	**259,645**	259,772
Total	**509,908**	470,866	**175,246**	215,483	**584,181**	563,786

39 COMMITMENTS (continued)

Capital commitments

As at the reporting date, the Stapled Group had the following capital commitments:

	CapitaLand Ascott REIT Group		CapitaLand Ascott BT Group		Stapled Group	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Capital expenditure commitments:						
– contracted but not provided for	**117,955**	146,102	**14,763**	2,431	**132,718**	148,533
– acquisition of investment properties[(1)]	**67,092**	131,388	**–**	–	**67,092**	131,388

(1) As at 31 December 2023, commitment for acquisition of investment properties relate to the acquisition of the trust beneficial interest in a turnkey rental housing property in Fukuoka from Sekisui House, Ltd. and Fukuoka Shoji, Co., Ltd., unrelated third parties for the purchase consideration of JPY8.0 billion (equivalent to $74.5 million) derived based on the independent valuation of the property of JPY8.3 billion (equivalent to $77.4 million) using the discounted cash flow method (completed on 24 January 2024).

As at 31 December 2022, commitment for acquisition of investment properties relate to the total purchase consideration of JPY13.9 billion (equivalent to $141.5 million) for the acquisition of the trust beneficial interest in (a) one turnkey rental housing property in Osaka for the purchase consideration of JPY1.9 billion (equivalent to $18.9 million) (completed in the second quarter of 2023); (b) one turnkey rental housing property in Fukuoka for the purchase consideration of JPY4.0 billion (equivalent to $40.9 million) (completed in the second quarter of 2023); and (c) one turnkey rental housing property in Fukuoka for the purchase consideration of JPY8.0 billion (equivalent to $81.7 million) (completed on 24 January 2024).

For the property, Standard at Columbia, there is a 10% stake held by an unrelated third party.

There is a call option for the remaining 10% stake exercisable by CLAS after the property achieves certain performance conditions within 24 months after completion of the development. There is a put option for the remaining 10% stake exercisable by the third party when CLAS does not exercise its call option by the end of 24 months after completion of the development.

This commitment has not been recognised in the Stapled Group's consolidated financial statements until the stabilisation conditions are fulfilled.

40 SUBSEQUENT EVENTS

The acquisition of the turnkey rental housing property in Fukuoka known as Teriha Ocean Stage (which had been entered into in FY2022), was completed on 24 January 2024.

On 29 January 2024, the REIT Manager and BT Trustee-Manager declared a distribution of 3.095 cents per Stapled Security amounting to $116,497,000 in respect of the period from 14 August 2023 to 31 December 2023.

On 31 January 2024, the Stapled Group completed the divestment of Courtyard by Marriott Sydney-North Ryde in Australia.

On 31 January 2024, the CapitaLand Ascott REIT Group entered into a conditional sale and purchase agreement with an unrelated third party to divest Citadines Mount Sophia Property Singapore for $148.0 million. The divestment was completed on 1 March 2024.

On 27 February 2024, the REIT Manager and BT Trustee-Manager issued 12,052,564 Stapled Securities at an issue price of $0.9766 per Stapled Security to the REIT Manager. These Stapled Securities were issued as partial payment of the base fee (as defined in the CapitaLand Ascott REIT Trust Deed) for the period from 1 October 2023 to 31 December 2023 and the performance fee for the period from 1 January 2023 to 31 December 2023.

On 27 February 2024, the REIT Manager and BT Trustee-Manager issued 695,489 Stapled Securities at an issue price of $0.9766 per Stapled Security to the BT Trustee-Manager. These Stapled Securities were issued to the BT Trustee-Manager as partial payment of the base fee and performance fee (as defined in the CapitaLand Ascott BT Trust Deed) for the period from 1 October 2023 to 31 December 2023 and additional outperformance fee for the period from 1 January 2023 to 31 December 2023.

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DIRECTORS' STATEMENT

We are pleased to submit this annual report to the member of the Company, together with the audited financial statements for the financial year ended 31 December 2023.

In our opinion:

(a) the financial statements set out on pages 326 to 343 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2023 and the financial performance, changes in equity of the Company, and the cash flows of the Company for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, having regard to the financial support of the immediate holding company, CapitaLand Investment Limited, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

DIRECTORS

The directors in office at the date of this statement are as follows:

Mr Tan Beng Hai, Bob	
Ms Teo Joo Ling, Serena	
Mr Sim Juat Quee Michael Gabriel	
Mr Chia Kim Huat	
Ms Deborah Lee Siew Yin	
Mr Max Loh Khum Whai	(Appointed on 23 November 2023)
Mr Lui Chong Chee	(Appointed on 1 February 2024)
Mr Goh Soon Keat Kevin	
Ms Beh Siew Kim	

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by spouses and children) in shares, debentures, warrants and share options in the Company and in related corporations are as follows:

	Holdings in the name of the director, spouse and/or infant children	
	At beginning of the year/date of appointment	At end of the year
Intermediate Holding Company CapitaLand Investment Limited (CLI)		
Ordinary shares		
Mr Chia Kim Huat	33,100	33,100
Mr Goh Soon Keat Kevin	708,640	989,953
Ms Beh Siew Kim	248,929	248,929
Award of CLI Performance shares[1, 3] to be delivered after 2022		
Mr Goh Soon Keat Kevin	333,359	–✓

✓ *During the year, 333,359 shares were released, of which 83,340 shares were settled in cash.*

