



**CAPITALAND INVESTMENT LIMITED AND ITS
SUBSIDIARIES**

(Registration Number: 200308451M)

**CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX- MONTH
PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022**

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

**CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND
FULL YEAR ENDED 31 DECEMBER 2022**

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CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

**Condensed Interim Consolidated Income Statement
For The Six-Month Period And Full Year Ended 31 December 2022**

	Note	The Group Six-month Period Ended			The Group Full Year		
		31 December	31 December	Better /	31 December	31 December	Better /
		2022	2021	(Worse	2022	2021	(Worse)
		\$'M	\$'M	%	\$'M	\$'M	%
Revenue	5	1,522	1,244	22.3	2,876	2,293	25.4
Cost of sales		(866)	(691)	(25.3)	(1,586)	(1,235)	(28.4)
Gross profit		656	553	18.6	1,290	1,058	21.9
Other operating income	6(a)	471	444	6.1	665	888	(25.1)
Administrative expenses	6(b)	(239)	(499)	52.1	(490)	(763)	35.8
Other operating expenses	6(c)	(124)	(171)	27.5	(176)	(92)	(91.3)
Profit from operations		764	327	133.6	1,289	1,091	18.1
Finance costs		(235)	(170)	(38.2)	(432)	(353)	(22.4)
Share of results (net of tax) of:							
- associates		193	610	(68.4)	425	1,008	(57.8)
- joint ventures		61	167	(63.5)	106	210	(49.5)
		254	777	(67.3)	531	1,218	(56.4)
Profit before tax		783	934	(16.2)	1,388	1,956	(29.0)
Tax expense	7	(193)	(200)	3.5	(318)	(396)	19.7
Profit for the period / year		590	734	(19.6)	1,070	1,560	(31.4)
Attributable to:							
Owners of the Company (PATMI)		428	647	(33.8)	861	1,349	(36.2)
Non-controlling interests (NCI)		162	87	86.2	209	211	(0.9)
Profit for the period / year		590	734	(19.6)	1,070	1,560	(31.4)
Basic earnings per share (cents)	12	8.3	15.3	(45.8)	16.8	38.3	(56.1)
Diluted earnings per share (cents)	12	8.2	15.1	(45.7)	16.5	37.6	(56.1)

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

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

**Condensed Interim Consolidated Statement of Comprehensive Income
For The Six-Month Period And Full Year Ended 31 December 2022**

	The Group Six-month Period Ended			The Group Full Year		
	31 December 2022 \$'M	31 December 2021 \$'M	Better / (Worse) %	31 December 2022 \$'M	31 December 2021 \$'M	Better / (Worse) %
Profit for the period/ year	590	734	(19.6)	1,070	1,560	(31.4)
Other comprehensive income:						
<u>Items that are/may be reclassified</u>						
<u>subsequently to profit or loss</u>						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	(522)	48	NM	(721)	71	NM
Recognition of foreign exchange differences on disposal or liquidation of foreign operations in profit or loss	(2)	(16)	87.5	(6)	(19)	68.4
Effective portion of change in fair value of cash flow hedges	31	25	24.0	166	56	196
Recognition of hedging reserve in profit or loss	(34)	2	NM	(33)	2	NM
Share of other comprehensive income of associates and joint ventures	(269)	58	NM	(547)	244	NM
	<u>(796)</u>	<u>117</u>	<u>NM</u>	<u>(1,141)</u>	<u>354</u>	<u>NM</u>
<u>Item that will not be reclassified subsequently to profit or loss</u>						
Change in fair value of equity investments at fair value through other comprehensive income	(6)	(15)	60.0	(6)	(15)	60.0
Total other comprehensive income, net of tax	<u>(802)</u>	<u>102</u>	<u>NM</u>	<u>(1,147)</u>	<u>339</u>	<u>NM</u>
Total comprehensive income	<u>(212)</u>	<u>836</u>	<u>NM</u>	<u>(77)</u>	<u>1,899</u>	<u>NM</u>
Attributable to:						
Owners of the Company	(228)	762	NM	(64)	1,672	NM
Non-controlling interests	16	74	(78.4)	(13)	227	NM
Total comprehensive income	<u>(212)</u>	<u>836</u>	<u>NM</u>	<u>(77)</u>	<u>1,899</u>	<u>NM</u>

NM: Not meaningful

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

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

Condensed Interim Balance Sheets
As At 31 December 2022

Note	The Group		The Company	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	\$'M	\$'M	\$'M	\$'M
Non-current assets				
	1,225	1,067	13	21
	1,142	990		
8	14,706	16,249	*	*
	-	-	11,168	11,159
	10,417	10,466	-	-
	2,735	2,782	-	-
	63	58	-	-
	401	212	-	3
	30,689	31,824	11,181	11,183
Current assets				
	243	268	-	-
9	1,025	1,661	700	243
	70	14	-	-
10	415	2	-	-
	2,668	3,877	22	362
	4,421	5,822	722	605
Less: current liabilities				
11	2,093	2,128	221	269
16	1,208	1,941	12	11
17	160	608	-	-
	583	939	2	1
10	118	-	-	-
	4,162	5,616	235	281
	259	206	487	324
Less: non-current liabilities				
16	9,880	10,428	1	12
17	1,342	571	-	-
	543	538	-	-
	254	392	812	819
	12,019	11,929	813	831
	18,929	20,101	10,855	10,676
Net assets				
Representing:				
18	10,760	10,760	10,760	10,760
	10,267	10,165	385	105
	(5,894)	(4,881)	(290)	(189)
Equity attributable to owners of the Company				
	396	396	-	-
	3,400	3,661	-	-
	18,929	20,101	10,855	10,676

* Less than \$1 million

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

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

**Condensed Interim Statement of Changes in Equity
For The Full Year Ended 31 December 2022**

	Share capital \$'M	Revenue reserve \$'M	Reserve for own shares \$'M	Capital reserve# \$'M	Hedging reserve \$'M	Fair value reserve \$'M	Asset revaluation reserve \$'M	Foreign currency translation reserve \$'M	Total \$'M	Perpetual securities \$'M	Non-controlling interests \$'M	Total equity \$'M
At 1 January 2022	10,760	10,165	(208)	(4,770)	(16)	36	6	71	16,044	396	3,661	20,101
Total comprehensive income												
Profit for the year	–	861	–	–	–	–	–	–	861	–	209	1,070
Other comprehensive income												
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	–	–	–	–	–	–	–	(484)	(484)	–	(237)	(721)
Recognition of foreign exchange differences on disposal or liquidation of foreign operations in profit or loss	–	–	–	–	–	–	–	(6)	(6)	–	–	(6)
Effective portion of change in fair value of cash flow hedges	–	–	–	–	144	–	–	–	144	–	22	166
Recognition of hedging reserve in profit or loss	–	–	–	–	(33)	–	–	–	(33)	–	–	(33)
Share of other comprehensive income of associates and joint ventures	–	–	–	–	32	(3)	–	(569)	(540)	–	(7)	(547)
Change in fair value of equity investment at fair value through other comprehensive income	–	–	–	–	–	(6)	–	–	(6)	–	–	(6)
Total other comprehensive income, net of tax	–	–	–	–	143	(9)	–	(1,059)	(925)	–	(222)	(1,147)
Total comprehensive income	–	861	–	–	143	(9)	–	(1,059)	(64)	–	(13)	(77)
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners												
Issue of treasury shares	–	–	26	(18)	–	–	–	–	8	–	–	8
Purchase of treasury shares	–	–	(133)	–	–	–	–	–	(133)	–	–	(133)
Contributions from non-controlling interests (net)	–	–	–	–	–	–	–	–	–	–	189	189
Dividends paid/payable	–	(772)	–	–	–	–	–	–	(772)	–	(173)	(945)
Distribution attributable to perpetual securities	–	(5)	–	–	–	–	–	–	(5)	13	(8)	–
Distribution paid to perpetual securities	–	–	–	–	–	–	–	–	–	(13)	–	(13)
Reclassification of other capital reserve	–	(3)	–	3	–	–	–	–	–	–	–	–
Share-based payments	–	–	–	42	–	–	–	–	42	–	–	42
Total contributions by and distributions to owners	–	(780)	(107)	27	–	–	–	–	(860)	–	8	(852)

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

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

**Condensed Interim Statement of Changes in Equity
For The Full Year Ended 31 December 2022**

	Share capital \$'M	Revenue reserve \$'M	Reserve for own shares \$'M	Capital reserve# \$'M	Hedging reserve \$'M	Fair value reserve \$'M	Asset revaluation reserve \$'M	Foreign currency translation reserve \$'M	Total \$'M	Perpetual securities \$'M	Non-controlling interests \$'M	Total equity \$'M
Changes in ownership interests in subsidiaries and other capital transactions												
Changes in ownership interests in subsidiaries with a change in control	-	-	-	-	-	-	-	-	-	-	(230)	(230)
Changes in ownership interests in subsidiaries with no change in control	-	7	-	-	-	-	-	7	14	-	(14)	-
Share of reserves of associates and joint ventures	-	(7)	-	7	-	-	-	1	1	-	-	1
Others	-	21	-	(23)	-	-	-	-	(2)	-	(12)	(14)
Total changes in ownership interests in subsidiaries and other capital transactions	-	21	-	(16)	-	-	-	8	13	-	(256)	(243)
Total transactions with owners	-	(759)	(107)	11	-	-	-	8	(847)	-	(248)	(1,095)
At 31 December 2022	10,760	10,267	(315)	(4,759)	127	27	6	(980)	15,133	396	3,400	18,929

Includes equity compensation reserve and other capital reserves.