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

		Holdings in the name of the director, spouse and/or infant children	
		At beginning of the year/date of appointment	At end of the year
Intermediate Holding Company			
CapitaLand Investment Limited (CLI) (continued)			
Award of CLI Performance shares[1, 3] to be delivered after 2023			
Mr Goh Soon Keat Kevin		379,714	379,714
Contingent award of CLI Performance shares[1, 7] to be delivered after 2024			
Mr Goh Soon Keat Kevin	(125,176 shares)	0 to 250,352	0 to 250,352
Contingent award of CLI Performance shares[1, 6] to be delivered after 2025			
Mr Goh Soon Keat Kevin	(180,013 shares)	–	0 to 540,039
Ms Beh Siew Kim	(51,140 shares)	–	0 to 153,420
Contingent award of CLI Performance shares[1, 7] under Founder Share Award to be delivered after 2025			
Ms Teo Joo Ling, Serena	(106,269 shares)	0 to 318,807	0 to 318,807
Mr Goh Soon Keat Kevin	(495,926 shares)	0 to 1,487,778	0 to 1,487,778
Ms Beh Siew Kim	(177,116 shares)	0 to 531,348	0 to 531,348
Unvested CLI Restricted shares[2, 5] to be delivered after 2022			
Mr Goh Soon Keat Kevin		0 to 187,764	62,588
Related Corporations			
Astrea IV Pte. Ltd.			
S$242 million 4.35% Class A-1 Secured Fixed Rate Bonds due 2028			
Mr Goh Soon Keat Kevin		S$5,000	–
Astrea V Pte. Ltd.			
S$315 million 3.85% Class A-1 Secured Fixed Rate Bonds due 2029			
Mr Goh Soon Keat Kevin		S$6,000	S$6,000
Astrea VI Pte. Ltd.			
S$382 million 3.0% Class A-1 Bonds due 18 March 2031			
Ms Teo Joo Ling, Serena		S$16,000	S$16,000
Astrea 7 Pte. Ltd.			
S$526 million 4.125% Class A-1 Bonds due 27 May 2032			
Ms Teo Joo Ling, Serena		S$12,000	S$12,000

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

	Holdings in the name of the director, spouse and/or infant children	
	At beginning of the year/date of appointment	At end of the year
Related Corporations (continued)		
CapitaLand Treasury Limited		
S$500 million 3.80% Fixed Rate Notes due 2024		
Mr Chia Kim Huat	S$250,000	S$250,000
S$500 million 3.65% Fixed Rate Subordinated Perpetual Notes		
Mr Max Loh Khum Whai	S$500,000	S$500,000
CLI Treasury Limited		
S$425 million 4.20% Fixed Rate Notes due 2030		
Ms Deborah Lee Siew Yin	S$250,000	S$250,000
Ms Teo Joo Ling, Serena	–	S$250,000
Temasek Financial (IV) Private Limited		
S$500 million 2.70% Coupon Temasek Bond due 2023		
Mr Goh Soon Keat Kevin	S$6,000	–
Ms Beh Siew Kim	S$9,000	–
Sembcorp Financial Services Pte Ltd		
S$400,000,000 2.45% Fixed Rate Notes due 9 June 2031		
Ms Deborah Lee Siew Yin	S$250,000	S$250,000
S$350,000,000 4.6% Fixed Rate Notes due 15 March 2030		
Ms Deborah Lee Siew Yin	S$250,000	S$250,000
Seatrium Limited (formerly known as Sembcorp Marine Ltd)		
Ordinary Shares		
Mr Tan Beng Hai, Bob	4,537,200	–
SIA Engineering Company Limited		
Ordinary Shares		
Ms Deborah Lee Siew Yin	50,000	50,000

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

	Holdings in the name of the director, spouse and/or infant children	
	At beginning of the year/date of appointment	At end of the year
Related Corporations (continued)		
Singapore Airlines Limited		
Ordinary Shares		
Mr Chia Kim Huat	3,000	3,000
S$600 million 3.16% Fixed Rate Notes due 2023		
Ms Deborah Lee Siew Yin	S$500,000	–
Singapore Technologies Engineering Ltd		
Ordinary Shares		
Ms Deborah Lee Siew Yin	30,000	30,000
Mr Max Loh Khum Whai	50,000	50,000
Singapore Telecommunications Limited		
Ordinary Shares		
Mr Chia Kim Huat	5,800	5,800
Ms Deborah Lee Siew Yin	101,800	101,800
Mr Goh Soon Keat Kevin	360	360
Mr Max Loh Khum Whai	100,000	100,000
S$1,000,000,000 3.3% Perpetual Securities		
Mr Max Loh Khum Whai	S$500,000	S$500,000
Starhub Ltd		
Ordinary Shares		
Mr Chia Kim Huat	2,000	2,000
Surbana Jurong Private Limited		
S$350 million 4.11% Notes due 2025		
Ms Deborah Lee Siew Yin	S$250,000	S$250,000
Mapletree Treasury Services Limited		
S$700 million 3.95% Subordinated Perpetual Securities		
Mr Max Loh Khum Whai	S$2,000,000	S$2,000,000
S$600 million 3.7% Perpetual Securities		
Mr Max Loh Khum Whai	S$1,500,000	S$1,500,000

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

Notes:

1 Awards made pursuant to the CapitaLand Investment Performance Share Plan 2021 (PSP 2021).

2 Awards made pursuant to the CapitaLand Investment Restricted Share Plan 2021 (RSP 2021).

3 Following the completion of the strategic restructuring of the investment management business of CapitaLand Limited (CL) and as further described in CLI introductory document dated 17 July 2021, the awards granted under CL's CapitaLand Performance Share Plan 2010 and CapitaLand Performance Share Plan 2020 (collectively, the CL PSP Awards) to certain employees of CLI and CL group companies have been replaced with shares under the CapitaLand Investment Performance Share Plan 2021 (CLI PSP 2021), which will vest progressively over three years in accordance with the original vesting schedule of the CL PSP Awards.

4 The final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 200% of the baseline award. The Executive Resource and Compensation Committee of CLI has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors.

5 The final number of shares to be released will depend on the achievement of pre-determined targets at the end of a one-year performance period and the release will be over a vesting period of three years. Depending on the extent of the achievement of the pre-determined targets at the end of the performance period, the Executive Resource & Compensation Committee of CLI has the discretion to release the final number of shares ranging from between 0% to 150% of the baseline award. On the final vesting, an additional number of shares of a total value equal to the value of the accumulated dividends which are declared during each of the vesting periods and deemed foregone due to the vesting mechanism of the restricted share plan will also be released.

6 The final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are exceeded, more shares than the baseline award could be delivered up to a maximum of 300% of the baseline award. The Executive Resource and Compensation Committee has the absolute discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors. The release will be made partly in the form of shares and partly in the form of cash

7 This is a one-time special contingent award linked specifically to Price/NAV targets granted to selected key executives in the Company and/or its group companies who joined the Company and/or its group companies on a date after 1 October 2021. Such one-time special contingent award may (at the absolute discretion of the Executive Resource and Compensation Committee) also be extended to key executives joining the Company and/or its group companies on a date after 1 October 2021 but not later than 19 September 2022. This is a long-term share-based award which will vest after the end of a 5-year performance period, subject to the achievement of the targets approved by the Executive Resource and Compensation Committee. The number of shares to be released as soon as practicable upon vesting will be determined based on, inter alia, the award multiplied by an achievement factor. If the minimum performance level is achieved, the achievement factor will be 0.2. If the performance level exceeds minimum but is below superior, the achievement factor will be adjusted accordingly within the range of 0.2 to 3.0. If the performance level is superior and above, the achievement factor will be 3.0. Conversely, if the performance level is below minimum, the achievement factor will be zero and no share will be released. In the event of early achievement of the targets within the first three years of the performance period, a maximum of 20% to 50% of the baseline award can be released after the third year, with any balance in excess of 50% of the baseline award to be released only after the fifth year. The Executive Resource and Compensation Committee has the absolute discretion to adjust the number of Shares released taking into consideration other relevant quantitative and qualitative factors.

8 Ceased to be related corporation of CapitaLand Investment Limited with effect from 28 February 2023.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as disclosed under the Directors' Interests in Shares or Debentures and Share Plans sections of this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

SHARE OPTIONS

During the financial year, there were:

(i) no options granted by the Company to any person to take up unissued shares in the Company; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under options.

INDEPENDENT AUDITOR

The retiring auditors, KPMG LLP, will not be seeking re-appointment at the forthcoming Annual General Meeting. Deloitte & Touche LLP has expressed its willingness to accept appointment as the independent external auditors of CapitaLand Ascott Business Trust Management Pte. Ltd..

On behalf of the Board of Directors:

Tan Beng Hai, Bob
Director

Teo Joo Leng, Serena
Director

8 March 2024

INDEPENDENT AUDITORS' REPORT

Member of the Company
CapitaLand Ascott Business Trust Management Pte. Ltd.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of CapitaLand Ascott Business Trust Management Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 326 to 343.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Company as at 31 December 2023 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Company 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.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company'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 Company's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Company 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.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
8 March 2024

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	2023 $	2022 $
Non-current asset			
Deferred tax assets	7	**23,443**	–
Other investments	3	**8,108,062**	5,970,165
		8,131,505	5,970,165
Current assets			
Trade and other receivables	4	**2,125,980**	1,287,076
Cash and cash equivalents		**650,125**	486,848
		2,776,105	1,773,924
Total assets		**10,907,610**	7,744,089
Equity			
Share capital	5	**1**	1
Retained earnings	6	**2,034,093**	235,548
Fair value reserve	6	**(114,459)**	273,498
Total equity		**1,919,635**	509,047
Non-current liability			
Deferred tax liabilities	7	**–**	56,018
Current liabilities			
Trade and other payables	8	**1,631,305**	7,115,038
Loan from a related corporation	9	**7,065,090**	–
Current tax payable		**291,580**	63,986
		8,987,975	7,179,024
Total liabilities		**8,987,975**	7,235,042
Total equity and liabilities		**10,907,610**	7,744,089

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2023

	Note	2023 $	2022 $
Revenue	10	**3,866,496**	2,831,384
Direct expenses		**(1,968,896)**	(2,338,849)
Gross profit		**1,897,600**	492,535
Other income		**372,975**	226,325
Administrative expenses		**(106,811)**	(106,840)
Profit from operations		**2,163,764**	612,020
Finance costs	11	**(86,508)**	–
Profit before tax		**2,077,256**	612,020
Income tax expense	12	**(278,711)**	(67,967)
Profit for the year		**1,798,545**	544,053
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Net change in fair value of equity investment at FVOCI		**(467,418)**	42,665
Tax on net change in fair value of equity investment at FVOCI	7	**79,461**	(7,253)
Tax on other comprehensive income		**79,461**	(7,253)
Other comprehensive income for the year, net of income tax		**(387,957)**	35,412
Total comprehensive income for the year		**1,410,588**	579,465

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

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

	Share capital $	Retained earnings $	Fair value reserve $	Total $
At 1 January 2023	**1**	**235,548**	**273,498**	**509,047**
Profit for the year	**–**	**1,798,545**	**–**	**1,798,545**
Other comprehensive income				
– Net change in fair value of equity investment at FVOCI (net of tax)	**–**	**–**	**(387,957)**	**(387,957)**
Total comprehensive income for the year	**–**	**1,798,545**	**(387,957)**	**1,410,588**
At 31 December 2023	**1**	**2,034,093**	**(114,459)**	**1,919,635**
At 1 January 2022	1	(308,505)	238,086	(70,418)
Profit for the year	–	544,053	–	544,053
Other comprehensive income				
– Net change in fair value of equity investment at FVOCI (net of tax)	–	–	35,412	35,412
Total comprehensive income for the year	–	544,053	35,412	579,465
At 31 December 2022	1	235,548	273,498	509,047

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

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Profit for the year		**1,798,545**	544,053
Adjustment for:			
Management fee income received/receivable in stapled securities		**(2,360,461)**	(2,321,332)
Finance costs	11	**86,508**	–
Tax expense		**278,711**	67,967
		(196,697)	(1,709,312)
Changes in working capital:			
Trade and other receivables		**(863,355)**	(402,157)
Trade and other payables		**(5,505,152)**	2,445,641
Cash (used in)/generated from operations		**(6,565,204)**	334,172
Tax paid		**(51,117)**	(27,271)
Net cash (used in)/generated from operating activities		**(6,616,321)**	306,901
Cash flows from investing activities			
Subscription of preferential offering in stapled securities		**(220,402)**	–
Net cash used in investing activities		**(220,402)**	–
Cash flows from financing activities			
Loan from related corporation		**7,065,090**	–
Interest paid	9	**(65,090)**	–
Net cash generated from financing activities		**7,000,000**	–
Net increase in cash and cash equivalents		**163,277**	306,901
Cash and cash equivalents at 1 January		**486,848**	179,947
Cash and cash equivalents at 31 December		**650,125**	486,848

Significant non-cash transactions

During the year ended 31 December 2023, the Company received 2,330,636 stapled securities (2022: 1,991,954 stapled securities) in CapitaLand Ascott Trust ("CLAS"), amounting to $2.4 million (2022: $2.1 million) as payment of manager's base fees and performance fees for the period from 1 October 2022 to 30 September 2023 (2022: 1 October 2021 to 30 September 2022).