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

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

**Condensed Interim Statement of Changes in Equity
For The Full Year Ended 31 December 2022**

	Share capital \$'M	Revenue reserve \$'M	Reserve for own shares \$'M	Capital reserve# \$'M	Hedging reserve \$'M	Fair value reserve \$'M	Asset revaluation reserve \$'M	Foreign currency translation reserve \$'M	Total \$'M	Perpetual securities \$'M	Non-controlling interests \$'M	Total equity \$'M
At 1 January 2021	7,926	8,916	–	(4,756)	(110)	52	6	(159)	11,875	396	3,463	15,734
Total comprehensive income												
Profit for the year	–	1,349	–	–	–	–	–	–	1,349	–	211	1,560
Other comprehensive income												
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	–	–	–	–	–	–	–	65	65	–	6	71
Recognition of foreign exchange differences on disposal or liquidation of foreign operations in profit or loss	–	–	–	–	–	–	–	(19)	(19)	–	–	(19)
Effective portion of change in fair value of cash flow hedges	–	–	–	–	49	–	–	–	49	–	7	56
Recognition of hedging reserve in profit or loss	–	–	–	–	1	–	–	–	1	–	1	2
Share of other comprehensive income of associates and joint ventures	–	–	–	–	61	(1)	–	182	242	–	2	244
Change in fair value of equity investment at fair value through other comprehensive income	–	–	–	–	–	(15)	–	–	(15)	–	–	(15)
Total other comprehensive income, net of tax	–	–	–	–	111	(16)	–	228	323	–	16	339
Total comprehensive income	–	1,349	–	–	111	(16)	–	228	1,672	–	227	1,899
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners												
Issue of new shares	2,870	–	–	–	–	–	–	–	2,870	–	–	2,870
Purchase of treasury shares	–	–	(208)	–	–	–	–	–	(208)	–	–	(208)
Contributions from non-controlling interests (net)	–	–	–	–	–	–	–	–	–	–	218	218
Dividends paid/payable	–	(4)	–	–	–	–	–	–	(4)	–	(103)	(107)
Distribution attributable to perpetual securities	–	(5)	–	–	–	–	–	–	(5)	13	(8)	–
Distribution paid to perpetual securities	–	–	–	–	–	–	–	–	–	(13)	–	(13)
Reclassification of other capital reserve	–	38	–	(38)	–	–	–	–	–	–	–	–
Share-based payments	–	–	–	31	–	–	–	–	31	–	5	36
Total contributions by and distributions to owners	2,870	29	(208)	(7)	–	–	–	–	2,684	–	112	2,796

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

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

**Condensed Interim Statement of Changes in Equity
For The Full Year Ended 31 December 2022**

	Share capital \$'M	Revenue reserve \$'M	Reserve for own shares \$'M	Capital reserve# \$'M	Hedging reserve \$'M	Fair value reserve \$'M	Asset revaluation reserve \$'M	Foreign currency translation reserve \$'M	Total \$'M	Perpetual securities \$'M	Non-controlling interests \$'M	Total equity \$'M
Changes in ownership interests in subsidiaries and other capital transactions												
Changes in ownership interests in subsidiaries with a change in control	-	20	-	(21)	(17)	-	-	(2)	(20)	-	(145)	(165)
Changes in ownership interests in subsidiaries with no change in control	-	(76)	-	-	-	-	-	4	(72)	-	5	(67)
Share of reserves of associates and joint ventures	-	(49)	-	9	-	-	-	-	(40)	-	-	(40)
Others	(36)	(24)	-	5	-	-	-	-	(55)	-	(1)	(56)
Total changes in ownership interests in subsidiaries and other capital transactions	(36)	(129)	-	(7)	(17)	-	-	2	(187)	-	(141)	(328)
Total transactions with owners	2,834	(100)	(208)	(14)	(17)	-	-	2	2,497	-	(29)	2,468
At 31 December 2021	10,760	10,165	(208)	(4,770)	(16)	36	6	71	16,044	396	3,661	20,101

Includes equity compensation reserve and other capital reserves.

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

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

**Condensed Interim Statement of Changes in Equity
For The Full Year Ended 31 December 2022**

	Share capital \$'M	Revenue reserve \$'M	Capital reserve# \$'M	Total equity \$'M
The Company				
At 1 January 2022	10,760	105	(189)	10,676
Total comprehensive income				
Profit for the year	–	1,055	–	1,055
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Issue of treasury shares	–	–	16	16
Purchase of treasury shares	–	–	(133)	(133)
Tax-exempt dividends paid	–	(772)	–	(772)
Reclassification of equity compensation reserve	–	(3)	3	–
Share-based payments	–	–	15	15
Total contribution by and distributions to owners	–	(775)	(99)	(874)
Changes in ownership interest in subsidiaries and other capital transactions				
Others	–	–	(2)	(2)
Total changes in ownership interests in subsidiaries and other capital transaction	–	–	(2)	(2)
Total transactions with owners	–	(775)	(101)	(876)
At 31 December 2022	10,760	385	(290)	10,855
At 1 January 2021	*	203	11	214
Total comprehensive income				
Loss for the year	–	(105)	–	(105)
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Issue of new shares	10,796	–	–	10,796
Purchase of treasury shares	–	–	(208)	(208)
Tax-exempt dividends paid	–	(1)	–	(1)
Reclassification of equity compensation reserve	–	8	(8)	–
Share-based payments	–	–	9	9
Total contribution by and distributions to owners	10,796	7	(207)	10,596
Changes in ownership interest in subsidiaries and other capital transactions				
Capitalisation of transaction cost	(36)	–	–	(36)
Others	–	–	7	7
Total changes in ownership interests in subsidiaries and other capital transaction	(36)	–	7	(29)
Total transactions with owners	10,760	7	(200)	10,567
At 31 December 2021	10,760	105	(189)	10,676

* Less than \$1 million

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

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

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

**Condensed Interim Consolidated Statement of Cash Flows
For The Full Year Ended 31 December 2022**

		The Group	
	Note	2022 \$'M	2021 \$'M
Cash flows from operating activities			
Profit after tax		1,070	1,560
Adjustments for:			
Allowance for / (Write-back of):			
- impairment loss on receivables		25	(64)
- impairment on intangible assets		-	15
Amortisation of intangible assets		15	27
Depreciation of property, plant and equipment and right-of-use assets		131	133
Distribution income	6(a)	(35)	(5)
Finance costs		432	353
Gain on disposal of equity investment designated as fair value through profit or loss	6(a)	-	(24)
Gain on disposal of investment properties	6(a)	(14)	(205)
Income from income support guarantee		-	(15)
Interest income	6(a)	(53)	(29)
Loss on disposal and write off of property, plant and equipment		2	3
(Gain)/loss on right-of-use assets lease remeasurement/ modification		(4)	2
Mark-to-market gain on derivative instruments		(34)	-
Net change in fair value of investment properties and assets held for sale		(250)	(255)
Net change in fair value of financial assets designated as fair value through profit or loss		21	18
Net gain from change of ownership interests in subsidiaries, associates and joint ventures		(210)	(131)
Share of results of associates and joint ventures		(531)	(1,218)
Share-based expenses		68	58
Tax expense		318	396
		<u>(119)</u>	<u>(941)</u>
Operating profit before working capital changes		951	619
Changes in working capital:			
Trade and other receivables		(74)	(7)
Development properties for sale		4	(42)
Trade and other payables		31	307
Restricted bank deposits		18	(3)
		<u>(21)</u>	<u>255</u>
Cash generated from operations		930	874
Taxation paid		(195)	(207)
Net cash generated from operating activities		735	667

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

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

**Condensed Interim Consolidated Statement of Cash Flows
For The Full Year Ended 31 December 2022**

	Note	The Group	
		2022 \$'M	2021 \$'M
Cash flows from investing activities			
Acquisition/ Development expenditure of investment properties		(999)	(1,241)
Acquisition of subsidiaries, net of cash acquired	21(b)	(242)	(1,390)
Deposits placed for acquisition of investment properties		(10)	(1)
Deposit returned for disposal of a subsidiary		-	(9)
Disposal of subsidiaries, net of cash disposed of	21(d)	723	573
Dividends received from associates and joint ventures		348	1,980
Interest income received		46	31
Investments in associates, joint ventures and other investments		(86)	(261)
(Investment in)/ Proceeds from disposal of other financial assets		(45)	226
Proceeds from disposal of investment properties		15	1,354
Proceeds from disposal of assets held for sale		-	49
Purchase of intangible assets and property, plant and equipment		(156)	(42)
Settlement of hedging instruments		24	(1)
Net cash (used in)/generated from investing activities		(382)	1,268
Cash flows from financing activities			
Contributions from non-controlling interests		189	218
Dividends paid to non-controlling interests		(173)	(103)
Distributions to perpetual securities holders		(13)	(13)
Dividends paid to shareholders		(772)	(1)
Amount paid to former shareholders of subsidiaries		(153)	-
Interest expense paid		(418)	(342)
Loans from associates and joint ventures		1	1,260
Purchase of treasury shares		(133)	(208)
Payment for acquisition of ownership interests in subsidiaries with no change in control		-	(40)
Payment of issue expenses for private placement and issuance of share capital		(2)	(38)
Proceeds from bank borrowings		3,490	5,979
Proceeds from issuance of debt securities		977	139
Repayments of lease liabilities		(69)	(64)
Repayments of bank borrowings		(3,662)	(1,807)
Repayments of debt securities		(619)	(220)
Repayment of loans from related companies		(13)	(4,537)
Net cash (used in)/generated from financing activities		(1,370)	223
Net (decrease)/increase in cash and cash equivalents		(1,017)	2,158
Cash and cash equivalents at beginning of the year		3,815	1,678
Effect of exchange rate changes on cash balances held in foreign currencies		(145)	(21)
Changes to cash and cash equivalents reclassified to assets held for sale		(29)	-
Cash and cash equivalents at end of the year		2,624	3,815
Restricted bank deposits		44	62
Cash and cash equivalents in the Balance Sheet		2,668	3,877

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

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022

1 Domicile and activities

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

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

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

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

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

2 Summary of Significant Accounting Policies

2.1 Basis of preparation of the consolidated financial statements

Basis of Preparation

The condensed interim financial statements for the six-month period ended 31 December 2022 (Condensed Interim Financial Statements) have been prepared in accordance with Singapore Financial Reporting Standard (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* and International Accounting Standard 34 *Interim Financial Reporting*. SFRS(I)s are issued by the Accounting Standards Council and comprise standards and interpretations that are equivalent to International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standard Board (IASB). The Condensed Interim Financial Statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The comparative information as at and for the year ended 31 December 2021 presented in these condensed interim financial statements relate to the combined Group and has been prepared using the principles of merger accounting on the basis that the Internal Restructuring, which transfers the interest in the Combining Entities under common control to the Company has been effected. Please refer to the Group's Annual Report 2021 (page 153-154) under the caption "Internal Restructuring and Basis of Preparation of the Consolidated Financial Statements" for further details.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s and IFRSs, except for the adoption of new and amended standards effective as of 1 January 2022.