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 Board of Directors on 8 March 2024.

1 DOMICILE AND ACTIVITIES

CapitaLand Ascott Business Trust Management Pte. Ltd. (the "Company"), is incorporated in Singapore and has its registered office at 168 Robinson Road #30-01 Capital Tower, Singapore 068912.

The principal activities of the Company are those relating to investment advisory and property fund management. The Company is the trustee-manager of CapitaLand Ascott Business Trust, part of the stapled trust, CapitaLand Ascott Trust ("CLAS"), listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

For financial reporting purposes, the immediate, intermediate and ultimate holding companies of the Company are CapitaLand Investment Limited ("CLI"), CapitaLand Group Pte. Ltd. and Temasek Holdings (Private) Limited respectively for the financial year ended 31 December 2023. All companies are incorporated in Singapore.

2 MATERIAL ACCOUNTING POLICIES

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore Dollars, which is the Company's functional currency. All financial information presented in Singapore Dollars have been rounded to the nearest dollar, unless otherwise stated.

2.4 Going concern

The financial statements have been prepared on a going concern basis, notwithstanding the Company's net current liabilities of $6,211,870 (2022: $5,405,100) as at 31 December 2023 as the immediate holding company has confirmed that it will provide financial support as is necessary to enable the Company to continue its operations and meet its obligations as and when they fall due.

2.5 Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to accounting estimates are recognised prospectively.

The accounting policies set out below have been applied consistently by the Company to all periods presented in these financial statements, except as explained in note 16, which address changes in accounting policies.

2 MATERIAL ACCOUNTING POLICIES (continued)

2.5 Use of estimates and judgements (continued)

In addition, the Company adopted the Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 *Disclosure of Accounting Policies* from 1 January 2023. The amendments require the disclosure of 'material', rather than significant' accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in note 2 in certain instances.

Management is of the opinion that there are no critical judgements made in applying the entity's accounting policies.

2.6 Financial instruments

(a) Non-derivative financial assets

Classification and measurement

The Company classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through other comprehensive income ("FVOCI").

The classification depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Company reclassifies financial assets when and only when its business model for managing those assets changes.

At initial recognition

A financial asset is recognised if the Company becomes a party to the contractual provisions of the financial asset.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(i) Financial assets at amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method.

(ii) Financial assets at FVOCI

The Company has elected to recognise changes in fair value of equity securities not held for trading in OCI as these are strategic investments and the Company considers this to be more relevant. Movements in fair values of equity investments classified as FVOCI are presented as "fair value gains/losses" in OCI. Dividends from equity investments are recognised in profit or loss as dividend income. On disposal of an equity investment, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in OCI relating to that asset.

2 MATERIAL ACCOUNTING POLICIES (continued)

2.6 Financial instruments (continued)

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

(c) Non-derivative financial liabilities

The Company classifies non-derivative financial liabilities under the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method. Other financial liabilities comprise trade and other payables.

(d) Derecognition

Financial assets

Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial assets to another party without retaining control or transfers substantially all the risks and rewards of the assets. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

(e) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(f) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses ("ECL") associated with its financial assets carried at amortised cost. For trade receivables, the Company applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company applies the general approach of 12-month ECL at initial recognition for all other financial assets.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

2 MATERIAL ACCOUNTING POLICIES (continued)

2.6 Financial instruments (continued)

(g) 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 Company 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 Company's procedures for recovery of amounts due.

2.7 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and options are recognised as a deduction from equity, net of any tax effects.

2.8 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

The recoverable amount of an asset or cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

An impairment loss is recognised if the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU on a *pro-rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.9 Provision

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

2.10 Revenue

(i) Management and trustee fees

Management and trustee fees are recognised in profit or loss as and when services are rendered.

(ii) Distribution income

Distribution income is recognised in profit or loss on the date that the Company's right to receive payment is established.

2 MATERIAL ACCOUNTING POLICIES (continued)

2.11 Finance costs

Finance costs mainly comprise interest expense. Interest expense is recognised in the profit or loss using the effective interest rate method.

2.12 Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company 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 Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the year that such a determination is made.

3 OTHER INVESTMENTS

	2023 $	2022 $
Equity investments – at FVOCI	**8,108,062**	5,970,165

During the year ended 31 December 2023, the Company subscribed 215,026 preferential offering stapled securities (2022: nil) in CapitaLand Ascott Trust ("CLAS"), amounting to $220,402 (2022: nil) as part of CLAS fund raising activities.

Equity investments designated as at FVOCI

The Company designated the investments shown below as equity investments as at FVOCI because these equity investments represent investments that the Company intends to hold for the long-term for strategic purposes.

	Fair value at 31 December 2023 $	Distribution income recognised during 2023 $	Fair value at 31 December 2022 $	Distribution income recognised during 2022 $
Quoted stapled securities in CapitaLand Ascott Trust	**8,108,062**	**372,975**	5,970,165	226,325

Fair value hierarchy

The fair value of quoted securities is determined by reference to their quoted bid price in an active market at the reporting date (Level 1 in the fair value hierarchy).

There was no transfer between levels in the fair value hierarchy during the year.

4 TRADE AND OTHER RECEIVABLES

	2023 $	2022 $
Amounts due from related corporation:		
– non-trade	**12,466**	127,002
Accrued fee income	**1,757,755**	915,073
	1,770,221	1,042,075
GST receivable	**355,759**	245,001
	2,125,980	1,287,076

Accrued fee income is non-interest bearing and is to be settled in the form of cash and/or stapled securities from CLAS as the Company elects. As at 31 December 2023, accrued fee income arising from CLAS amounting to $679,215 (2022: $703,665) are arranged to be settled via the issuance of stapled securities by CLAS.

There is no allowance for doubtful debts arising from these outstanding balances as the ECL is immaterial.

5 SHARE CAPITAL

The Company's share capital comprises fully-paid up 1 (2022: 1) ordinary share with no par value, amounting to a total of $1 (2022: $1).

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Capital management

The Company's policy on capital management follows that of its immediate holding company, CapitaLand Investment Limited. CapitaLand Investment Limited's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company defines 'capital' as including all components of equity. There were no changes in the Company's approach to capital management during the year.