The followings are the new amendments to and interpretations of SFRS(I), that are relevant to the Group:

- SFRS(I) 16 COVID-19 Related rent concessions beyond 30 June 2021.
- Reference to conceptual framework (Amendments to SFRS 3)
- Amendments to SFRS(I) 1-16 Property, plant and equipment
- Annual improvements to SFRS(I) standards 2018-2020
- Amendments to SFRS(I) 1-37 Provision, contingent liabilities and contingent assets

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

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022

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

2.2 Use of judgement and estimates

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

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

The significant judgements made by management in applying the Group's accounting policies are as follow:

- consolidation; whether the Group has control over the investee
- recognition of deferred tax assets
- accounting for acquisitions as business combinations or asset acquisitions

The key sources of estimation uncertainty were the same as those described in the Group's financial statements as at and for the year ended 31 December 2021. The key source of estimation uncertain are as follow:

- measurement of recoverable amounts of goodwill
- determination of fair value of investment properties
- determination of fair value of assets, liabilities and contingent liabilities acquired in business combinations
- determination of fair value of financial instruments

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period except for the lodging business. The Group's lodging business is subject to domestic and international economic conditions and seasonality factors. The travelling and tourism in countries which the Group operates its lodging business is currently being spurred by the easing of COVID-19 pandemic travel restrictions since the beginning of 2022. This results in the significant improvement of Group's lodging business, financial conditions and results of operations.

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022

4 Operating segments

	Fee Income- related Business \$'M	Real Estate Investment Business \$'M	Corporate and Others \$'M	Elimination \$'M	Total \$'M
Six-month period ended 31 December 2022					
Revenue					
External revenue	392	1,123	7	–	1,522
Inter-segment revenue	87	20	123	(230)	–
Total revenue	479	1,143	130	(230)	1,522
Segmental results					
Company and subsidiaries	180	628	31	–	839
Associates	–	193	–	–	193
Joint ventures	1	60	–	–	61
Earnings before Interest, Tax Depreciation and Amortisation (EBITDA)					
	181	881	31	–	1,093
Depreciation and amortisation					(75)
Finance costs					(235)
Tax expense					(193)
Profit for the period					590
Six-month period ended 31 December 2021					
Revenue					
External revenue	405	817	22	–	1,244
Inter-segment revenue	63	18	111	(192)	–
Total revenue	468	835	133	(192)	1,244
Segmental results					
Company and subsidiaries	177	467	(235)	–	409
Associates	–	529	81	–	610
Joint ventures	3	103	61	–	167
EBITDA	180	1,099	(93)	–	1,186
Depreciation and amortisation					(82)
Finance costs					(170)
Tax expense					(200)
Profit for the period					734

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022

	Fee Income-related Business \$'M	Real Estate Investment Business \$'M	Corporate and Others \$'M	Elimination \$'M	Total \$'M
Full Year 31 December 2022					
Revenue					
External revenue	788	2,069	19	–	2,876
Inter-segment revenue	167	41	246	(454)	–
Total revenue	955	2,110	265	(454)	2,876
Segmental results					
Company and subsidiaries	403	991	41	–	1,435
Associates	–	425	–	–	425
Joint ventures	3	103	–	–	106
EBITDA	406	1,519	41	–	1,966
Depreciation and amortisation					(146)
Finance costs					(432)
Tax expense					(318)
Profit for the year					1,070
Segment assets	2,257	31,666	8,060	(6,873)	35,110
Segment liabilities	480	10,451	5,250	–	16,181
Full Year 31 December 2021					
Revenue					
External revenue	755	1,478	60	–	2,293
Inter-segment revenue	150	28	197	(375)	–
Total revenue	905	1,506	257	(375)	2,293
Segmental results					
Company and subsidiaries	312	1,157	(218)	–	1,251
Associates	–	927	81	–	1,008
Joint ventures	3	146	61	–	210
EBITDA	315	2,230	(76)	–	2,469
Depreciation and amortisation					(160)
Finance costs					(353)
Tax expense					(396)
Profit for the year					1,560
Segment assets	1,864	33,984	8,479	(6,681)	37,646
Segment liabilities	444	11,731	5,370	–	17,545

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022

Geographical information

	Singapore \$'M	China ¹ \$'M	Other developed markets ² \$'M	Other emerging markets ³ \$'M	Total \$'M
Six-month period ended 31 December 2022					
External revenue	264	235	856	167	1,522
EBITDA	420	106	506	61	1,093
Six-month period ended 31 December 2021					
External revenue	271	259	585	129	1,244
EBITDA	427	110	623	26	1,186
Full Year 31 December 2022					
External revenue	557	466	1,536	317	2,876
EBITDA	915	215	708	128	1,966
Total assets	10,032	11,248	10,311	3,519	35,110
Full Year 31 December 2021					
External revenue	620	442	985	246	2,293
EBITDA	803	699	896	71	2,469
Total assets	11,119	12,911	10,043	3,573	37,646

¹ Includes Hong Kong

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

³ Excludes China.

5 Revenue

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

	The Group			
	Six-month period ended		Full year	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	\$'M	\$'M	\$'M	\$'M
Revenue from contract with customers	421	425	845	826
Rental of investment properties:				
- Retail, office, business park, industrial, logistics and data centre rental and related income	242	273	525	568
- Lodging properties rental and related income	851	538	1,495	885
Others	8	8	11	14
	1,522	1,244	2,876	2,293

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022

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

	The Group			
	Six-month period ended		Full year	
	31 December 2022 \$'M	31 December 2021 \$'M	31 December 2022 \$'M	31 December 2021 \$'M
Primary segment				
Fee income				
- Fee income-related business	384	381	776	742
- Real estate investment business	21	10	41	15
- Corporate and others	7	25	19	60
	<u>412</u>	<u>416</u>	<u>836</u>	<u>817</u>
Development properties for sale				
- Real estate investment business	9	9	9	9
	<u>421</u>	<u>425</u>	<u>845</u>	<u>826</u>
Secondary segment				
Singapore	236	227	496	485
China ¹	97	122	183	207
Other developed markets	50	52	98	82
Other emerging markets	38	24	68	52
	<u>421</u>	<u>425</u>	<u>845</u>	<u>826</u>
¹ includes Hong Kong				
Timing of revenue recognition				
Product transferred at a point in time	14	32	48	66
Products and services transferred over time	407	393	797	760
	<u>421</u>	<u>425</u>	<u>845</u>	<u>826</u>

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022

6 Profit Before Tax

Profit before tax includes the following:

	The Group			
	Six-month period ended 31 December 2022 \$'M	31 December 2021 \$'M	31 December 2022 \$'M	Full year 31 December 2021 \$'M
a. Other operating income includes:				
Interest income	38	21	53	29
Distribution income	1	2	35	5
Foreign exchange gain	–	1	–	15
Gain on disposal of equity investment designated as fair value through profit or loss	–	–	–	24
Gain on change of ownership interests in subsidiaries, associates and joint ventures	88	–	210	131
Gain on disposal of investment properties	13	75	14	205
Net fair value gain from investment properties	250	255	250	255
Mark-to-market gain on derivative instruments	33	–	34	–
Writeback of impairment loss on non- trade receivables from related corporation	–	–	–	87
Other income from pre-termination of contracts and income support	6	15	6	20
Forfeiture of security deposits	1	1	2	12
Government grants	*	8	4	23
b. Administrative expenses include:				
Allowance for impairment loss on trade receivables	13	9	13	18
Amortisation of intangible assets	7	13	15	27
Depreciation of property, plant and equipment	32	37	64	70
Depreciation of right-of-use assets	36	32	67	63
(Write back) / Accrual for listing and restructuring expenses	(23)	186	(23)	186
Staff costs	90	138	203	194
c. Other operating expenses include:				
Allowance for impairment loss on non-trade receivables	11	6	12	6
Foreign exchange loss	85	–	132	–
Loss from change of ownership interests in subsidiaries, associates and joint ventures	–	83	–	–
Impairment of intangible assets	*	15	*	15
Net change in fair value of financial assets designated as fair value through profit or loss	18	16	21	18

* less than \$1 million

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022

7 Tax Expense

	The Group			
	Six-month period ended		Full year	
	31 December 2022 \$'M	31 December 2021 \$'M	31 December 2022 \$'M	31 December 2021 \$'M
Current tax expense	87	104	190	287
Deferred tax expense	84	83	93	53
Land appreciation tax	1	(1)	1	(1)
Withholding tax expense	21	14	34	57
	193	200	318	396

8 Investment Properties

	Note	The Group	
		31 December 2022 \$'M	31 December 2021 \$'M
		At 1 January	
Acquisition of subsidiaries	21(b)	220	1,118
Disposal of subsidiaries	21(d)	(1,646)	(1,015)
Additions		1,273	1,237
Disposals		(36)	(1,182)
Reclassification to assets held for sale		(351)	(2)
Reclassification to development properties for sale		-	(18)
Reclassification to property, plant and equipment		(327)	-
Changes in fair value		250	255
Translation differences		(926)	4
At 31 December		14,706	16,249

Investment properties, which include those in the course of development, are stated at fair value based on independent professional valuations. The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had acted knowledgeably and without compulsion. In determining the fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation rate, terminal yield rate, discount rate, comparative market price and occupancy rate.

Due to the uncertain future impact that the pandemic, geopolitical events in Ukraine and global inflationary pressures might have on the real estate market, the carrying amounts of the investment properties were current as at 31 December 2022 only. Values for certain properties may change more rapidly and significantly than during normal market conditions.

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022

9 Trade and Other Receivables

	The Group		The Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	\$'M	\$'M	\$'M	\$'M
Trade receivables	286	303	–	–
Less: Allowance for impairment loss on receivables	(51)	(45)	–	–
	235	258	–	–
Deposits	20	11	–	–
Other receivables	174	789	4	1
Less: Allowance for impairment loss on receivables	(16)	(18)	–	–
	158	771	4	1
Tax recoverable	13	16	–	–
Amounts due from:				
- subsidiaries	–	–	687	218
- associates	202	266	–	–
- joint ventures	269	193	–	–
- related corporations	73	95	7	24
Loans and receivables	970	1,610	698	243
Prepayments	55	51	2	–
	1,025	1,661	700	243

10 Assets / Liabilities Held for Sale

	The Group	
	31 December 2022	31 December 2021
	\$'M	\$'M
Investment properties	352	2
Other non-current assets	11	–
Trade and other receivables	23	–
Cash and cash equivalents	29	–
	415	2
Trade and other payables	53	–
Borrowings	21	–
Current tax payable	4	–
Deferred tax liabilities	40	–
	118	–

Details of assets and liabilities held are as follows:

- (a) On 29 December 2022, the Group announced that it has through its wholly-owned subsidiary, Ascendas India Development VII and its joint venture partner Maharashtra Industrial Development Corporation entered into separate agreements with Capitaland India Trust (CLINT) to divest their respective 78.5% and 21.5% shareholding in Ascendas IT Park (Pune) (AIPP) to CLINT for approximately INR13.5 billion (\$222 million). AIPP owns International Tech Park Pune in Hinjawadi in India. Accordingly, all assets and liabilities held by the AIPP were reclassified to asset held for sale and liabilities held for sale respectively as at 31 December 2022.

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- (b) On 29 November 2022, the Group's subsidiary, Zircon Alpha Holdings Pte. Ltd., entered into a shareholder agreement with an external investor to invest in Zillion Alpha Holdings Pte. Ltd. (ZAH) and its subsidiaries. The Investor has committed to contribute capital of RMB1.89 billion or 70% of the total capital commitment and Group's stake in ZAH will dilute from 100% to 70%. ZAH holds two data centre development projects in China. Accordingly, all assets and liabilities held by ZAH were reclassified to assets held for sale and liabilities held for sale respectively as at 31 December 2022.

11 Trade and Other Payables

	The Group		The Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	\$'M	\$'M	\$'M	\$'M
Trade payables	151	162	2	*
Accruals	648	586	24	17
Accrued development expenditure	74	75	–	–
Other payables	741	737	1	4
Rental and other deposits	78	91	*	–
Derivative financial instruments	4	19	–	–
Liability for employee benefits	46	68	4	3
Amounts due to:				
- subsidiaries	–	–	21	48
- associates	9	12	1	–
- joint ventures	102	53	*	–
- non-controlling interests	4	2	–	–
- related corporations	236	323	168	197
	<u>2,093</u>	<u>2,128</u>	<u>221</u>	<u>269</u>

* Less than \$1 million

12 Earnings per Share

- (a) Basic earnings per share

	The Group			
	Six-month period ended		Full year	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	\$'M	\$'M	\$'M	\$'M
Basic earnings per share is based on:				
Net profit attributable to owners of the Company	428	647	861	1,349

	The Group			
	Six-month period ended		Full year	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	No. of shares ('000)	No. of shares ('000)	No. of shares ('000)	No. of shares ('000)
Weighted average number of ordinary shares in issue during the period/year [#]	5,117,372	4,215,549	5,129,261	3,517,372

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022

The weighted average number of shares in issue for 31 December 2021 is based on the estimated shares issued to effect the acquisition of interests in common control entities pursuant to the Internal Restructuring on the basis that the transfer had taken effect as of the beginning of the earliest financial period presented or the dates of incorporation of common control entities, or the dates when common control is established, whichever is later. Assuming 5,141 million shares were in issue as at 31 December 2021, basic earnings per share would have been 12.6 cents for 2H 2021 and 26.2 cents for FY2021.

(b) Diluted earnings per share

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

	The Group			
	Six-month period ended		Full year	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	\$'M	\$'M	\$'M	\$'M
Diluted earnings per share is based on:				
Net profit attributable to owners of the Company	428	647	861	1,349

	The Group			
	Six-month period ended		Full year	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	No. of shares ('000)	No. of shares ('000)	No. of shares ('000)	No. of shares ('000)
Weighted average number of ordinary shares in issue during the period/year	5,117,372	4,215,549	5,129,261	3,517,372
Adjustments for dilutive potential ordinary shares under:				
- CLI Performance Share Plan	67,058	68,444	67,058	68,444
- CLI Restricted Share Plan	11,262	–	11,262	–
	78,320	68,444	78,320	68,444
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	5,195,692	4,283,993	5,207,581	3,585,816

13 Dividends

In respect of the financial year ended 31 December 2022, the Board of Directors of the Company has proposed dividends which comprised the followings:

- (a) a tax-exempt ordinary dividend of 12.0 cents per share which would amount to a payout of approximately \$614 million; and
- (b) a special distribution *in specie* of 292 million units in CapitaLand Ascott Trust (CLAS) that the Group holds on the basis of 0.057 unit per ordinary share (Proposed Distribution).

The tax-exempt dividend and Proposed Distribution are subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

For the financial year ended 31 December 2021, a tax-exempt ordinary dividend of 12.0 cents per share and a special dividend of 3.0 cents per share were approved at the Annual General Meeting held on 29 April 2022. The said dividends of \$772 million were paid in May 2022.

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022

14 Net Asset Value and Net Tangible Assets per Share

	The Group		The Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	\$	\$	\$	\$
Net asset value (NAV) per ordinary share*	2.96	3.12	2.12	2.08

* Excluding treasury shares

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022

15 Fair Value Of Assets And Liabilities

(a) Accounting classification and fair values

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

	<----- Carrying amount ----->				<----- Fair value ----->				
	Fair value - hedging instruments \$'M	FVOCI \$'M	FVTPL \$'M	Amortised Cost \$'M	Total \$'M	Level 1 \$'M	Level 2 \$'M	Level 3 \$'M	Total \$'M
The Group									
31 December 2022									
Financial assets measured at fair value									
Equity investments at FVOCI	–	67	–	–	67	55	12	–	67
Equity investments at FVTPL	–	–	114	–	114	3	–	111	114
Derivative financial assets	184	–	–	–	184	–	184	–	184
	<u>184</u>	<u>67</u>	<u>114</u>	<u>–</u>	<u>365</u>				
Financial assets not measured at fair value									
Other non-current assets	–	–	–	30	30				
Loans due from associates	–	–	–	88	88				
Loans due from joint ventures	–	–	–	393	393				
Trade and other receivables	–	–	–	970	970				
Cash and cash equivalents	–	–	–	2,668	2,668				
	<u>–</u>	<u>–</u>	<u>–</u>	<u>4,149</u>	<u>4,149</u>				

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022

		<----- Carrying amount ----->				<----- Fair value ----->				
	Note	Fair value - hedging instruments \$'M	FVOCI \$'M	FVTPL \$'M	Amortised Cost \$'M	Total \$'M	Level 1 \$'M	Level 2 \$'M	Level 3 \$'M	Total \$'M
The Group										
31 December 2022										
Financial liabilities measured at fair value										
		(13)	–	–	–	(13)	–	(13)	–	(13)
		<u>(13)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(13)</u>				
Financial liabilities not measured at fair value										
		–	–	–	(218)	(218)	–	–	(211)	(211)
	15	–	–	–	(10,429)	(10,429)	–	(10,391)	–	(10,391)
	16	–	–	–	(1,502)	(1,502)	–	(1,481)	–	(1,481)
		–	–	–	(1,971)	(1,971)				
		<u>–</u>	<u>–</u>	<u>–</u>	<u>(14,120)</u>	<u>(14,120)</u>				

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

^ Excludes lease liabilities.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022

	<----- Carrying amount ----->				<----- Fair value ----->				
	Fair value - hedging instruments \$'M	FVOCI \$'M	FVTPL \$'M	Amortised Cost \$'M	Total \$'M	Level 1 \$'M	Level 2 \$'M	Level 3 \$'M	Total \$'M
The Group									
31 December 2021									
Financial assets measured at fair value									
Equity investments at FVOCI	-	60	-	-	60	60	-	-	60
Equity investments at FVTPL	-	-	107	-	107	3	-	104	107
Derivative financial assets	36	-	-	-	36	-	36	-	36
	<u>36</u>	<u>60</u>	<u>107</u>	<u>-</u>	<u>203</u>				
Financial assets not measured at fair value									
Other non-current assets	-	-	-	19	19				
Loans due from associates	-	-	-	4	4				
Loans due from joint ventures	-	-	-	422	422				
Trade and other receivables	-	-	-	1,610	1,610				
Cash and cash equivalents	-	-	-	3,877	3,877				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,932</u>	<u>5,932</u>				

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022

		<----- Carrying amount ----->				<----- Fair value ----->				
	Note	Fair value - hedging instruments \$'M	FVOCI \$'M	FVTPL \$'M	Amortised Cost \$'M	Total \$'M	Level 1 \$'M	Level 2 \$'M	Level 3 \$'M	Total \$'M
The Group										
31 December 2021										
Financial liabilities measured at fair value										
Derivative financial instruments		(59)	–	–	–	(59)	–	(59)	–	(59)
		<u>(59)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(59)</u>				
Financial liabilities not measured at fair value										
Other non-current liabilities [#]		–	–	–	(312)	(312)	–	–	(293)	(293)
Bank borrowings [^]	15	–	–	–	(11,598)	(11,598)	–	(11,583)	–	(11,583)
Debt securities	16	–	–	–	(1,179)	(1,179)	–	(1,180)	–	(1,180)
Trade and other payables [#]		–	–	–	(2,041)	(2,041)				
		<u>–</u>	<u>–</u>	<u>–</u>	<u>(15,130)</u>	<u>(15,130)</u>				

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

[^] Excludes lease liabilities.

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022

	<----- Carrying amount----->		<----- Fair value ----->			
	Amortised					
	Cost	Total	Level 1	Level 2	Level 3	Total
	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M
The Company						
31 December 2022						
Financial assets not measured at fair value						
Amount due from subsidiaries	4,295	4,295				
Trade and other receivables	696	696				
Cash and cash equivalents	22	22				
	<u>5,013</u>	<u>5,013</u>				
Financial liabilities not measured at fair value						
Other non-current liabilities [#]	(811)	(811)				
Trade and other payables [#]	(216)	(216)				
	<u>(1,027)</u>	<u>(1,027)</u>				
31 December 2021						
Financial assets not measured at fair value						
Amount due from subsidiaries	4,481	4,481				
Trade and other receivables	243	243				
Cash and cash equivalents	362	362				
	<u>5,086</u>	<u>5,086</u>				
Financial liabilities not measured at fair value						
Other non-current liabilities [#]	(811)	(811)				
Trade and other payables [#]	(266)	(266)				
	<u>(1,077)</u>	<u>(1,077)</u>				

[#] Excludes liability for employee benefits.

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022

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

The Group	Note	Fair value Level 3 \$'M
31 December 2022		
Non-financial assets measured at fair value		
Investment properties	8	14,706
Assets held for sale – investment properties		352
		15,058
31 December 2021		
Non-financial assets measured at fair value		
Investment properties	8	16,249
Assets held for sale – investment properties		2
		16,251

- (b) Level 3 fair value measurements
(i) *Reconciliation of Level 3 fair value*

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

	Equity investments at FVTPL \$'M	Asset held for sale – investment properties \$'M
2022		
At 1 January 2022	104	2
Additions	31	351
Disposal	–	(1)
Changes in fair value recognised in profit or loss	(20)	–
Translation differences	(4)	–
At 31 December 2022	111	352
2021		
At 1 January 2021	329	32
Additions	48	2
Disposals	(242)	(32)
Changes in fair value recognised in profit or loss	(18)	–
Translation differences	(13)	–
At 31 December 2021	104	2

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022

(ii) *Valuation techniques and significant unobservable inputs*

The following table shows the valuation techniques used in measuring significant Level 3 fair values, as well as the significant unobservable inputs used.