The Company is not subject to externally imposed capital requirements.

6 RESERVES

	2023 $	2022 $
Retained earnings	**2,034,093**	235,548
Fair value reserve	**(114,459)**	273,498
	1,919,634	509,046

The fair value reserve includes the cumulative net change in the fair value of equity investments designated at FVOCI.

7 DEFERRED TAX LIABILITIES/(ASSETS)

Movement in deferred tax liabilities/(assets) of the Company during the year are as follows:

	At 1 January 2022 $	Recognised in profit or loss $	Recognised in other comprehensive income $	At 31 December 2022 $	Recognised in profit or loss $	Recognised in other comprehensive income $	At 31 December 2023 $
Equity instrument at FVOCI	48,765	–	7,253	56,018	–	**(79,461)**	**(23,443)**

8 TRADE AND OTHER PAYABLES

	2023 $	2022 $
Trade payables	–	4,032
Accrued operating expenses	**4,430**	4,209
Amount due to immediate holding company:		
– trade	**200**	2,918,516
Amount due to related companies:		
– trade	**1,594,257**	4,177,167
– non-trade	–	114
– interest payable	**21,418**	–
Advance from immediate holding company	**11,000**	11,000
	1,631,305	7,115,038

The advance from immediate holding company and non-trade amount due to related companies are unsecured, interest-free and repayable on demand.

9 LOAN FROM A RELATED CORPORATION

The loan from a related corporation is unsecured and bears interest rate range of 3.730% to 3.952% (2022: nil) per annum at the reporting date and is repayable on demand. Interest is repriced quarterly.

The reconciliation of liabilities arising from financing activities:

	Note	At 1 January $	Financing cashflows $	Non-cash changes Interest expense $	At 31 December $
2023					
Loan from a related corporation		–	**7,065,090**	–	**7,065,090**
Amount due to related corporation – interest payable	8	–	**(65,090)**	**86,508**	**21,418**

10 REVENUE

	2023 $	2022 $
Management fee income	**2,681,516**	2,669,190
Acquisition fee income	**1,022,980**	–
Trustee fee income	**162,000**	162,194
	3,866,496	2,831,384

Management, acquisition and trustee fee income are derived from related entities.

11 FINANCE COSTS

	2023 $	2022 $
Interest paid/payable to related corporation	**86,508**	–

12 INCOME TAX EXPENSE

	2023 $	2022 $
Current income tax		
Current year	**278,711**	67,967
Reconciliation of effective tax rate		
Profit before tax	**2,077,256**	612,020
Tax calculated using Singapore tax rate of 17% (2022: 17%)	**353,134**	104,043
Tax exempt income	**(74,423)**	(36,076)
	278,711	67,967

13 FINANCIAL RISK MANAGEMENT

Overview

Exposure to market risk (including equity price), credit risk and liquidity risk arises in the normal course of the Company's business. The Company's approach to financial risk management seeks to minimise the potential material adverse effects from these exposures.

Risk management framework

The Company adopts the risk management policies and guidelines of its immediate holding company, CapitaLand Investment Limited, which 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. Risk management policies and guidelines are reviewed regularly to reflect changes in market conditions and the Company's activities.

(a) Market risk

Market risk is the risk that changes in the market prices such as equity price will have on the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Interest rate risk

The Company's exposure to market risk for changes in interest rates relates primarily to its interest-bearing loan from a related corporation.

The Company's policy on interest rate management follows that of its immediate holding company, CapitaLand Investment Limited. CapitaLand Investment Limited manages the interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. It actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets.

Exposure to interest rate risk

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments, as reported to the management, was as follows:

	Nominal amount	
	2023 $	2022 $
Variable rate instruments		
Loan from a related corporation	**(7,065,090)**	–

13 FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Interest rate risk *(continued)*

Cash flow sensitivity analysis for variable rate instruments

A change of 30 basis points in interest rates as the reporting date would have increase/(decrease) profit or loss by the amounts shown below. The analysis assumed that all other variables remain constant.

	Profit or loss	
	30 bp increase $	30 bp decrease $
31 December 2023		
Variable rate instruments		
Loan from a related corporation	**(21,195)**	21,195

(ii) Equity price risk

The Company has investments in equity securities at FVOCI and is exposed to equity price risk. These securities are listed on the Singapore Stock Exchange.

Sensitivity analysis

If prices for the equity securities listed in Singapore change by the percentage indicated below with all other variables including tax rate being held constant, the impact on the fair value reserve will be as follows:

	2023		2022	
	20% price increase $	20% price decrease $	30% price increase $	30% price decrease $
Quoted stapled securities in CapitaLand Ascott Trust	**1,621,612**	**(1,621,612)**	1,791,050	(1,791,050)

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

At the reporting date, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The Company held cash and cash equivalents of $650,125 at 31 December 2023 (2022: $486,848). The cash and cash equivalents are placed with banks and financial institutions which are regulated. 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 Company 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 negligible.

The Company assesses on a forward-looking basis the expected credit losses associated with financial assets at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

No ageing analysis are presented as the outstanding balances as at 31 December 2023 are current. The credit loss on these balances is subject to immaterial credit loss.

13 FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

The Company has guidelines governing the process of granting credit as a service or product provider in its respective segments of business. Investments and financial transactions are restricted with counterparties that meet the appropriate credit criteria and of high credit standing.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's policy on liquidity risk management follows that of its immediate holding company, CapitaLand Investment Limited. CapitaLand Investment Limited actively manages the debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met.

The Company has received an undertaking from the immediate holding company to provide continuing financial support, for the next twelve months period commencing from the date of this report, to enable the Company to operate as a going concern.

Exposure to liquidity risk

The following are the expected contractual maturities of financial liabilities, interest payments:

		Contractual cash flows (including interest payments)		
	Carrying amount $	Total $	Within 1 year $	Within 2 to 5 years $
31 December 2023				
Non-derivative financial liabilities				
Trade and other payables	**1,631,305**	**1,631,305**	**1,631,305**	**–**
Loan from a related corporation	**7,065,090**	**7,365,712**	**7,365,712**	**–**
	8,696,395	**8,997,017**	**8,997,017**	**–**
31 December 2022				
Non-derivative financial liabilities				
Trade and other payables	7,115,038	7,115,038	7,115,038	–

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

14 FAIR VALUE OF ASSETS AND LIABILITIES

(a) Determination of fair value

The following valuation methods and assumptions are used to estimate the fair values of the following significant classes of assets and liabilities:

(i) Equity investment at FVOCI

The fair value of quoted securities is their quoted bid price at the reporting date.