Investment properties (including investment properties classified as assets held for sale)

Valuation methods	Key unobservable inputs	Shopping mall	Office	Integrated development	Business park, industrial and logistics	Lodging	Inter-relationship between key unobservable inputs and fair value measurement
Capitalisation approach							
	Capitalisation rate (net)						The estimated fair value varies inversely against the capitalisation rate.
	2022						
	- Singapore	–	–	–	6.0%	–	
	- China	5.0%	4.3%	4.8% to 6.0%	6.0% to 7.0%	–	
	- Others	6.8% to 7.0%	4.4%	6.5%	7.5% to 8.5%	4.3% to 5.8%	
	2021						
	- Singapore	–	4.3%	–	6.0%	–	
	- China	5.0%	4.3%	4.8% to 6.0%	5.0% to 7.0%	–	
	- Others	6.5% to 7.0%	4.5%	6.5%	7.0% to 8.8%	4.3% to 5.3%	

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022

Valuation methods	Key unobservable inputs	Shopping mall	Office	Integrated development	Business park, industrial and logistics	Lodging	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flow approach							
	Discount rate						
	2022						The estimated fair value varies inversely against the discount rate and terminal yield rate.
	- Singapore	—	—	—	7.8%	4.8% to 6.4%	
	- China	9.0%	7.0% to 7.8%	8.8% to 9.5%	9.0% to 10.0%	5.4% to 7.5%	
	- Others	—	4.4%	—	12.8% to 18.8%	3.3% to 15.0%	
	2021						
	- Singapore	—	6.5%	—	7.8%	5.0% to 5.3%	
	- China	9.0%	7.3% to 7.8%	8.8% to 9.5%	8.3% to 10.0%	5.3% to 5.8%	
	- Others	—	4.3%	—	12.8% to 18.8%	3.3% to 10.5%	
	Terminal yield rate						
	2022						
	- Singapore	—	—	—	6.3%	3.3% to 4.9%	
	- China	5.3%	4.3% to 4.5%	5.0% to 6.3%	6.3% to 7.3%	4.6% to 5.3%	
	- Others	—	4.7%	—	8.5% to 8.8%	3.6% to 11.0%	
	2021						
	- Singapore	—	4.5%	—	6.3%	3.5% to 3.8%	
	- China	5.5%	4.3% to 4.5%	5.5% to 6.3%	5.3% to 7.3%	3.5% to 4.7%	
	- Others	—	4.6%	—	8.8%	3.6% to 8.2%	
Residual value method							
	Gross development value (\$ million)						
	2022	—	483	—	85 to 786	131 to 134	The estimated fair value increases with higher gross development value and decreases with higher estimated cost to completion.
	2021	—	—	—	37 to 158	51 to 158	
	Estimated cost to completion (\$ million)						
	2022	—	8	—	33 to 101	40 to 107	
	2021	—	—	—	43 to 97	8 to 125	

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022

(ii) *Valuation techniques and significant unobservable inputs (continued)*

Type	Valuation methods	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Equity investments in offices in Germany at FVTPL	Discounted cash flow method	- Discount rate: 6.3% to 6.5% (31 December 2021: 5.2% to 6.0%) - Terminal yield rate: 3.2% to 3.9% (31 December 2021: 3.0 to 3.6%)	The estimated fair value increases with lower discount rate and terminal yield rate
Equity investments in funds in Korea and Japan at FVTPL	Discounted cash flow method	- Discount rate: 2.7% to 6.5% (31 December 2021: 6.5%) - Terminal yield rate: 3.0% to 4.9% (31 December 2021: 4.5%)	The estimated fair value increases with lower discount rate and terminal yield rate
Equity investment in a lodging platform in China at FVTPL	Income approach	- Enterprise value/ Revenue multiple of comparable companies: 1.7x to 5.8x (31 December 2021: 2.0x to 7.3x) - Volatility of comparable companies: 42% (31 December 2021: 36% to 57%)	The estimated fair value increases with higher revenue multiple and varies inversely against volatility.

16 Borrowings

	The Group		The Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	\$'M	\$'M	\$'M	\$'M
Bank borrowings				
- secured	3,810	4,345	—	—
- unsecured	6,619	7,253	—	—
	10,429	11,598	—	—
Lease liabilities	659	771	13	23
	11,088	12,369	13	23
Repayable:				
Not later than 1 year	1,208	1,941	12	11
Between 1 and 5 years	8,312	8,856	1	12
After 5 years	1,568	1,572	—	—
After 1 year	9,880	10,428	1	12
	11,088	12,369	13	23

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022

Movement during the year are as follows:

	Note	2022 \$'M
The Group		
At 1 January 2022		12,369
Repayments of bank borrowings and lease liabilities		(3,731)
Proceeds from bank borrowings		3,490
Acquisition of subsidiaries	21(b)	4
Disposal of subsidiaries	21(d)	(707)
Reclassified to liabilities held for sale		(21)
Translation differences		(324)
Others		8
At 31 December 2022		<u>11,088</u>

Bank borrowings are secured by the following assets:

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

17 Debt Securities

	The Group	
	31 December 2022 \$'M	31 December 2021 \$'M
Secured notes and bonds	187	171
Unsecured notes and bonds	1,315	1,008
	<u>1,502</u>	<u>1,179</u>
Repayable:		
Not later than 1 year	160	608
Between 1 and 5 years	1,173	571
After 5 years	169	-
After 1 year	1,342	571
	<u>1,502</u>	<u>1,179</u>

Movement during the year are as follows:

	2022 \$'M
The Group	
At 1 January 2022	1,179
Repayments of debt securities	(619)
Proceeds from issuance of debt securities	977
Translation differences	(35)
At 31 December 2022	<u>1,502</u>

As at 31 December 2022, the secured notes and bonds amounting to \$187 million (2021: \$171 million) were fully secured by deposits pledged and mortgages on the investment properties of the Group.

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022

18 Share Capital

Issued Share Capital

	The Company	
	31 December 2022	31 December 2021
	No. of shares	No. of shares
	('000)	('000)
Issued and fully paid, with no par value		
At 1 January, including treasury shares	5,203,196	2,807,623
Add: Issue of new shares	–	2,395,573
Less: Treasury shares	(89,031)	(61,996)
At 31 December, excluding treasury shares	5,114,165	5,141,200

Capital management

The Group's policy is to build a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group monitors the return on capital, which the Group defines as total shareholders' equity, excluding non-controlling interests, perpetual securities and the level of dividends to ordinary shareholders.

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

	The Group	
	31 December 2022	31 December 2021
	\$'M	\$'M
Borrowings and debt securities	12,590	13,548
Cash and cash equivalents	(2,668)	(3,877)
Net debt	9,922	9,671
Total equity	18,929	20,101
Net debt-to-equity ratio (times)	0.52	0.48

The Group seeks to strike a balance between the higher returns that might be possible with higher level of borrowings and the liquidity and security afforded by a sound capital position.

In addition, the Company has a share purchase mandate as approved by its shareholders which allows the Company greater flexibility over its share capital structure with a view to improving, inter alia, its return on equity. The shares which are purchased are held as treasury shares which the Company may transfer for the purposes of or pursuant to its employee share-based incentive schemes so as to enable the Company to take advantage of tax deductions under the current taxation regime. The use of treasury shares in lieu of issuing new shares would also mitigate the dilution impact on existing shareholders.

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

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022

Treasury Shares

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

	The Company 31 December 2022 No. of shares (^{'000})
At 1 January	61,996
Purchase of treasury shares	34,752
Treasury shares transferred pursuant to employee share plans	(7,649)
Payment of directors' fees	(68)
At 31 December	<u>89,031</u>

As at 31 December 2022, the Company held 89,030,701 (2021: 61,995,700) treasury shares which represents 1.7% (2021: 1.2%) of the total number of issued shares (excluding treasury shares).

19 Share Plans

Share Plans of CapitalLand Group Pte. Ltd.

Prior to the restructuring and listing of the Company, the Group's employees participated in the share-based incentive plans of the Company's immediate holding company, CapitalLand Group Pte. Ltd. which comprise the Performance Share Plan (CL PSP) and Restricted Share Plan (CL RSP).

The outstanding contingent CL PSP awards granted to the employees were replaced by awards under the CLI Share Plan on 1 October 2021 in accordance with a conversion ratio and released in accordance with the original vesting schedule. The number of awards to be granted have also been finalised at 200% of the baseline awards.

The outstanding CL RSP awards were converted to cash-settled based awards with an implied value of \$4.102 per CL shares. Contingent awards granted under the CL RSP have been finalised at 150% of the baseline awards based on the same implied value. The cash payment will be released to eligible employees according to the original vesting schedule of respective CL RSP award.

Share Plans of CapitalLand Investment Limited

Performance Share Plan (PSP)

As at 31 December 2022, the number of shares comprised in contingent awards granted under the CapitalLand Investment Performance Share Plan 2021, in respect of which (a) the final number of shares has not been determined, and (b) the final number of shares has been determined but not released, is 3,304,723 (31 December 2021: nil) and 17,589,005 (31 December 2021: 25,776,933) respectively, of which 16,645,394 shares (31 December 2021: 19,275,824) are granted to the employees of the Group and 4,248,334 shares (31 December 2021: 6,501,109) are granted to the employees of the related corporations.

Under the PSP, a specified number of shares will only be released by the ERCC of the Company to the recipients at the end of the qualifying performance period, provided the threshold targets are achieved. The final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 200% of the baseline award. The ERCC has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors.

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022

Founders Performance Share Plan

As at 31 December 2022, the number of shares comprised in contingent awards granted under the CapitaLand Investment Founders Performance Share Plan 2021 which has not been released were 14,658,491 (31 December 2021: 14,594,336), of which 371,941 shares (31 December 2021: 371,941) are to be cash-settled. The awards comprised 12,391,413 shares (31 December 2021: 12,327,258) granted to the employees of the Group and 2,267,078 shares (31 December 2021: 2,267,078) granted to the employees of the related corporations.

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

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

Restricted Share Plan (RSP)

As at 31 December 2022, the number of shares comprised in contingent awards granted under the CapitaLand Investment Restricted Share Plan 2021 in respect of which the final number of shares has not been determined is 8,615,632 (31 December 2021: nil) of which 1,665,101 shares (31 December 2021: nil) are to be cash-settled. The contingent awards comprised 8,610,920 shares (31 December 2021: nil) granted to the employees of the Group and 4,712 shares (31 December 2021: nil) granted to the employees of the related corporations.