14 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(a) *Determination of fair value* (continued)

(ii) Loan from a related corporation

The carrying amount of loan from a related corporation, which is repriced within one year, is assumed to approximate the fair value because of the short repricing frequency.

(iii) Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate for a similar instrument at the reporting date.

(b) *Accounting classifications and fair values*

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount				Fair value
	Note	Equity in investment at FVOCI $	Amortised costs $	Other financial liabilities $	Total $	Level 1 $
31 December 2023						
Financial asset measured at fair value						
Equity investment at FVOCI	3	8,108,062	-	-	8,108,062	8,108,062
Financial assets and liabilities not measured at fair value						
Trade and other receivables#	4	-	1,770,221	-	1,770,221	
Cash and cash equivalents		-	650,125	-	650,125	
Trade and other payables	8	-	-	(1,631,305)	(1,631,305)	
Loan from a related corporation	9	-	-	(7,065,090)	(7,065,090)	
		-	2,420,346	(8,696,395)	(6,276,049)	

14 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(b) Accounting classifications and fair values (continued)

		Carrying amount				Fair value
	Note	Equity in investment at FVOCI $	Amortised costs $	Other financial liabilities $	Total $	Level 1 $
31 December 2022						
Financial asset measured at fair value						
Equity investment at FVOCI	3	5,970,165	–	–	5,970,165	5,970,165
Financial assets and liabilities not measured at fair value						
Trade and other receivables#	4	–	1,042,075	–	1,042,075	
Cash and cash equivalents		–	486,848	–	486,848	
Trade and other payables	8	–	–	(7,115,038)	(7,115,038)	
		–	1,528,923	(7,115,038)	(5,586,115)	

Excludes GST receivable

There was no transfer between levels of the fair value hierarchy during the year (2022: nil).

15 RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In addition to the related party information disclosed elsewhere in the financial statements, these are the following significant transactions which were carried out in the normal course of business on terms agreed between the parties during the financial year:

	2023 $	2022 $
Related companies		
Management fee expenses	**2,032,798**	2,440,538

16 ADOPTION OF NEW ACCOUNTING STANDARDS

The Company has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2023:

- Amendments to SFRS(I) 1-12: *Deferred tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to SFRS(I) 1-12: *International Tax Reform – Pillar Two Model Rules*
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*

Other than the below, the application of these amendments to accounting standards and interpretations does not have a material effect on the financial statements.

Material accounting policy information

The Company adopted Amendments to SFRS(I) 1-1 and SFRS(I) 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 required 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 2 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

The Company has not early adopted the new standards, interpretations and amendments to standards (collectively, Changes) which are effective for annual periods beginning after 1 January 2023, in preparing these financial statements. These Changes are not expected to have a significant impact on the Company's financial statements.

ADDITIONAL INFORMATION

INTERESTED PERSON TRANSACTIONS

The transactions entered into with interested persons during the financial year, which fall under the Listing Manual of Singapore Exchange Securities Trading Limited (SGX-ST) and the Property Funds Appendix of the Code on Collective Investment Schemes (excluding transactions of less than $100,000 each), are as follows:

Name of Interested Person	Nature of relationship	Aggregate value[1] of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under Stapled Securityholders' mandate pursuant to rule 920) S$'000	Aggregrate value[1] of all interested person transactions conducted under Stapled Securityholders' mandate pursuant to rule 920 (excluding transactions less than S$100,000) S$'000
Temasek Holdings (Private) Limited and its associates	**Ultimate controlling shareholder of the Managers and ultimate controlling stapled securityholder**		
Rental Income		1,555	–
Purchase of goods and services		361	–
CapitaLand Investment Limited and its associates	**Intermediate controlling shareholder of the Managers and intermediate controlling stapled securityholder**		
Acquisition of interests in two hotels and one serviced residence		357,800	–
Management fees		282,537	–
Master lease income		183,150	–
Key money from management agreements		57,001	–
REIT Manager's management fees		29,374 [2]	–
Service fees		9,908	–
REIT Manager's acquisition fees		4,375 [2]	–
BT Trustee-Manager's management fees		2,594 [2]	–
BT Trustee-Manager's acquisition fees		1,023 [2]	–
Technical / Design Fee		414	–
Rental income		387	–
BT Trustee-Manager's trustee fees		162 [2]	–
REIT Manager's divestment fees		101 [2]	–
DBS Trustee Limited	**REIT Trustee**		
REIT Trustee's fee		749 [2]	–
DBS Group Holdings Ltd and its associates	**Associate of REIT Trustee**		
Underwriting and commission fees		940 [2]	–
Total		**932,431**	**–**

[1] The aggregate value is for the contract period, except for REIT Manager's management fees, REIT Manager's acquisition fees, BT Trustee-Manager's management fees, BT Trustee-Manager's acquisition fees, BT Trustee-Manager's trustee fees, REIT Manager's divestment fees, REIT Trustee's fee and underwriting and commission fees.
[2] These are in respect of fees incurred during the year.

ADDITIONAL INFORMATION

OPERATING EXPENSES AND TAXATION

According to disclosure requirements under paragraph 11.1 item (l) of the Property Funds Appendix of the Code on Collective Investment Schemes, the total operating expenses incurred by CapitaLand Ascott Trust in FY 2023 was S$447.3 million. The amount included all fees and charges paid to the Managers and interested parties. This translates to 10.3% of the property fund's net asset value as at 31 December 2023. Taxation incurred was S$72.4 million.

REIT MANAGER'S MANAGEMENT FEES PAID IN STAPLED SECURITIES

A summary of Stapled Securities issued for payment of the REIT Manager's management fees (part payment) in respect of the financial year are as follows:

For Period	Issue Date	Stapled Securities	Issue Price S$	Total Value S$'000
Base Management Fees				
1 January 2023 to 31 March 2023	8 May 2023	3,390,682	0.995	3,373
1 April 2023 to 30 June 2023	7 August 2023	3,124,109	1.097	3,427
1 July 2023 to 30 September 2023	6 November 2023	3,567,105	0.972	3,467
1 October 2023 to 31 December 2023	27 February 2024	3,611,479	0.977	3,527
		13,693,375		13,794
Performance Management Fees				
1 January 2023 to 31 December 2023	27 February 2024	8,441,085	0.977	8,244
		22,134,460		22,038

BT TRUSTEE-MANAGER'S MANAGEMENT FEES PAID IN STAPLED SECURITIES

A summary of Stapled Securities issued for payment of the BT Trustee-Manager's management fees (part payment) in respect of the financial year are as follows:

For Period	Issue Date	Stapled Securities	Issue Price S$	Total Value S$'000
Base and Performance Management Fees				
1 January 2023 to 31 March 2023	8 May 2023	578,148	0.995	575
1 April 2023 to 30 June 2023	7 August 2023	475,124	1.097	521
1 July 2023 to 30 September 2023	6 November 2023	601,802	0.972	585
1 October 2023 to 31 December 2023	27 February 2024	695,489	0.977	679
		2,350,563		2,360

STATISTICS OF STAPLED SECURITYHOLDINGS

As at 29 February 2024

ISSUED AND FULLY PAID STAPLED SECURITIES

3,776,051,995 (Voting Rights: 1 vote per Stapled Security)
Market Capitalisation of S$3,379,566,536 based on market closing Stapled Security price of S$0.895 on 29 February 2024.

DISTRIBUTION OF STAPLED SECURITYHOLDINGS

Size of Stapled Securityholdings	No. of Stapled Securityholders	%	No. of Stapled Securities	%
1 – 99	11,704	15.81	566,860	0.01
100 – 1,000	30,996	41.87	11,182,604	0.30
1,001 – 10,000	19,733	26.65	90,836,765	2.41
10,001 – 1,000,000	11,538	15.59	523,554,429	13.86
1,000,001 and above	58	0.08	3,149,911,337	83.42
TOTAL	**74,029**	**100.00**	**3,776,051,995**	**100.00**

Country	No. of Stapled Securityholders	%	No. of Stapled Securities	%
Singapore	71,387	96.43	3,755,641,155	99.46
Malaysia	1,712	2.31	12,771,761	0.34
Others	930	1.26	7,639,079	0.20
TOTAL	**74,029**	**100.00**	**3,776,051,995**	**100.00**

TWENTY LARGEST STAPLED SECURITYHOLDERS

No.	Name	No. of Stapled Securities	%[1]
1	Somerset Capital Pte Ltd	596,287,750	15.79
2	Citibank Nominees Singapore Pte Ltd	539,512,636	14.28
3	DBS Nominees (Private) Limited	348,773,305	9.23
4	CapitaLand Ascott Trust Management Limited	280,931,465	7.43
5	Raffles Nominees (Pte.) Limited	229,686,643	6.08
6	HSBC (Singapore) Nominees Pte Ltd	219,572,781	5.81
7	The Ascott Limited	189,510,989	5.01
8	CapitaLand Group Pte Ltd	153,542,083	4.06
9	DBSN Services Pte. Ltd.	150,827,045	3.99
10	United Overseas Bank Nominees (Private) Limited	106,765,793	2.82
11	BPSS Nominees Singapore (Pte.) Ltd.	49,896,697	1.32
12	AHDF Pte Ltd	36,660,272	0.97
13	Phillip Securities Pte Ltd	22,693,590	0.60
14	Ko Woon Hong	22,280,405	0.59
15	UOB Kay Hian Private Limited	16,995,855	0.45
16	OCBC Securities Private Limited	14,704,960	0.38
17	OCBC Nominees Singapore Private Limited	13,560,473	0.35
18	DB Nominees (Singapore) Pte Ltd	13,273,496	0.35
19	BNP Paribas Nominees Singapore Pte. Ltd.	12,942,657	0.34
20	iFAST Financial Pte. Ltd.	12,085,433	0.32
	Total	**3,030,504,328**	**80.17**

1 The percentage is based on 3,776,051,995 Stapled Securities in issue as at 29 February 2024. Percentages are rounded down to the nearest 0.01%.

STATISTICS OF STAPLED SECURITYHOLDINGS

DIRECTORS' INTERESTS IN STAPLED SECURITIES AND CONVERTIBLE SECURITIES AS AT 21 JANUARY 2024

Based on the Register of Directors' Stapled Securityholdings as at 21 January 2024, the direct and deemed interests of each of the Directors in Stapled Securities and convertible securities issued by CLAS are as follows:

	No. of Stapled Securities		Contingent Awards of Stapled Securities [1] under the REIT Manager's	
Name of Directors	Direct Interest	Deemed Interest	Performance Stapled Security Plan	Restricted Stapled Security Plan
Tan Beng Hai, Bob	167,510	–	–	–
Teo Joo Ling, Serena	57,064	–	0 to 560,972 [2]	110,913 [3,4]
Sim Juat Quee Michael Gabriel	113,920	–	–	–
Chia Kim Huat	136,988	–	–	–
Deborah Lee Siew Yin	39,218	–	–	–
Max Loh Khum Whai	120,000	–	–	–
Goh Soon Keat Kevin	234,319	–	–	–
Beh Siew Kim	1,872,934	–	0 to 814,436 [2]	314,523 [3,4]

1 This refers to the number of Stapled Securities which are the subject of contingent awards granted or finalised but not released under the REIT Manager's Performance Stapled Security Plan and the Restricted Stapled Security Plan ("**RSSP**").
2 The final number of Stapled Securities to be released will depend on the achievement of pre-determined targets at the end of the three-year performance periods. The final number of Stapled Securities that will be released could range from 0% to 200% of the baseline award. The Nominating and Remuneration Committee of the REIT Manager has the discretion to adjust the number of Stapled Securities released taking into consideration other relevant quantitative and qualitative factors. The Stapled Securities released, if any, will be delivered in a combination of stapled securities and cash.
3 Being the unvested Stapled Securities under the RSSP.
4 On the final vesting, an additional number of Stapled Securities 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 RSSP, will also be released.