Under the Restricted Share Plans, awards granted to eligible participants vest only after the satisfactory completion of time-based service conditions or where the award is performance-related, after a further period of service beyond the performance target completion date (performance-based restricted awards). In addition, the plans also enable grants of fully paid shares to be made to non-executive directors as part of their remuneration in respect of their office as such in lieu of cash.

The ERCC grants an initial number of shares (baseline award) which are conditional on targets set for a performance period, currently prescribed to be a one-year performance period. A specified number of shares will only be released by the ERCC to the recipients at the end of the qualifying performance period, provided the threshold targets are achieved. The final number of shares to be released will depend on the achievement of pre-determined targets at the end of a one-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award can be delivered up to a maximum of 150% of the baseline award. The ERCC has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors. Once the final number of shares has been determined, it will be released over a vesting period of three years. Recipients can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost.

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022

20 Significant Related Party Transactions

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

	The Group Full Year	
	31 December 2022	30 December 2021
	\$'M	\$'M
Related corporations of ultimate holding company		
Management fee income	17	7
Purchase consideration for the acquisition of investment	147	–
Capital contribution in a joint venture	23	–
	<hr/>	<hr/>
Immediate holding company		
Management fee income	8	3
IT support services income	4	9
Management fee expenses	–	(24)
Administrative support services expenses	–	(5)
Others	7	4
	<hr/>	<hr/>
Fellow subsidiaries under the immediate holding company		
Management fee income	30	29
IT support services income	8	22
Rental Income	2	6
Administrative support services income	4	4
Interest income	–	5
Management fee expenses	(4)	(42)
Rental expense	(3)	(3)
Finance costs	–	(108)
(Return of capital) / Capital contribution in joint ventures	(48)	332
Others	14	*
	<hr/>	<hr/>
<i>* Less than \$1 million</i>		
Associates and joint ventures		
Management fee income	433	435
Rental expense	(10)	(3)
Fees from acquisition and divestment fees, accounting service fee, marketing income and others	174	188
Proceeds from sale of investment properties	–	298
Proceeds from sale of investments	556	553
	<hr/>	<hr/>

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022

21 Acquisition / Disposal of Subsidiaries, Net of Cash Acquired

(a) Acquisition of subsidiaries

The list of significant subsidiaries acquired during the year 2022 is as follows:

Name of subsidiary	Date acquired	Effective interest acquired
Zhuozhou Malongda Fire Technology Co., Ltd.	May 2022	100%
Zhonglongyun (Zhuozhou) Data Technology Co., Ltd.	May 2022	100%
Yuanying (Foshan) Warehousing Services Co., Ltd.	May 2022	100%
Oakwood Worldwide (Asia) Pte. Ltd.	July 2022	100%
Zhonghanyun (Zhuozhou) Data Technology Co., Ltd	August 2022	100%

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

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

Previously associates of the Group

* Previously joint venture of the Group

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022

(b) Effects of acquisitions

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

	Note	Recognised values	
		31 December 2022 \$'M	31 December 2021 \$'M
The Group			
Property, plant and equipment		*	-
Intangible assets		8	-
Investment properties	8	220	1,118
Associates		-	1,383
Joint Ventures		-	259
Other non-current assets		*	1,203
Trade and other receivables		22	722
Cash and cash equivalents		13	234
Trade and other payables		(35)	(592)
Other current liabilities		*	(331)
Borrowings	16	(4)	(1,401)
Deferred tax liabilities		-	(24)
Other non-current liabilities		(2)	(38)
		<hr/>	<hr/>
		222	2,533
Amounts previously accounted for as associates and a joint venture, remeasured at fair value		-	(755)
		<hr/>	<hr/>
Net assets acquired		222	1,778
Goodwill arising from acquisition		49	-
Gain on change of ownership interests in joint ventures		-	(9)
Realisation of reserves previously shared as associates and a joint venture		-	84
		<hr/>	<hr/>
Total purchase consideration		271	1,853
Deferred purchase consideration and other adjustments		(55)	(229)
Deferred purchase consideration paid in relation to prior year's acquisition of subsidiaries		39	-
Cash of subsidiaries acquired		(13)	(234)
		<hr/>	<hr/>
Cash outflow on acquisition of subsidiaries		242	1,390

* Less than \$1 million

(c) Disposal of subsidiaries

The list of significant subsidiaries disposed during the year 2022 is as follows:

Name of subsidiary	Date disposed	Effective interest disposed
Southernwood Property Pte Ltd	May 2022	65%
Capitaland Korea Private Real Estate Investment Trust No. 3	September 2022	39.5%
Ascendas C62 Park (Shanghai) Co., Ltd.	October 2022	100%
Yuanying (Foshan) Warehousing Services Co., Ltd	December 2022	100%

The disposed subsidiary previously contributed net profit of \$7 million from 1 January 2022 to the date of disposal.

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022

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

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

The disposed subsidiaries previously contributed net profit of \$33 million from 1 January 2021 to the date of disposal.

(d) Effects of disposals

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

	Note	The Group	
		31 December 2022 \$'M	31 December 2021 \$'M
Property, plant and equipment		*	1
Investment properties	8	1,646	1,015
Trade and other receivables		13	26
Cash and cash equivalents		28	114
Trade and other payables		(68)	(37)
Other current liabilities		(7)	–
Borrowings	16	(707)	(348)
Other non-current liabilities		(42)	(46)
Non-controlling interests		(230)	(143)
Equity interest retained as joint venture		(3)	–
Net assets disposed		630	582
Realisation of reserves		(7)	(5)
Gain on disposal of subsidiaries		207	211
Sale consideration		830	788
Deferred proceeds and other adjustments		(79)	(95)
Deposits received in prior years		–	(6)
Cash of subsidiaries disposed		(28)	(114)
Cash inflow on disposal of subsidiaries		723	573

* Less than \$1 million

22 Business Combinations

The Group acquires subsidiaries/entities that own real estate which are not under common control. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. Typically, the Group assesses the acquisition as a purchase of business when the strategic management function and the associated processes were purchased along with the underlying properties.

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022

In 2022, the Group had the following significant business combination involving entities not under common control:

Acquisition of Oakwood Worldwide (Asia) Pte. Ltd.

On 22 July 2022, the Group acquired 100% of the shares and voting interests in Oakwood Worldwide (Asia) Pte Ltd and its subsidiaries (Oakwood) from Mapletree SR Management Pte. Ltd., a related party. Following the acquisition, Oakwood became wholly-owned subsidiary of the Group.

Oakwood is a premier global serviced apartment provider. The acquisition of Oakwood allows the Group to:

- i) Accelerate the growth in lodging management and increases its global portfolio by about 15,000 units across 81 properties internationally;
- ii) Drive operational and revenue synergies through expansion of the Group's lodging offerings and cement the Group's leading position in the lodging segment globally;
- iii) Complement platform driven by asset-light FRE generation through management and franchising businesses;
- iv) Add new markets including Cheongju in South Korea; Zhangjiakou and Qingdao in China; Dhaka in Bangladesh as well as Washington D.C. in the USA.

From the date of acquisition to 31 December 2022, Oakwood contributed revenue of \$7 million and net profit of \$1 million to the Group's results. If the acquisition had occurred on 1 January 2022, management estimates that the contribution to the Group's revenue and net profits from Oakwood would have been \$13 million and \$2 million respectively. In determining this amount, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2022.

Goodwill of \$49 million was attributed to the lodging management business acquired, which was recognised as a result of the difference between the fair value of the Group's interest in Oakwood and the fair value of the assets acquired and liabilities assumed.

	2022 \$'M
Intangible assets	8
Other current assets	6
Cash and cash equivalents	12
Current liabilities	(10)
Deferred tax liabilities	(1)
Total identifiable net assets	<u>15</u>
Goodwill on acquisition	<u>49</u>
Total purchase consideration	64
Less: cash and cash equivalents in subsidiary acquired	<u>(12)</u>
Net cash outflow on acquisition	<u>52</u>

Total acquisition-related costs of \$3 million related to stamp duties, legal, due diligence and tax advisory fees were included in administrative expenses in the current year.

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022

Measurement of fair value

The measurement technique used for measuring the fair value of the material assets acquired and liabilities assumed were as follows:

Assets acquired and liabilities assumed	Valuation technique
Intangible assets	Intangible assets mainly consist of management contracts for which independent valuation is conducted using the multi-period excess earnings method. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.
Other current assets and liabilities	Other current assets and liabilities include trade and other receivables, cash and cash equivalents, trade and other payables, and other current liabilities. The fair values of these assets and liabilities are determined to approximate the carrying amounts since they are short term in nature.

In 2021, there were no significant business combinations.

23 Commitments

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

	The Group	
	31 December 2022 \$'M	31 December 2021 \$'M
Commitments in respect of:		
- capital expenditure contracted but not provided for in the financial statements	17	12
- development expenditure contracted but not provided for in the financial statements	374	500
- capital contribution in associates, joint ventures and investee companies	940	944
- purchase of land/ properties contracted but not provided for in the financial statements	107	92
	1,438	1,548
Notional principal value of interest rate swaps, forward foreign exchange contracts and cross currency swaps	5,592	6,188

24 Financial Guarantee Contracts and Contingent Liabilities

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

CAPITALAND INVESTMENT LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2022

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

- (i) As at 31 December 2022, two subsidiaries of the Group have pledged their shares in joint ventures for term loan and revolving facilities of \$1,076 million (2021: \$1,062 million) obtained by the joint ventures. As at 31 December 2022, the outstanding amount was \$982 million (2021: \$933 million).
- (ii) As at 31 December 2022, a subsidiary of the Group has provided several undertakings on cost overrun, security margin and interest shortfall on several basis as well as project completion undertakings on a joint and several basis, in respect of term loan and revolving construction facilities amounting to \$351 million (2021: \$390 million) granted to joint ventures. As at 31 December 2022, the amounts outstanding under the term loan and revolving facilities is \$224 million (2021: \$197 million).
- (iii) As at 31 December 2021, a subsidiary of the Group provided an indemnity for banker's guarantee issuance on a joint and several basis, in respect of term loan and revolving loan facilities amounting to \$162 million granted to a joint venture. As at 31 December 2022, there was no financial guarantees arising from the term loan and revolving loan facilities as the facilities were refinanced during the year.

1. Review of Performance

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

(A) Revenue

The Group's revenue for 2H 2022 increased by 22% to \$1,522 million (2H 2021: \$1,244 million) driven mainly by the strong operating performance from the Group's lodging properties as international travel recovers, contributions of a newly acquired data centre in China, student accommodation and rental housing properties in USA and Japan as well as higher fee revenue from lodging management business. These were partially offset by the absence of contributions from properties divested in Japan in 2021 and Singapore in 1H 2022.

(B) Cost of Sales

In line with higher revenue, cost of sales increased by 25% to \$866 in 2H 2022.

(C) Other Operating Income

Other operating income comprises interest income, distribution income, foreign exchange gain, as well as non-recurrent income such as government grants, income from pre-termination of contracts, income support, forfeiture of deposits, mark-to-market gain on derivative instruments, fair value gains from the revaluation of investment properties, and gains from divestment of properties or change of ownership interests in equity investments (Please refer to page 17).

Other operating income for 2H 2022 increased by 6% to \$471 million (2H 2021: \$444 million), mainly coming from higher interest income, mark-to-market gain from derivative instruments and higher portfolio gain. These were partially offset by lower government grants received and absence of income support received.

- (i) The higher interest income in 2H 2022 mainly due to higher interest rates for the period.
- (ii) 2H 2022 portfolio gain arose mainly from the divestment of logistic and business park properties in China and an office building in Korea.
- (iii) The mark-to-market gain relates to the realised gains from the settlement of interest rate swap contracts upon maturity.

(D) Administrative Expenses

Administrative expenses comprised staff costs, depreciation, amortisation and other miscellaneous expenses. Excluding the impact of the non-recurring listing and restructuring expenses, administrative expenses was lower by 16% mainly due to lower staff costs.

(E) Other Operating Expenses

Other operating expenses comprised mainly foreign exchange loss, impairment of assets, fair value loss from assets and loss from change of ownership interests in equity investments. (Please refer to page 17)

The lower other operating expenses in 2H 2022 was mainly due to the absence of losses from the restructuring of the Group's interests in the six Raffles City properties¹ in China and absence of impairment of intangible assets recorded in 2H 2021, partially offset by foreign exchange loss recorded in 2H 2022.

¹ The Group recognised a net gain of \$119 million and \$274 million from the restructuring of the Group's interests in the six Raffles City properties in China in 2H 2021 and FY 2021 respectively.

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The foreign exchange loss arose mainly from the revaluation of AUD, EUR, JPY and RMB receivables in SGD denominated subsidiaries as these currencies depreciated against SGD during the period as well as the revaluation of SGD and USD payables in INR and RMB denominated subsidiaries as INR, RMB and PHP depreciated against SGD and USD during the period.

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

Share of results from associates in 2H 2022 fell 68% to \$193 million (2H 2021: \$610 million) due mainly to fair value loss from the revaluation of investment properties as compared to fair value gain recorded in 2H 2021 and lower portfolio gain due to the absence of gain from the restructuring of Raffles City portfolio¹ in China.

Share of results from joint ventures for 2H 2022 decreased 64% to \$61 million (2H 2021: \$167 million), mainly due to lower gain from the revaluation of investment properties.

¹ The Group recognised a net gain of \$119 million and \$274 million from the restructuring of the Group's interests in the six Raffles City properties in China in 2H 2021 and FY 2021 respectively.

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

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

The Group recorded tax expenses of \$193 million in 2H 2022 (2H 2021: \$200 million). Included in 2H 2022 tax expense was a tax provision \$11 million in respect of prior years (2H 2021: \$9 million).

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

The net gains/ (losses) from the sale of investments for the six-month period ended 31 December 2022 and 31 December 2021 were as follows:

<u>Six-month period ended 31 December 2022</u>	PATMI (\$'M)
La Clef Tour Eiffel Paris, France	42
Jongro Place, Korea	16
International Tech Park Pune – Hinjawadi, India	10
Five Rental Housing Properties in Japan	12
The Standard at Columbia, USA	7
Ascendas i-Link, China	7
Write back of listing and restructuring expenses	23
Others	18
	135

<u>Six-month period ended 31 December 2021</u>	PATMI (\$'M)
Six Raffles City properties, China	119
Yokohama Blue Avenue, Japan	43
Shinjuku Front Tower, Japan	34
One George Street, Singapore	16
Gain from acquisition of additional stake in LuOne, China	12
Dilution of equity interest in CapitaLand China Trust (CLCT)	(12)
Net listing and restructuring expenses	(21)
Others	(13)
	178

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

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

2H 2022 exchange differences arose mainly from the appreciation of SGD against RMB, MYR, INR, GBP, AUD and JPY by 5.6%, 4.9%, 10.2%, 5.0%, 7.1% and 5.5% respectively during the period.

FY 2022 exchange differences arose mainly from the appreciation of SGD against RMB, MYR, INR, GBP, AUD and JPY by 9.0%, 7.8%, 11.2%, 11.6%, 10.1% and 16.0% respectively, partially offset by depreciation of SGD against USD by 1.3% during the year.

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

The effective portion of change in fair value of cash flow hedges for 2H 2022 and FY2022 arose mainly from the mark-to-market gains of the Group's interest rate swaps and cross currency swaps contracts which were entered into for hedging purposes.

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

The share of other comprehensive income of associates and joint ventures relates mainly to share of foreign currency translation. 2H 2022's share of exchange difference arose mainly from the depreciation of RMB against USD and SGD by 3.8% and 5.6% respectively.

FY2022's share of exchange differences arose mainly from the depreciation of RMB against USD and SGD by 9.4% and 9.0% respectively. The Group's share of effective portion of change in fair value of cash flow hedges for FY 2022 arose mainly from the mark-to-market gains of the interest rate swap contracts which were entered into by associates and joint ventures.

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

(A) Intangible assets

The increase was mainly due to goodwill and other intangible assets arising from the acquisition of a lodging management platform.

(B) Investment properties

The decrease was mainly due to the disposals of an office building in Singapore and Korea, a business park and a logistic facility in China, reclassification of a hotel in Singapore to property, plant and equipment, reclassification of a business park in India and two data centres in China to asset held of sale and foreign currency translation losses. The decrease was partially mitigated by the acquisitions of an office, two data centres and a logistic facility in China, six lodging properties in Japan, USA and France as well as fair value gain for the year.

(C) Trade and other receivables

The decrease was mainly due to the receipt of consideration pertaining to the divestment of associates in FY 2021. The increase in the Company's trade and other receivables was mainly due to higher loan receivables due from CLI Treasury Limited.

(D) Cash and cash equivalents

The cash balances as at 31 December 2022 included \$1.2 billion held at CapitaLand Investment Limited and its treasury vehicles (comprising CLI Treasury Limited and The Ascott Capital Pte Ltd).

(E) Borrowings

The decrease in the Group's borrowings was mainly due to the net repayment of borrowings and debt securities.

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(F) Other Reserves

The change in other reserves was mainly due to foreign currency translation differences arising from the appreciation of SGD against RMB, AUD, Euro, GBP, JPY, INR and MYR during the year as well as the purchase of treasury shares.

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

(A) Cash from operating activities

In 2022, the Group generated net cash from operating activities of \$735 million (2021: \$667 million), mainly from the recurring cashflow from investment properties portfolio as well as fee income from fee income-related businesses.

(B) Cash from investing activities

Net cash used in investing activities for 2022 was \$382 million, mainly attributable to the acquisition/development expenditure of investment properties, property, plant and equipment and subsidiaries, partially mitigated by the proceeds from divestments of investments as well as dividends received from associates and joint ventures.

(C) Cash from financing activities

Net cash used in financing activities for 2022 was \$1,370 million, mainly attributable to dividends paid to shareholders and non-controlling interests, interest expense paid and purchase of treasury shares, partially mitigated by the contributions from non-controlling interests and net proceeds from bank borrowings and debt securities.

1(e) Group Overview

	Six-month period ended			FY 2022		
	31 December 2022	31 December 2021	Better/ (Worse)	31 December 2022	31 December 2021	Better/ (Worse)
	\$'M	\$'M	(%)	\$'M	\$'M	(%)
Revenue	1,522	1,244	22.3	2,876	2,293	25.4
Earnings before Interest, Tax Depreciation and Amortisation (EBITDA)	1,093	1,186	(7.8)	1,966	2,469	(20.4)
Finance costs	(235)	(170)	(38.2)	(432)	(353)	(22.4)
Profit Before Taxation	783	934	(16.2)	1,388	1,956	(29.0)
Total PATMI	428	647	(33.8)	861	1,349	(36.2)
Comprising:						
Operating PATMI ¹	263	233	12.9	609	497	22.5
Portfolio gains ²	135	178	(24.2)	222	616	(64.0)
Revaluation gains and impairments	30	236	(87.3)	30	236	(87.3)

Notes:

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

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Six-month period ended: 31 December 2022 (2H 2022) vs 31 December 2022 (2H 2021)

Revenue

The Group's revenue grew 22% to \$1,522 million in 2H 2022, boosted by the strong recovery of the lodging business and contribution from newly acquired properties. The recovery of the lodging business was on the back of resumption of international travel which drove higher occupancy and room rates for the Group's lodging properties. The revenue growth was also contributed by the newly acquired properties in China, USA and Japan, partially offset by the absence of contribution from properties divested in Japan and Singapore.

Collectively, the Group's two core markets, Singapore and China, accounted for 33% (2H 2021: 43%) of the Group's total revenue. There was increased revenue contribution from the other developed markets during the period which accounted for 56% (2H 2021: 47%) of total revenue.

EBITDA

EBITDA for 2H 2022 fell 8% to \$1,093 million as compared to \$1,186 million in 2H 2021 mainly attributable to lower gain from the revaluation of investment properties. Excluding the impact of unrealised revaluation and impairment, the Group reported EBITDA of \$956 million which is 20% higher than 2H 2021. The improvement in EBITDA was mainly due to higher portfolio gain from asset recycling and improved contribution from the Group's lodging operations. The increase was partially offset by foreign exchange losses of \$85 million (2H 2021: gain of \$1 million) which arose mainly from the appreciation of SGD against major foreign currencies like AUD, EUR, INR, JPY and RMB during the period, mostly unrealised in nature.

Portfolio gain in 2H 2022 of \$215 million (2H 2021: \$167 million) were mainly from the divestment of serviced residence properties in France and Vietnam, an office building in Korea, an IT Tech Park in India, five rental housing in Japan, a retail mall in Malaysia as well as one business park and two logistics properties in China.

The Group recorded a net fair value gain from revaluation of investment properties of \$148 million (2H 2021: \$255 million) by our subsidiary's projects, and net fair value loss of \$8 million (2H 2021: gain of \$139 million) recorded through share of associates and joint ventures as well as a net loss of \$3 million (2H 2021: \$2 million) pertaining to equity investments. The net revaluation gain arose mainly from our portfolio of lodging properties in Singapore, USA and UK, new economy properties in India and China, as well as offices and malls in Singapore. The gain was partially offset by the revaluation losses mainly from our malls and offices in China as properties' performance was impacted by the lockdown as well as selected properties in UK and Europe.