STATISTICS OF STAPLED SECURITYHOLDINGS

As at 29 February 2024

SUBSTANTIAL STAPLED SECURITYHOLDERS' STAPLED SECURITYHOLDINGS

Based on the Register of Substantial Stapled Securityholders as at 29 February 2024, the names of the Substantial Stapled Securityholders of CLAS and a breakdown of their direct and deemed interests are as follows:

Name of Substantial Stapled Securityholders	Direct Interest No. of Stapled Securities	Direct Interest %[1]	Deemed Interest No. of Stapled Securities	Deemed Interest %[1]
Temasek Holdings (Private) Limited[2] ("**Temasek**")	–	–	1,269,813,108	33.62
Tembusu Capital Pte. Ltd.[3] ("**Tembusu**")	–	–	1,245,319,512	32.97
Bartley Investments Pte. Ltd.[4,5] ("**Bartley**")	–	–	1,232,558,794	32.64
Mawson Peak Holdings Pte. Ltd.[4,5] ("**Mawson**")	–	–	1,232,558,794	32.64
Glenville Investments Pte. Ltd.[4,5] ("**Glenville**")	–	–	1,232,558,794	32.64
TJ Holdings (III) Pte. Ltd.[4,5] ("**TJHIII**")	–	–	1,232,558,794	32.64
CLA Real Estate Holdings Pte Ltd[6] ("**CLA**")	–	–	1,232,558,794	32.64
CapitaLand Group Pte. Ltd.[7] ("**CLG**")	153,542,083	4.06	1,079,016,711	28.57
CapitaLand Investment Limited[8] ("**CLI**")	–	–	1,079,016,711	28.57
The Ascott Limited[9] ("**Ascott**")	189,510,989	5.01	596,287,750	15.79
Somerset Capital Pte Ltd ("**SCPL**")	596,287,750	15.79	–	–
CapitaLand Ascott Trust Management Limited ("**CLASML**")	280,931,465	7.43	–	–

1 The percentage is based on 3,776,051,995 Stapled Securities in issue as at 29 February 2024. Percentages are rounded down to the nearest 0.01%.
2 Temasek is deemed to have an interest in the Stapled Securityholdings in which its subsidiaries (including but not limited to CLA) and associated company 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 Stapled Securityholdings 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 Temasek 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 TJHIII, which holds 100% of the equity interest in CLA, which holds 100% equity interest in CLG. CLI is a subsidiary of CLG.
5 Each of Temasek, Tembusu, Bartley, Mawson, Glenville and TJHIII is deemed to have an interest in the Stapled Securityholdings 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 Stapled Securityholdings in which CLG has or is deemed to have an interest pursuant to Section 4 of the SFA.
7 CLG is deemed to have an interest in the Stapled Securityholdings that CLI is deemed to have an interest pursuant to Section 4 of the SFA.
8 CLI is deemed to have an interest in the Stapled Securityholdings of its wholly owned subsidiaries namely, Ascott, SCPL (through Ascott), CLASML, CapitaLand Ascott Business Trust Management Pte. Ltd. and Carmel Plus Pte. Ltd..
9 Ascott is deemed to have an interest in the Stapled Securityholdings of its wholly owned subsidiary, SCPL.

PUBLIC FLOAT

Based on the information available to the Managers as at 29 February 2024, approximately 66.2% of the Stapled Securities were held in the hands of the public. Rule 723 of the Listing Manual of the SGX-ST has accordingly been complied with.

CORPORATE INFORMATION

CAPITALAND ASCOTT TRUST

TRUSTEE OF CAPITALAND ASCOTT REAL ESTATE INVESTMENT TRUST

DBS Trustee Limited

Registered Address

12 Marina Boulevard
Marina Bay Financial Centre
Singapore 018982
Tel: +65 6878 8888
Fax: +65 6878 3977

MANAGER OF CAPITALAND ASCOTT REAL ESTATE INVESTMENT TRUST

CapitaLand Ascott Trust Management Limited

Registered Address

168 Robinson Road
#30-01 Capital Tower
Singapore 068912
Tel: +65 6713 2888
Fax: +65 6713 2999

TRUSTEE-MANAGER OF CAPITALAND ASCOTT BUSINESS TRUST

CapitaLand Ascott Business Trust Management Pte. Ltd.

Registered Address

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#30-01 Capital Tower
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Fax: +65 6713 2999

AUDITORS

KPMG LLP

Public Accountants and
Chartered Accountants
12 Marina View
#15-01 Asia Square Tower 2
Singapore 018961
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Partner-In-Charge:
Lim Pang Yew, Victor
(Since financial year ended 31 December 2021)

STAPLED SECURITY REGISTRAR

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Website: http://www1.cdp.sgx.com

Counter Name: CapLand Ascott T
Stock Code: HMN
Website: www.capitalandascotttrust.com
Email: ask-us@capitalandascotttrust.com

THE MANAGERS

BOARDS OF DIRECTORS

Tan Beng Hai, Bob
Chairman & Non-Executive Independent Director

Teo Joo Ling, Serena
Chief Executive Officer & Executive Non-Independent Director

Sim Juat Quee Michael Gabriel
Non-Executive Independent Director

Chia Kim Huat
Non-Executive Independent Director

Deborah Lee Siew Yin
Non-Executive Independent Director

Max Loh Khum Whai
Non-Executive Independent Director

Lui Chong Chee
Non-Executive Independent Director

Goh Soon Keat Kevin
Non-Executive Non-Independent Director

Beh Siew Kim
Non-Executive Non-Independent Director

AUDIT AND RISK COMMITTEE

Sim Juat Quee Michael Gabriel
Chairman

Chia Kim Huat
Deborah Lee Siew Yin
Max Loh Khum Whai

EXECUTIVE COMMITTEE

Goh Soon Keat Kevin
Chairman

Teo Joo Ling, Serena
Beh Siew Kim

NOMINATING AND REMUNERATION COMMITTEE

Tan Beng Hai, Bob
Chairman

Deborah Lee Siew Yin
Goh Soon Keat Kevin

COMPANY SECRETARY

Karen Chan

CAPITALAND ASCOTT TRUST MANAGEMENT LIMITED
As Manager of CapitaLand Ascott Real Estate Investment Trust
Company Registration Number: 200516209Z

CAPITALAND ASCOTT BUSINESS TRUST MANAGEMENT PTE. LTD.
As Trustee-Manager of CapitaLand Ascott Business Trust
Company Registration Number: 201925299R

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