EBITDA Contribution by Geography

In terms of contribution by geographical segments, approximately \$926 million or 85% of the Group's EBITDA were derived from developed markets and \$167 million or 15% derived from emerging markets. Collectively, the Group's two core markets, Singapore and China, accounted for 38% and 10% of the Group's EBITDA for 2H 2022 respectively.

PATMI

Overall, the Group recorded a PATMI of \$428 million in 2H 2022, 34% lower than the same period last year as a result of lower gains from the revaluation of investment properties and asset recycling. The Group's operating PATMI grew 13% in 2H 2022 underpinned by the strong operating performance from our lodging operations.

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Full Year 31 December 2022 (FY 2022) vs 31 December 2021 (FY 2021)

Revenue

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

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

EBITDA

EBITDA for FY 2022 declined 20% to \$1,966 million primarily due to the lower gains from the revaluation of investment properties and asset recycling, partially mitigated by improved EBITDA from operation. The Group achieved 8% increase in EBITDA from operation driven by improved performance from the lodging management business and lodging properties, retail malls in Singapore and Malaysia following the lifting of travel curbs and Covid-19 restrictions, higher event-driven fees from managed funds, as well as contributions from newly acquired assets in China, USA and Japan. This was partially offset by higher rental rebates extended to our tenants in China and foreign exchange loss recorded in FY 2022.

Portfolio gain in FY 2022 of \$348 million (FY 2021: \$699 million) were mainly from the divestment of lodging properties in France, Vietnam, USA and Australia, an office building in Korea, an IT Tech Park in India, five rental housing in Japan, an office building and a retail mall in Singapore, a retail mall in Malaysia and three business park and logistics properties in China.

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

In terms of contribution by geography segment, approximately \$1,623 million or 83% (FY 2021: \$1,699 million or 69%) of the Group's EBITDA were derived from developed markets and \$343 million or 17% (FY 2021: \$770 million or 31%) contributed by emerging markets. Collectively, the Group's two core markets, Singapore and China, accounted for 47% and 11% of the Group's EBITDA for FY2022 respectively.

Singapore EBITDA increased by \$112 million, mainly attributed to higher gain from asset recycling, higher fees from fund management and stronger operating performance from lodging and retail properties, partially offset by lower gain from the revaluation of investment properties.

China EBITDA declined by \$484 million, mainly due to lower portfolio gain realised in FY 2022 and the higher rental rebates extended to tenants in FY 2022. These were partially mitigated by the contributions from the newly acquired data centre and IT park as well as lower loss from the revaluation of investment properties.

Finance Cost

Finance costs for FY 2022 increased 22% to \$432 million (FY 2021: \$353 million) on account of higher external borrowings and interest rates, partially mitigated by savings from the capitalisation of certain loans from the Group's immediate holding company, CapitaLand Group Pte. Ltd. and its subsidiaries, following the listing of the Group. The Group's implied interest cost for FY2022 was higher at 3.1% (FY 2021: 2.7%)

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PATMI

The Group recorded a PATMI of \$861 million in FY 2022 amid the challenging macroeconomy conditions which impacted the velocity of the Group's asset recycling activities and revaluation of investment properties, particularly in China. Excluding these non-operating gains, the Group achieved a 23% increase in operating PATMI to \$609 million, led by the stronger performance from the Group's lodging properties under REIB, and fund management and lodging management businesses under FRB.

Segment Performance

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

Fee Income-Related Business (FRB)

	Six-month period ended			Full Year		
	31 December 2022 \$'M	31 December 2021 \$'M	Better/ (Worse) (%)	31 December 2022 \$'M	31 December 2021 \$'M	Better/ (Worse) (%)
Revenue	479	468	2.4	955	905	5.5
EBITDA	181	180	0.6	406	315	28.9

Revenue for 2H 2022 comprised fee income from fund management of \$193 million (2H 2021: \$213 million), lodging management of \$140 million (2H 2021: \$103 million) and property management of \$146 million (2H 2021: \$152 million). For FY 2022, the revenue comprised fee income from fund management of \$400 million (FY 2021: \$409 million), lodging management of \$258 million (FY 2021: \$190 million) and property management of \$297 million (FY 2021: \$306 million).

The higher revenue in 2H 2022 and FY 2022 mainly came from better operating performance from the Group's lodging management business on the recovery of travel demand as well as the contributions from new management contracts, partially offset by lower transactional fees from the listed REITs.

In addition to the higher revenue, 2H 2022 EBITDA was further boosted by the event-driven fees from two private funds, recognised under other operating income.

As at 31 December 2022, the FUM of the Group stood at \$88 billion, an increase of \$2 billion over the FUM as at 31 December 2021. The increase in FUM was mainly due to acquisition of assets by the listed REITs and unlisted funds as well as establishment of new funds in 2022.

Real Estate Investment Business (REIB)

	Six-month period ended			Full Year		
	31 December 2022 \$'M	31 December 2021 \$'M	Better/ (Worse) (%)	31 December 2022 \$'M	31 December 2021 \$'M	Better/ (Worse) (%)
Revenue	1,143	835	36.9	2,110	1,506	40.1
EBITDA	881	1,099	(19.8)	1,519	2,230	(31.9)

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The higher revenue in 2H 2022 and FY 2022 was mainly attributable to better operating performance from the Group's lodging properties on account of higher revenue per available unit (REVP AU) and occupancy with the relaxation of travel restrictions across geographies, as well as the contributions from the newly acquired data centre, IT park, student accommodation and rental housing properties in China, USA and Japan. These were partially offset by the loss of contributions from the properties divested in Japan, China and Singapore.

The decline in EBITDA for 2H 2022 and FY 2022 was mainly attributed to lower gains from the revaluation of investment properties and asset recycling, higher rental rebates extended to tenants in China, foreign exchange loss as well as lower effective share of contributions from assets recycled to funds. These were partially mitigated by improved performance from the lodging properties, retail malls in Singapore and Malaysia, as well as contributions from newly acquired assets in China, USA and Japan.

Corporate and others

	Six-month period ended			Full Year		
	31 December 2022 \$'M	31 December 2021 \$'M	Better/ (Worse) (%)	31 December 2022 \$'M	31 December 2021 \$'M	Better/ (Worse) (%)
Revenue	(100)	(59)	(69.5)	(189)	(118)	(60.2)
EBITDA	31	(93)	NM	41	(76)	NM

NM: Not meaningful

Corporate includes corporate office costs recovery and group eliminations.

The higher EBITDA was mainly due to the write back of transaction cost relating to the listing and restructuring of the Group provided in FY 2021 and absence of management fee paid to the parent group prior to the listing of the Company in September 2021.

2. Variance from Prospect Statement

The Company released its Third Quarter Business Update on 4 November 2022.

The 2H 2022 operating performance was broadly in line with the guidance provided.

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

The International Monetary Fund (IMF) has projected global GDP to slide from 3.4% in 2022 to 2.9% in 2023¹. However, with the re-opening of China, IMF is projecting an improvement in global economic outlook. While macroeconomic challenges are expected to remain, with a rise in central bank interest rates to fight inflation, IMF expects inflation to fall from 8.8% in 2022 to 6.6% in 2023.

¹ International Monetary Fund "World Economic Outlook Update". January 2023.

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CLI is committed to growing its fee-income related business and real estate investment business. In 2022, the Group saw gradual improvement in its operating performance across geographies, as economies re-opened post COVID-19. With the relaxation of China's zero-COVID policy in December 2022, the Group expects business confidence and economic activities to steadily resume in China, which will improve CLI's property performance, as well as investors' appetite for fund and asset opportunities in the country. As travel further normalises, this will also benefit CLI's lodging management business, both within and outside of China.

The Group is focused on growing our funds under management (FUM). We will do this by supporting the continued growth of our public funds platform, as well as accelerating private fund raising momentum. On the lodging front, we are confident that through a globally diversified portfolio, we are well-positioned to capture demand from asset owners and consumers. We will also continue to expand into resilient, longer-stay lodging sub-asset classes, while growing our lodging management business in an asset-light and capital efficient manner.

CLI's strong balance sheet ensures business resilience and flexibility to pursue growth and opportunities. Given rising interest rates, we will closely monitor our cash management, leverage levels, debt maturities and tax efficiency, as well as proactively diversify our funding sources to ensure financial resilience and flexibility. The Group will also maintain discipline in capital recycling to provide us an additional source of funds for growth and potentially convert these assets into fee-income generating FUM by divesting them to our fund vehicles.

CLI expects to update our targets for CapitaLand 2030 Sustainability Master Plan in 2023, to ensure their continued relevance and alignment to our commitment to achieve net zero emissions by 2050.

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

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

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

Not applicable.

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

7. **Interested Person Transactions**

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

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

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

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

Not applicable

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

Please refer to item 1(e).

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

	2022	2021	Better/ (Worse)
	\$M	\$M	%
(a) Revenue			
- first half	1,354	1,049	29.1
- second half	1,522	1,244	22.3
Full year revenue	2,876	2,293	25.4
(b) Profit after tax before deducting minority interests			
- first half	480	826	(41.9)
- second half	590	734	(19.6)
Full year profit after tax before deducting minority interests	1,070	1,560	(31.4)

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

Barring unforeseen circumstances, the Company's policy is to declare a dividend of at least 30% of the annual cash PATMI, defined as sum of operating PATMI, portfolio gain/loss and realised revaluation gain/loss.

The Board proposed the following dividends for the financial year ended 31 December 2022, subject to shareholders' approval.

Name of Dividend	Current financial year ended 31/12/2022		
	Ordinary	Special	Total
Dividend per Share	12.0 cents	0.057 unit per ordinary share	
Type of Dividend	Cash	Distribution <i>in specie</i> of 292 million units in CLAS	
Total Annual Dividend (\$M)	614	304	918

The above dividend amounts are estimated based on the number of issued shares (excluding treasury shares) as at 31 December 2022 and the share price of CLAS as of 22 February 2023. The actual dividend payment can only be determined on books closure date.

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Name of Dividend	Previous financial year ended 31/12/2021		
	Ordinary	Special	Total
Dividend Per share	12.0 cents	3.0 cents	15 cents
Type of Dividend	Cash	Cash	Cash
Total Annual Dividend (\$M)	618	154	772

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

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

BY ORDER OF THE BOARD

Michelle Koh
Company Secretary
23 February 2023

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